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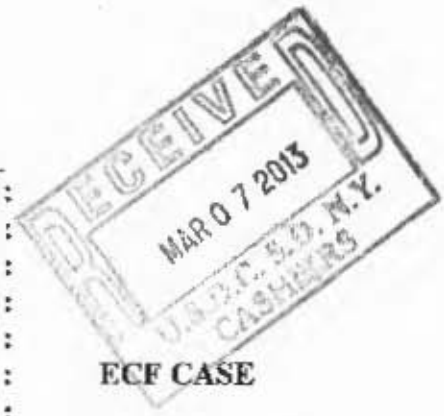
13 CV 1537

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



SECURITIES AND EXCHANGE COMMISSION,	
Plaintiff,	
-against-	**ECF CASE**
BRIAN R. REISS,	**COMPLAINT**
Defendant.	

Plaintiff Securities and Exchange Commission ("Commission"), for its Complaint against defendant Brian R. Reiss ("Reiss"), alleges as follows:

SUMMARY

1. This action concerns a legal opinion letter business Reiss operates that facilitated the fraudulent sale of securities in violation of the registration provisions of the federal securities laws. On multiple instances beginning in at least 2008, Reiss drafted and executed legal opinion letters which caused the transfer agents to remove restrictive legends on stock certificates representing shares of Intellect Neurosciences, Inc. ("ILNS") and other publicly traded companies. Reiss used a website, 144letters.com, to promote his services. When he drafted and executed the legal opinion letters, Reiss made materially false and misleading statements and misrepresented critical facts with no

reasonable basis, based on non-existent "investigations" he claimed to have conducted.

2. The false and misleading statements Reiss made in the legal opinion letters he drafted and executed induced the transfer agents for ILNS and other public companies to remove the restrictive legends and permit the sale of shares to the public. Reiss provided the legal opinion letters to transfer agents who required assurances, in the form of legal opinion letters, that the transactions qualified for an exemption from the registration requirements under the federal securities laws. With this assurance, the transfer agents issued stock certificates without restrictive legends allowing the stock to be traded freely, known as "free-trading" stock.

3. Reiss knew, or was reckless in not knowing, that the shareholders seeking his opinion letters intended to sell the stock on the public markets and that the transfer agents would rely on his opinion letters to issue stock certificates without restrictive legends. Reiss repeatedly drafted and executed opinion letters containing inaccurate statements without making even a token inquiry, much less a reasonable inquiry, into the underlying facts. Through his conduct, Reiss, directly or indirectly, engaged in acts, practices, and courses of business which constituted and, if allowed to continue, will constitute violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c) and 77q(a)] and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder.

4. Reiss, unless enjoined by this Court, will continue to engage in the acts, practices, and courses of business alleged herein, and in acts, practices and courses of business of similar purport and object.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

5. The Commission brings this action pursuant to the authority conferred upon it by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]. The Commission seeks an order to permanently restrain and enjoin Reiss from violating Sections 5(a), 5(c) and 17(a) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)], and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; from providing legal services to any person or entity in connection with an unregistered offer or sale of securities; and imposing a penny stock bar pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)]. The Commission also seeks a final judgment ordering Reiss to disgorge his ill-gotten gains together with prejudgment interest thereon, and to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Finally, the Commission seeks any other relief the Court may deem just and appropriate.

JURISDICTION AND VENUE

6. This Court has jurisdiction over this action pursuant to Section 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(d) and 77v(a)], and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa]. Venue lies in this Court pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], and Sections 21(d), 21A, and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u-1 and 78aa]. Certain of the acts, practices, transactions, and courses of business alleged in this Complaint occurred within the Southern District of New York and were effected, directly or indirectly, by making the use of means or instrumentalities of transportation or

communication in interstate commerce, or the mails. During the time at issue, Reiss drafted and executed opinion letters relating to shares of companies based in New York, New York, including ILNS, and provided services to shareholders based in New York, New York, including an ILNS shareholder discussed herein.

DEFENDANT

7. **Reiss**, age 59, resides in Huntington Beach, California. Reiss is an attorney licensed to practice law in the state of California.

RELEVANT ISSUERS

8. **ILNS** is a Delaware corporation headquartered in New York, New York.

9. **Hybrid Technologies** ("Hybrid"), formerly a Nevada corporation, had common stock registered with the Commission pursuant to Section 12(g) of the Exchange Act.

10. **PrimeGen Energy Corporation** ("PrimeGen"), a Nevada corporation, was incorporated in 2005 as Maysia Resources Corporation, and changed its name to PrimeGen on August 29, 2006. PrimeGen's common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act.

FACTS

The Role of Transfer Agents

11. A core responsibility of a transfer agent is to issue and cancel a company's stock certificates to reflect changes in ownership. Generally, stock issued in a public offering registered under the federal securities laws is "unrestricted," meaning that the shares can be traded as free-trading stock. On the other hand, stock issued not as part of a public offering registered under the federal securities laws is "restricted," meaning that it

cannot be freely traded. The restriction is usually reflected in the stock certificate in the form of a stamped legend on the certificate. The lack of a registered offering means that certain disclosure requirements and other safeguards required by the registration provisions of federal securities laws have not been met. Shares represented by stock certificates bearing restrictive legends cannot be traded as easily as shares represented by stock certificates without restrictive legends.

12. Before transfer agents will remove the restrictive legends and issue unrestricted stock certificates in connection with an unregistered securities transaction, many require a lawyer's opinion explaining why it would be legal for the transfer agent to issue unrestricted stock certificates.

13. Transfer agents, and attorneys providing legal opinion letters to transfer agents, typically consider it relevant whether a shareholder is an affiliate of an issuer. Securities Act Rule 144(a)(2) defines an "[a]n affiliate of an issuer [as] a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer." Although there is no statutory threshold, a common benchmark for determining whether a shareholder will likely be deemed an affiliate is if the shareholder owns 10% or more of an issuer's outstanding equity securities.

14. If a selling shareholder is an affiliate, the shareholder cannot sell the stock unless the shareholder complies with the requirements of Rule 144 of the Securities Act, including satisfying a holding period, volume limitation, manner of sale (i.e. whether a transaction is through a broker), and filing Form 144 with the Commission.

144letters.com and Reiss's General Operating Procedures

15. Reiss is a sole practitioner whose legal practice is comprised almost entirely of drafting and executing legal opinion letters. Reiss set up, maintains, and controls a website called 144letters.com that promotes his legal opinion letter business. The website offers "shareholder relations services" and notes "penny stocks not a problem." From at least 2008 to 2010, the website advertised a $285 rate for each legal opinion letter and also a "volume discount" rate of $195 per letter.

16. Reiss steered potential customers to his website by making bids on search terms through Google's AdWords. Reiss selected search terms designed to attract all customers looking for an attorney to draft and execute a legal opinion letter. Reiss paid for 144letters.com to show up in search results for search terms including "Rule 144," "Restricted Opinions," "Restricted stock," and "Rule 144 opinions."

17. Reiss relied on a computer-generated template to generate each legal opinion letter. Using this template, Reiss only spent between 15 minutes to an hour drafting each opinion letter. Reiss's legal opinion letters typically included a series of facts and representations allegedly made by the selling shareholder. These purported facts included statements relating to the seller's affiliate status, the history of the seller's ownership, and other facts relevant to the analysis Reiss purported to provide. In his opinion letters, Reiss typically referred to all selling shareholders — whether male, female, or a corporate entity — using the pronoun "it."

18. Reiss considered the language in his legal opinion letters concerning the affiliate status of the seller to be a "boilerplate statement," and did not obtain a written representation from the seller, or even talk to the seller, prior to including such a

representation in an opinion letter. Reiss also typically did not take any steps to verify whether the selling shareholder seeking the opinion letter was an affiliate of the issuer.

Pink Sheets Formally Bans Reiss from Providing Legal Opinions

19. In March 2006, OTC Markets Group Inc. ("Pink Sheets") sent Reiss a letter stating that Pink Sheets "will no longer accept legal opinions from you or your firm." Pink Sheets stated that the legal opinions Reiss provided to them "strongly suggest that you did not perform the legal work necessary to support the assertions made in such opinions." As detailed below, even after being banned by Pink Sheets from providing legal opinions, Reiss continued to write baseless and legally deficient opinion letters advising transfer agents that that the stock in question could be issued without a restrictive legend, thus allowing the stock to be sold as free trading stock into the market.

Reiss's False ILNS Opinion Letters

20. In 2008, Reiss drafted and executed legal opinion letters for ILNS that permitted the primary shareholders of ILNS to sell securities which had previously been restricted.

21. ILNS's public filings revealed that David Blech ("Blech") provided ILNS "significant consulting services" and also "arranged for third parties to invest the majority of the funds" ILNS received through at least 2008. These same public filings detailed that Blech previously pled guilty to securities fraud and was barred from association with a broker-dealer by the Commission for his activities as President of D. Blech and Co. in the 1990s. ILNS's public filings also disclosed that Blech's wife, Margaret Chassman ("Chassman"), held a significant percentage of ILNS's stock and that other members of Blech's family had significant holdings as well. The Form 10-K for the year ending June

30, 2007, in fact, explicitly stated that Chassman owned 17.37% of ILNS's outstanding stock and also stated that Blech's other family members owned an additional 12.07% of ILNS.

22. Despite this publicly available information about Blech's and Chassman's roles in ILNS, Reiss drafted and executed three opinion letters in 2008 that stated that Chassman and Blech's other family members were *not* affiliates of ILNS. Reiss drafted and executed these letters after Blech's office contacted Reiss to obtain legal opinion letters relating to shares Chassman and two of Blech's other relatives owned so that they could sell them. The more than 4.7 million shares at issue in these requests represented approximately 15% of ILNS's outstanding shares. The requests for legal opinion letters to Reiss did not make any representations regarding the affiliate status of Chassman and Blech's other relatives.

23. On April 4, April 8, and May 5, 2008, Reiss drafted and executed opinion letters for Chassman and Blech's relatives. Reiss stated that his legal conclusion, based on the sellers' representations and his "own investigation," was that the proposed sale of shares "will be exempt from registration requirements" pursuant to Rule 144 of the Securities Act.

24. Reiss's ILNS opinion letters contained false and misleading statements. Reiss's claim that his legal conclusion was based on the selling shareholders' representations to him about their affiliate status was false. For example, the opinion letter Reiss drafted and executed on April 4, 2008 concerning Chassman's shares said: "The Seller represents that it [sic] is not an affiliate or a control shareholder of the Company [ILNS], and is not selling on behalf of an affiliate." However, there had been

no representation by Chassman, Blech, or anyone else about Chassman's affiliate status.

25. Reiss's legal opinion letters were also false and misleading in that he claimed his legal conclusions were based on his "investigation," though he did not conduct even a minimal investigation. In fact, Reiss took no steps and failed to perform any due diligence before drafting and executing the opinion letters for ILNS. For example, Reiss did not even review ILNS's public filings prior to issuing the opinion letters.

26. In fact, a representation that the three selling shareholders were not affiliates is false. Blech, Chassman, and Blech's other relatives who were seeking opinion letters from Reiss were all affiliates of ILNS, as defined by Rule 144(a)(2) of the Securities Act.

27. Blech was an affiliate of ILNS because he, directly and indirectly, controlled ILNS by providing ILNS with most of its financing, including arranging for third parties to provide the majority of ILNS's funds in 2008. Additionally, Blech controlled transactions between ILNS and Chassman. Specifically, Blech initiated, funded, and negotiated transactions with ILNS in Chassman's name that resulted in Chassman's substantial debt and equity holdings in ILNS.

28. Chassman was an affiliate of ILNS based on her own holdings, which were disclosed in ILNS's Form 10-K for the year ending June 30, 2007, to be over 17% of ILNS's outstanding stock. Chassman was also an affiliate of ILNS because Blech controlled her transactions, and she, therefore, acted as an intermediary between Blech and ILNS. Additionally, ILNS relied on monies transferred from Chassman's accounts to fund its basic operations.

29. Blech's other family members seeking opinion letters from Reiss were also affiliates of ILNS. Under Rule 144 of the Securities Act, shareholders who are controlled by the same person that controls the issuer are deemed affiliates of the issuer. Here, because Blech also controlled his relatives' accounts and all of their transactions with ILNS, they were under common control with ILNS as well.

30. Reiss's failure to perform any basic due diligence before drafting and executing his legal opinion letters was especially egregious as to his April 4, 2008 Chassman letter because the 2.8 million shares at issue in that opinion letter constituted over 9% of ILNS's outstanding shares and Chassman's role at ILNS was highlighted in ILNS's public disclosures.

31. As Reiss knew or was reckless in not knowing, but for his legal opinion letters, the transfer agent would not have issued the ILNS stock certificates without restrictive legends. Reiss's involvement in the transactions was necessary in order for the shares to be sold as free-trading stock. By drafting, executing and providing his legal opinion letters to ILNS's transfer agent, Reiss participated in the unregistered sales of ILNS securities.

32. Prior to this action, Reiss's opinion letters concerning ILNS dated April 4, April 8, and May 5, 2008 led to transactions that the Commission alleged to have violated the federal securities laws in *SEC v. Blech et ano.*, No. 12-3703, (S.D.N.Y. May 10, 2012).

Reiss's Additional False Opinion Letters

33. Reiss's false and misleading legal opinion letters concerning ILNS were not isolated incidences. Reiss also drafted and executed false and misleading opinion

letters for Hybrid and PrimeGen. As detailed below, Reiss drafted and executed each of these legal opinion letters, which included false and misleading statements.

Hybrid

34. Hybrid's Form 10-K as of July 31, 2007 indicated that as of that date, Eurolink Corporation ("Eurolink") owned 14,691,254 shares, or 37.2% of the outstanding common stock, of Hybrid and was Hybrid's largest shareholder and beneficial owner. Even after Hybrid issued additional shares and subsequently announced a reverse stock split on January 19, 2008, Eurolink owned 2,098,751 shares, which was over 13% of Hybrid's outstanding stock.[1]

35. Despite all of these public facts concerning Eurolink's ownership position in Hybrid, in 2008, Reiss drafted and executed two legal opinion letters stating that Eurolink was *not* an affiliate or control shareholder of Hybrid. Reiss rendered this opinion without performing any investigation of the relevant facts and despite the publicly disclosed fact that Eurolink was Hybrid largest shareholder as of July 2007 and that by January 2008, Eurolink still held over 13% of Hybrid's outstanding stock.

36. In April 2008, Eurolink's representative contacted Reiss to seek an opinion letter permitting Eurolink to transfer 1,498,751 Hybrid shares, which constituted 9.5% of Hybrid's outstanding shares.

37. On April 21 and April 22, 2008, Reiss drafted and executed legal opinion letters for Eurolink. Reiss stated that his legal conclusion, based on the seller's representation and his "own investigation," was that the proposed sale of the shares "will

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[1] A reverse stock split reduces the number of shares outstanding by a pro rata amount across all shareholders. For example, after a 2:1 reverse stock split a shareholder who previously owned ten shares would own five shares.

be exempt from the registration requirements" pursuant to Rule 144 of the Securities Act.

38. Reiss's Hybrid opinion letters contained false and misleading statements. Reiss's claim that his legal conclusion was based on the selling shareholder's representations to him about its affiliate status was false. For example, Reiss's April 21, 2008 opinion letter stated that: "The Seller represents that it is not an affiliate nor a control shareholder of the Company." However, Reiss did not receive any representations from Eurolink.

39. Reiss's legal opinion letters were also false and misleading in that he claims his legal conclusions were based on his "investigation," though he did not conduct even a minimal investigation. In fact, Reiss took no steps and failed to perform even minimal due diligence before drafting and executing the opinion letters for Hybrid. For example, Reiss did not even review the Form 10-K filed for the period ending July 31, 2007, indicating that Eurolink owned 37% of Hybrid's stock.

40. Reiss's failure to do any due diligence is especially problematic because his opinion letter incorrectly suggests that at the time, Eurolink owned over 50% of Hybrid. Reiss's April 21, 2008 letter stated that stock at issue in his opinion concerned 8.6 million shares of Hybrid and that the "[o]utstanding common shares" for Hybrid are over 15.6 million. Reiss's letter was wrong because the letter incorrectly referenced the pre-reverse stock split shares at issue when describing Eurolink's holdings and the post-reverse stock split shares when describing the outstanding shares. Despite that his own opinion letter indicated that Eurolink owned over 50% of Hybrid's stock, Reiss's opinion was premised on the purported fact that Eurolink was not an affiliate of Hybrid.

41. As Reiss knew or was reckless in not knowing, but for his legal opinion

letters, the transfer agent would not have issued the Hybrid stock certificates without restrictive legends. Reiss's involvement in the transactions was necessary in order for the shares to be sold as free-trading stock.

PrimeGen

42. Reiss also issued opinion letters that facilitated a promotional campaign involving PrimeGen. In March 2009, PrimeGen retained Wall Street Capital Funding LLC ("WSCF"), a stock promoter that earned compensation from repackaging information released by penny-stock companies. WSCF assisted PrimeGen in disseminating over 150 investment opinions, promotional emails, and false press releases claiming repeated and swift success for PrimeGen in drilling oil wells in Russia. The Commission sued WSCF for its participation in this promotional campaign. *See SEC v. Wall Street Capital Funding LLC, et al.*, No. 11-cv-20413 (S.D. Fla. June 10, 2011).

43. To compensate WSCF for its services, PrimeGen arranged for intermediaries to transfer shares to WSCF. The shares WSCF received were initially issued by PrimeGen to a purported Nevis (West Indies) entity named Aquilla Finance Capital Ltd. ("Aquilla") as part of a block of 20.5 million shares on March 16, 2009.

44. PrimeGen sent a letter to Reiss indicating that the 20.5 million shares were issued in exchange for a convertible note purportedly issued to Aquilla in March 2006. The letter was undated, was not on PrimeGen's letterhead, and it included a "conversion notice" signed by Aquilla which merely repeated the same facts about the shares and convertible note.

45. Despite these red flags, and without doing any investigation, Reiss drafted and executed a legal opinion letter on March 16, 2009 concluding that the PrimeGen

shares "may be issued without restrictive legend, and these shares may be freely traded per the provisions of Securities Act Rule 144(b)(1), as amended, and [Section] 4(1) [of the Securities Act]." Reiss wrote, "the Seller [Aquilla] represents that it has owned the [PrimeGen] shares to be issued and sold since [February 21, 2006] and thus is deemed to have been the beneficial owner for a period of at least six months." In his legal opinion letter Reiss also referenced several other representations from the seller [Aquilla] and Reiss's "own investigation."

46. The statements in Reiss's March 16, 2009 opinion letter were false and misleading. Reiss never spoke to the seller, Aquilla, and never received any written representations from Aquilla. Furthermore, despite Reiss's reference in his letter to his "own investigation," he took no steps to verify the authenticity of the documents PrimeGen sent to him or otherwise investigate the circumstances surrounding the transaction about which he was providing a legal opinion.

47. As Reiss knew or was reckless in not knowing, but for his legal opinion letter, the transfer agent would not have issued the PrimeGen stock certificates for the shares Aquilla was seeking to sell without restrictive legends. Reiss's involvement in the transactions was necessary in order for the shares to be sold as free-trading stock. By drafting, executing and providing his legal opinion letters to PrimeGen's transfer agent, Reiss participated in the unregistered sales of PrimeGen securities.

Reiss's Ongoing Conduct

48. Reiss has been operating his business of drafting and executing legal opinion letters since at least 2008 and continues to do so to this day. Reiss drafted and executed over 1,600 legal opinion letters between January, 2008 and December, 2010,

and continues to provide legal opinion letters for unregistered offerings and use 144letters.com to promote his services.

CLAIMS FOR RELIEF

CLAIM I
Violations of Section 17(a) of the Securities Act

49. The Commission re-alleges and incorporates by reference paragraphs 1 through 48, as though fully set forth herein.

50. On multiple instances, as more particularly described above, Reiss, directly or indirectly, in the offer and sale of the securities described herein, by the use of means and instruments of transportation and communication in interstate commerce and by use of the mails, directly and indirectly, employed devices, schemes and artifices to defraud purchasers of such securities.

51. Reiss knowingly, intentionally, and/or recklessly engaged in the aforementioned devices, schemes and artifices to defraud. While engaging in the course of conduct described above, Reiss acted with scienter, that is, with intent to deceive, manipulate or defraud or with a severe reckless disregard for the truth.

52. By reason of the foregoing, Reiss, directly and indirectly, has violated and, unless enjoined, will continue to violate Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

CLAIM II
Violations of Section 10(b) of the Exchange Act
And Rule 10b-5 Thereunder

53. The Commission re-alleges and incorporates by reference paragraphs 1 through 52, as though fully set forth herein.

54. On multiple instances, as more particularly described above, Reiss, directly or indirectly, by the use of the means or instrumentalities of interstate commerce, or of the mails, or a facility of a national securities exchange, in connection with the purchase or sale of securities, knowingly or recklessly: (a) employed devices, schemes or artifices to defraud; or (b) engaged in acts, practices or courses of business which operated or would have operated as a fraud or deceit upon purchasers of the securities, offered and sold by Reiss and other persons.

55. As part of and in furtherance of this violative conduct, Reiss, directly or indirectly, employed the deceptive devices, schemes, artifices, contrivances, acts, transactions, practices, and courses of business and/or made misrepresentations and/or omitted to state the facts alleged above.

56. The false and misleading statements and omissions Reiss made were material.

57. Reiss knew, or was reckless in not knowing, that these material misrepresentations and omissions were false or misleading.

58. The material misrepresentations and omissions were in connection with the purchase or sale of securities.

59. By virtue of the foregoing, Reiss, directly or indirectly, violated, and unless enjoined, will again violate, Section 10(b) of the Exchange Act [15 U.S.C. §

78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

CLAIM III
Violations of Section 5(a) and 5(c) of the Securities Act

60. The Commission re-alleges and incorporates by reference paragraphs 1 through 59, as though fully set forth herein.

61. The ILNS shares and Prime Gen shares Reiss offered and sold to the investing public constitute "securities" as defined by Section 2(a)(1) of the Securities Act [15 U.S.C. § 77b(a)(1)] and Section 3(a)(1) of the Exchange Act [15 U.S.C. § 78c(a)(10)].

62. No registration statement has been filed or is in effect with the Commission for ILNS or PrimeGen pursuant to the Securities Act and no exemption from registration exists with respect to the transactions described herein.

63. Reiss participated in the transactions described herein by drafting and executing opinion letters for ILNS and PrimeGen.

64. On multiple instances, as more particularly described above, Defendant:

(a) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities, through the use or medium of a prospectus or otherwise;

(b) carried securities or caused such securities to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale; and

(c) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or

offer to buy securities, through the use or medium of any prospectus or otherwise,

without a registration statement having been filed with the Commission as to such securities.

65. By reason of the foregoing, Defendant, directly and indirectly, violated Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

RELIEF SOUGHT

WHEREFORE, the Commission respectfully requests that this Court enter a Final Judgment:

I.

Permanently restraining and enjoining Reiss, his officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], Section 17(a) of the Securities Act [15 U.S.C § 77q(a)] and Section 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

II.

Permanently restraining and enjoining Reiss from directly or indirectly providing professional legal services to any person or entity in connection with the offer or sale of securities pursuant to, or claiming, an exemption under Securities Act Rule 144, or any other exemption from the registration provisions of the Securities Act, including, without

limitation, participating in the preparation or issuance of any opinion letter relating to such offering or sale.

III.

Permanently restraining and enjoining Reiss from participating in the offering of any penny stock pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)].

IV.

Ordering Reiss to pay disgorgement, along with prejudgment interest, of all ill-gotten gains or unjust enrichment received as a result of the conduct alleged in this Complaint.

V.

Ordering Reiss to pay civil monetary penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

VI.

Granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York
March 7, 2013

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