DONALD W. SEARLES (Cal Bar No. 135705)
Email: searlesd@sec.gov
KELLY BOWERS (Cal. Bar No. 164007)
E-mail: bowersk@sec.gov
ALKA N. PATEL (Cal. Bar No. 175505)
E-mail: patelal@sec.gov
ANDREW J. DUNBAR (Cal. Bar No. 203265)
E-mail: dunbara@sec.gov

Attorneys for Plaintiff
Securities and Exchange Commission
Rosalind R. Tyson, Regional Director
Andrew G. Petillon, Associate Regional Director
John M. McCoy III, Regional Trial Counsel
5670 Wilshire Boulevard, 11th Floor
Los Angeles, California 90036-3648
Telephone: (323) 965-3998
Facsimile: (323) 965-3908

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, vs. DANIEL KAISER and STEPHEN H. ROEBUCK, Defendants.	Case No. **COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS**

Plaintiff Securities and Exchange Commission ("Commission") alleges as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1), 20(e), 20(g) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77t(b), 77t(d)(1), 77t(e), 77t(g) & 77v(a), and Sections 21(d)(1),

21(d)(2), 21(d)(3)(A), 21(d)(6)(A), 21(e), and 27 of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78u(d)(1), 78u(d)(2), 78u(d)(3)(A), 78u(d)(6)(A), 78u(e), & 78aa. Defendants have, directly or indirectly, made use of the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, in connection with the transactions, acts, practices and courses of business alleged in this Complaint.

2. Venue is proper in this district pursuant to Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C. § 78aa, because certain of the transactions, acts, practices, and courses of business constituting violations of the federal securities laws occurred within this district, and the defendants reside in this district.

SUMMARY

3. This action involves a fraudulent "pump and dump" scheme to manipulate the stock price of VMT Scientific, Inc., orchestrated by defendants Daniel Kaiser and Stephen H. Roebuck. The Defendants perpetrated their scheme in the second half of 2005 in several carefully planned steps. First, the Defendants merged VMT, a defunct Nevada shell corporation under court-supervised custodianship that had no operations or revenues, with Vacuum Medical Technologies, LLC, a private company owned and controlled by Kaiser that also had no operations or revenues and whose only asset was the licensing rights to a "tissue-enlargement" patent that had never been successfully marketed. Following the "merger" of these two worthless companies, the Defendants caused over 60 million shares of VMT to be issued and deposited into accounts controlled by Roebuck. Thereafter, the Defendants issued false and misleading press releases and website proclamations touting VMT as the "opportunity of a lifetime" and a company "poised for financial success" based on its newly-minted "breakthrough"

technology, the "VasCir(TM) System," which the Defendants claimed, without any credible medical or scientific support, stimulates blood flow, expands vascular tissue, promotes vascular tissue growth, and can prevent the need for over 100,000 diabetes-related amputations annually. As a result of the Defendants' fraudulent activities, the trading volume and share price of VMT's stock skyrocketed. With the market for VMT stock artificially pumped up, Roebuck dumped over nine million shares of VMT by selling his shares into the market, generating a total profit of over $990,000, a substantial portion of which he shared with Kaiser.

4. By engaging in the conduct described in this Complaint, the Defendants, and each of them, have violated, and unless enjoined will continue to violate, the antifraud provisions of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), and Section 10b-5 of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

5. By engaging in the conduct described in this Complaint, Roebuck violated, and unless enjoined will continue to violate, the securities registration provisions of the Securities Act, Section 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

6. By this Complaint, the Commission seeks permanent injunctions against each of the Defendants. The Commission also seeks disgorgement with prejudgment interest, civil penalties, and penny stock bar against both Roebuck and Kaiser, as well as an officer and director bar against Kaiser.

THE DEFENDANTS

7. Stephen H. Roebuck ("Roebuck") resides in Las Vegas, Nevada. From October 2005 to June 2006, Roebuck was a registered representative with CNP Securities, Inc.

///

8. Daniel Kaiser ("Kaiser") resides in Henderson, Nevada. Kaiser held the title of Chief Technology Officer at VMT Scientific, Inc.

RELATED ENTITIES

9. VMT Scientific, Inc. (f.k.a. Belair International Telecommunications Corporation, a.k.a. Belair Enterprises, Inc.) (hereinafter "VMT") is a defunct Nevada shell corporation, with its headquarters listed in Las Vegas, Nevada. VMT's shares are not registered with the Commission and are quoted on the OTC Pink Sheets. It has been under a court-supervised custodianship since March 2005, and has no operations or revenues.

10. Vacuum Medical Technologies, LLC ("Vacuum Medical"), was a Nevada limited liability company in existence from July 2003 to August 2005 and headquartered in Las Vegas, Nevada. During its short-lived existence it had no operations or revenues.

BACKGROUND

A. Kaiser's Prior Fraudulent Attempt to Market His "Tissue-Enlargement" Patent

11. On August 13, 1997, Kaiser applied for a patent from the United States Patent Office for "an apparatus and method for enlargement of soft tissue, such as breast," which was granted on March 28, 2000. In describing his invention in his patent application, Kaiser claimed that the device consists of a "self-sealing" "containment vessel or vessels also called domes or biospheres," which are designed in varying depths and diameters. In summarizing his invention, Kaiser claimed that when the apparatus is attached to a vacuum source, and worn for a period of days, the device results in the permanent enlargement of the female breast.

///

12. Shortly after filing his patent application, Kaiser formed New Womyn, Inc. ("New Womyn") to market his breast-enlargement device, which he called the "Stimulations VII." In promoting the device, New Womyn and Kaiser claimed that the Stimulations VII would permanently grow breast tissue, result in breast enlargement of two to four cup sizes, had been scientifically proven safe and effective for breast enlargement, and would even re-grow breasts that had been removed by mastectomy. New Womyn and Kaiser also claimed that the device had been proven safe and effective.

13. Acting on a consumer complaint, on September 21, 1999, the Attorney General for the State of Iowa directed a Civil Investigation Demand ("CID") to New Womyn and Kaiser requesting information about the company and its customers. Kaiser did not comply with the CID and, on January 11, 2000, the Iowa Attorney General filed a petition under the Iowa Consumer Fraud Act, alleging that New Womyn and Kaiser had committed consumer fraud and requesting an injunction prohibiting further marketing of the Stimulations VII. Kaiser never responded to court-ordered discovery and did not appear on the date set for trial. After the Iowa Attorney General presented its evidence to provide a basis for the court's ultimate ruling, the Iowa State district court entered a default judgment against New Womyn and Kaiser, and imposed a permanent injunction barring New Womyn and Kaiser from marketing their "Stimulations VII" breast-enlargement device, a $40,000 civil penalty for fraud, and a $311,000 order of restitution in favor of Iowa purchasers. That judgment was affirmed by the Iowa Supreme Court on May 12, 2004. *State of Iowa v. New Womyn, Inc. and Dan Kaiser*, No. 39/02-1049 (May 12, 2004). In summarizing the State's evidence, the Iowa Supreme Court observed:

> While the defendants showed several pictures of women's breasts,

> claimed by the defendants to have been enlarged by the device, many of the women, including one who allegedly regained breast tissue after a mastectomy, had never even used the device. A Federal Food and Drug Administration employee with extensive experience in the review of applications regarding new medical devices testified that scientists would not accept the defendants' substantiation of their claims. In fact, he testified that a breast pump similar to Stimulations VII was on display in the public lobby of the FDA building in a collection of what the FDA labeled "quack devices."

B. Kaiser Forms Vacuum Medical.

14. In July 2003, while his appeal was still pending before the Iowa Supreme Court, Kaiser formed a new company, Vacuum Medical Technologies, LLC ("Vacuum Medical"), in yet another attempt to exploit his "tissue-enlargement" patent.

15. As of mid-2005, Vacuum Medical had no financing, no operations, and no revenues.

ROEBUCK AND KAISER PRIME THE PUMP

A. Roebuck And Kaiser Enter Into A Backdated "Investment Banking Agreement."

16. In approximately June 2005, Kaiser met Roebuck, who offered to assist Kaiser in raising $2 to $3 million for Vacuum Medical. Roebuck told Kaiser that his plan was to merge Vacuum Medical into an existing public shell company (*i.e.*, VMT), take control of the unrestricted shares of the company, pump up the stock price, and then sell the shares to generate $2 to $3 million in profits. Kaiser agreed to Roebuck's plan.

17. As part of the Defendants' plan, in July 2005, Vacuum Medical entered into an Investment Banking Agreement (the "IB Agreement") with Roebuck. Although Kaiser signed the IB Agreement in July 2005, Roebuck intentionally

backdated the agreement to July 2004 in an attempt to avoid the securities registration requirements under the federal securities laws.

B. VMT Agrees to Acquire Vacuum Technologies.

18. Shortly thereafter, also in July 2005, Vacuum Medical and VMT entered into an Acquisition Agreement. In exchange for acquiring Vacuum Medical, VMT agreed to "pay and deliver to the Shareholders of [Vacuum Medical] or their nominees or assigns, 120,000,000 new restricted common voting shares of [the Company]" (underline in original). Of these 120 million restricted shares, Kaiser and Roebuck were each issued 60 million shares.

19. Thereafter, on August 15, 2005, VMT performed a reverse split of 1 share for every 75 old shares. VMT also increased its authorized outstanding shares to 500 million.

20. All of these transactions were performed while VMT was under court-supervised custodianship and without the required court approval.

C. Roebuck Fraudulently Creates 60 Million Non-Restricted Shares In VMT In An Unregistered Transaction Based On A Bogus Promissory Note.

21. Roebuck and Kaiser created a $100,000 convertible promissory note in July 2005 and intentionally backdated it to July 26, 2003, again in an attempt to avoid the securities registration requirements under the federal securities laws. The promissory note was from Vacuum Medical to Kaiser, purportedly to compensate Kaiser for his time and effort in starting Vacuum Medical. As drafted, the promissory note was convertible into shares of common stock of Vacuum Medical at a conversion rate of $0.001.

22. Pursuant to the IB Agreement, on July 15, 2005, Roebuck caused Kaiser to assign to an investor group controlled by Roebuck the $100,000

convertible promissory note, purportedly in exchange for certain financing expenses to be incurred by the investor group.

23. On or about August 11, 2005, Roebuck, acting through the investor group which he controlled, then converted a portion of the $100,000 convertible promissory note into 60 million shares of VMT stock. Those shares were issued on a non-restricted basis pursuant to attorney opinion letters dated August 19, 2005, stating the shares were exempt from registration under Section 3(a)(9) of the Securities Act, 15 U.S.C. § 77c(a)(9), based on VMT's transfer of the $100,000 convertible promissory note to the investor group. In providing those opinion letters, the attorney was never advised that the underlying promissory note supporting the attorney's opinion was bogus and had been backdated for the purpose of avoiding securities registration requirements under the federal securities laws. These 60 million unrestricted shares were eventually deposited by Roebuck into brokerage accounts in Turks and Caicos, the Cayman Islands, and Panama.

24. No registration statement was in effect as to these 60 million shares.

25. As a result of the reverse split and the unregistered distribution of non-restricted stock, Roebuck, through his nominee accounts, controlled approximately 99% of the non-restricted shares of VMT.

D. <u>The Court's Failure to Approve VMT's Transactions.</u>

26. On September 21, 2005, after all of the aforementioned transactions had been completed, VMT filed a petition seeking court approval to implement its reverse stock split, and its amendment of its Articles of Incorporation to increase the number of authorized shares so that newly issued shares could be used to facilitate a merger or business combination. The petition also sought to discharge the custodianship. That petition was never granted. As a result, none of aforementioned corporate actions were authorized.

ROEBUCK AND KAISER BEGIN TO PUMP UP VMT'S STOCK PRICE

27. As of mid-October 2005, even though VMT was still under custodianship and the court had not approved the petition or authorized any of the aforementioned corporate actions, Roebuck and Kaiser commenced their "campaign" to promote VMT and to sell Roebuck's non-restricted stock.

A. VMT's Website And Its Newly-Minted "VasCir™" System.

28. In anticipation of the promotional "campaign," in July or August 2005, Roebuck hired a stock promoter to help drive up VMT's stock price. The promoter hired at least three other stock promoters, who in turn hired at least two more promoters, to help pump the stock. All of those promoters went into action in November, 2005, when they heavily promoted VMT's stock via the Internet and other means of interstate communication.

29. As a further part of the "campaign," in August 2005, Roebuck instructed Kaiser to create a website for VMT to promote its newly-minted "VasCir™ System." Kaiser then created the website, which launched on or about November 1, 2005. Prior to its launch, Roebuck reviewed and approved the content of the VMT's website.

30. On VMT's website, the Defendants claimed that the underlying patented technology of the VasCir™ System has "medical efficacy for the stimulation and enhancement of Circulatory and Neurological Symptoms," and that its "revolutionary technology … has already driven the need to file 10+ additional patent applications … with many more to come, as technology and data are collected during the upcoming FDA approved clinical trials."

31. Reminiscent of Kaiser's fraudulent claims for his Stimulations VII breast enlarger, VMT's website claimed that the inventor and founder of VMT (*i.e.*, Kaiser) had filed for patent protection on a "safe non-invasive method of assisting

tissue reconstruction and tissue histogenesis [*i.e.*, tissue growth] to battle disease or trauma impacting the peripheral vascular system, neurological and glandular tissues, muscle tissue and the skin." Among it various benefits, VMT's website claimed that the VasCir™ System :

> can prevent the need for 100,000 invasive surgical procedures that result in extremity amputation world wide each year;
>
> results in the regeneration of neurological tissues;
>
> raises blood flow and oxygen levels 300%;
>
> enhances the immune system;
>
> will be marketed to those suffering from diabetes, and will be used to treat diabetic neuropathy and related diabetic ailments;
>
> is rapidly gaining medical acceptance in several medical applications -- including dentistry, limb lengthening, plastic reconstructive surgery and wound healing -- based on its demonstrated medical efficacy;
>
> will be covered by insurance re-imbursement from Medicare based on economic savings and quality of life improvements for potential users.

32. Defendants also touted VMT as a viable entity and compared its growth potential to that of Microsoft and Apple. As VMT's website proclaimed to would-be investors:

> **Opportunity of a Lifetime**
>
> How many times have we heard that if we had only bought Microsoft™ stock when it was a dollar . . . or a little company called Apple™ when it first hit the market?

> Well, here's a chance to be on the winning side of those retorical (sic) "what if" stories. And, more importantly, help save millions of lives.
>
> VMT Scientific, Inc. is a publicly traded corporation trading under the Pink Sheets market and quoted electronically under the trading symbol "VMTF".

33. As the Defendants knew, or were reckless in not knowing, VMT's website was false and misleading because it failed to disclose that:

(a) VMT was a shell company under court-supervised custodianship;

(b) the court had not approved VMT's merger with Vacuum Medical or any its stock changes or issuances;

(c) VMT had no operations or revenue;

(d) VMT's only source of "funding" was the proceeds derived from Roebuck's sale of VMT stock as part of Defendants' fraudulent "pump and dump" scheme;

(e) there was no credible medical or scientific support for the claimed benefits of the VasCir™ System;

(f) there was no credible basis for the claim that the VasCir™ System is rapidly gaining medical acceptance in various medical applications based on its demonstrated medical efficacy; and

(g) Kaiser's previous attempt to exploit the "revolutionary technology" behind his "tissue-enlargement" patent had been permanently enjoined by the State of Iowa as a fraud upon consumers.

B. <u>Kaiser's Last-Minute Trademark Application.</u>

34. In a further effort to lend an appearance of legitimacy to the VasCir™ System, on November 2, 2005, Kaiser filed a trademark application with the United States Patent and Trademark Office for the "VasCir" word mark. In that

application, Kaiser claimed that the VasCir™ System was a "medical device for stimulating blood flow, expanding vascular tissue and promoting vascular tissue growth." He further claimed that the first use of the VasCir word mark occurred in on June 15, 2005 (in other words, at approximately the same time Kaiser and Roebuck hatched their scheme), and that the first use in commerce of the VasCir word mark occurred on October 24, 2005, which was approximately the same time the Defendants launched VMT's website, and which was just days before the Defendants commenced the final phase of their fraudulent promotional campaign.

C. Defendants' False and Misleading Press Releases.

35. In an effort to pump up VMT's trading volume and share price, between November 2, 2005, and December 9, 2005, VMT issued 13 press releases at Roebuck's direction. Each of those press releases was drafted by Kaiser and reviewed and approved by Roebuck. The press releases generally discussed VMT, its patented "tissue-enlargement" technology, the development stage of its products, and its plans to secure FDA approval for its products. Collectively, the press releases conveyed that VMT was a viable entity, had obtained initial financing, and that it was well on its way to actual operations and future financial success based in its "breakthrough" technology, the VasCir™ System, "that may make the need for Peripheral Vascular Disease (PVD) and Diabetic associated amputations obsolete."

36. On November 2, 2005, the Defendants issued a press release in VMT's name, in which they claimed, among other things, that VMT had patented a "unique design of sophisticated negative pressure technology that leads to the first controlled and repeatable method of soft tissue histogenesis [*i.e.*, tissue growth]."

37. On November 3, 2005, the Defendants issued another press release in VMT's name, in which they announced, among other things, that two top medical

researchers were able to conclude proper due diligence and evaluate the potential of the VasCir ™ device" and that VMT was on track to begin clinical trials.

38. On November 8, 2005, the Defendants issued another press release in VMT's name, in which they claimed, among other things, that VMT was "firmly on track to begin Clinical Trials soon."

39. On November 28, 2005, the Defendants issued another press release in VMT's name stating that VMT "is poised for a healthy financial future." In that same press release, VMT breathlessly announced that, "it had begun development of its hand, finger and limb units, as well as the feet" and that "[a]fter fielding calls from desperate individuals facing amputations, their Doctors, requesting to be part of the trials as to help speed the testing and Medical Centers worldwide. VMT Scientific, Inc. has moved its scheduled monolithic development into unilateral phase, where all products will be developed along the same lines." The press release went on to claim that "the VasCir™ System is predicted to reduce the number of PVD related amputations by 50% or more" and that "The Worlds demand for the VasCir™ System is staggering!" VMT claimed that the "potential market for [its] patented technology is in the millions of units sold annually." As the press release concluded, "If these projected estimates hold true, everybody wins, the patients, the Doctors, and the Stockholders."

40. On November 30, 2005, the Defendants issued another press release in VMT's name stating, among other things, that VMT "will form a fully funded official Medical Advisory Board made up of some of the nation's top medical doctors and researchers in their applied fields." As VMT explained in that press release, "Bowing to public and professional pressure to accelerate the medical testing of this technology, VMT Scientific feels it prudent to move ahead with this step at this time."

41. On December 7, 2005, the Defendants issued another press release in VMT's name stating, among other things, that VMT "has secured funding that will empower us to remain focused with respect in achieving proper efficacy testing of the VasCir™ device."

42. On December 9, 2005, the Defendants issued another press release in VMT's name, in which they claimed, among other things that VMT "has secured funding" that will "enable us to execute and achieve our objectives as defined for Phase II."

43. Finally, on December 9, 2007, the Defendants issued another press release in VMT's in which Kaiser was quoted as saying, "Well it has begun. We have been privately contacted by several large medical research centers requesting information and offering possible support for our project. We are also in preliminary stages of negotiations with several major medical services and/or supply companies and have even drawn some powerful international government action. Again, we request that all visit our new web site at http://www.vmtf.org."

44. On November 27, 2005, in the midst of the Defendants' fraudulent promotional campaign, VMT's website hosting provider suspended VMT's website due to suspected fraud because of massive spam promotions touting the stock and declaring VMT "a clear winner." After being informed of those developments, Kaiser immediately changed hosting providers and reposted VMT's false and misleading website on the Internet in order to keep pump going. On November 29, 2005, Kaiser attempted to cover up the fact that VMT's website had been suspended by issuing yet another press release in which VMT announced that it "is excited to announce due to considerable outpouring of interest from diabetics, as well as doctors, its server has been flooded with emails of interest that have been inspiring to say the least."

45. As the Defendants knew, or were reckless in not knowing, each of the press releases issued by VMT were materially misleading because they failed to disclose that:

(a) VMT was a shell corporation under court-supervised custodianship;

(b) the court had not approved VMT's merger with Vacuum Medical or any of its stock changes or issuances;

(c) VMT had no operations or revenue;

(d) VMT's only source of "funding" was the proceeds of Roebuck's sale of VMT's stock as part of Defendants' "pump and dump" scheme;

(e) VMT had no credible medical or scientific support for the claimed benefits of the VasCir™ System;

(f) no medical or clinical researcher had conducted or concluded proper due diligence on the VacCir™ System or evaluated the potential safety or medical efficacy of the device;

(g) VMT had not conducted any "controlled and repeatable" studies demonstrating that the VasCir™ System causes tissue growth;

(h) VMT had not developed not developed any "hand, finger or limb units;"

(i) VMT had no credible or objective basis to support its prediction that the VasCir™ System would reduce the number of PVD amputations by 50%;

(j) VMT was not "on track" to commence FDA-approved Phase II clinical trials as it had not yet conducted any FDA-approved Phase I studies, or any other credible, scientific studies to determine the safety and efficacy of the device; and

(k) Kaiser's previous attempt to exploit the "revolutionary

technology" behind his patent had been permanently enjoined by the State of Iowa upon a finding that Kaiser's "tissue-growth" product was a fraud upon consumers.

D. The Increase in the Trading Volume and Share Price of VMT's Stock Following Defendants' False and Misleading Promotional Campaign.

46. Following the launch of VMT's website and during the issuance of VMT's misleading press releases, the trading volume in VMT shares increased dramatically. Between October 31, 2005, and December 9, 2005, VMT's stock price reached a high of $0.45 a share, with average daily trading volume of approximately one million shares. Trading volume reached a high of 8,971,846 shares on November 30, 2005. In contrast, between October 19, 2005 and October 28, 2005, immediately preceding the Defendants' fraudulent promotional campaign, VMT's stock traded on only four days, at prices between $0.25 and $0.30, with an average daily trading volume of only 11,212 shares.

ROEBUCK'S STOCK SALES

A. Roebuck's Dump during the Pump.

47. Between November 2, 2005 and December 7, 2005, Roebuck sold 1,374,350 shares for proceeds of $493,348 through a Panamanian account, 212,000 shares for proceeds of $74,738 in a Turks and Caicos account, and 713,000 shares for proceeds of $222,232 in a Cayman Islands account.

48. On December 14, 2006, Roebuck transferred approximately $300,000 to VMT. Kaiser used those funds to pay company expenses, including $81,491 for his salary and expense reimbursements.

B. The Pump and Dump Ends.

49. On December 6, 2005, counsel for VMT's custodian informed Kaiser that VMT was still under court-supervised custodianship and demanded that the Defendants stop issuing press releases or operating a website in VMT's name. On

or about December 9, 2005, Kaiser informed Roebuck of his contact with the counsel for VMT's custodian, at which time the Defendants stopped issuing further press releases in VMT's name and shut down VMT's website.

C. Roebuck Continues to Dump His Shares.

50. When the pump and dump ended, Roebuck still controlled approximately 54,000,000 purportedly non-restricted shares of VMT. Although he knew VMT was under court-supervised custodianship and that Kaiser had stopped issuing further press releases, Roebuck continued to dump his shares. Between December 14, 2005 and July 20, 2006, Roebuck sold 7,240,000 shares through a Panamanian account, receiving proceeds of $202,889.

D. VMT's Current Status.

51. VMT currently trades through the OTC Pink Sheets. Neither VMT, nor the Defendants, has ever disclosed that VMT is a shell company under court-supervised custodianship, that it has no operations or revenues, and that it had failed to obtain court approval authorizing its merger with Vacuum Medical and its stock changes and issuances. VMT has failed to provide the public with current and accurate information about the true nature of the company.

FIRST CLAIM FOR RELIEF

FRAUD IN THE OFFER OR SALE OF SECURITIES
Violations of Section 17(a) of the Securities Act
(Against Kaiser and Roebuck)

52. The Commission realleges and incorporates by reference paragraphs 1 through 51 above.

53. Defendants, and each of them, by engaging in the conduct described above, directly or indirectly, in the offer or sale of securities by the use of means or instruments of transportation or communication in interstate commerce or by use

of the mails:

a. with scienter, employed devices, schemes, or artifices to defraud;

b. obtained money or property by means of untrue statements of a material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

c. engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

54. By engaging in the conduct described above, each of the defendants violated, and unless restrained and enjoined will continue to violate, Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

SECOND CLAIM FOR RELIEF

FRAUD IN CONNECTION WITH THEPURCHASE OR SALE OF SECURITIES
Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder (Against Kaiser and Roebuck)

55. The Commission realleges and incorporates by reference paragraphs 1 through 51 above.

56. Defendants, and each of them, by engaging in the conduct described above, directly or indirectly, in connection with the purchase or sale of a security, by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, with scienter:

a. employed devices, schemes, or artifices to defraud;

b. made untrue statements of a material fact or omitted to state a

material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

c. engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon other persons.

57. By engaging in the conduct described above, each of the defendants violated, and unless restrained and enjoined will continue to 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.

THIRD CLAIM FOR RELIEF

UNREGISTERED OFFER AND SALE OF SECURITIES
Violations of Sections 5(a) and 5(c) of the Securities Act
(Against Roebuck)

58. The Commission realleges and incorporates by reference paragraphs 1 through 51 above.

59. Defendant Roebuck, by engaging in the conduct described above, directly or indirectly, made use of means or instruments of transportation or communication in interstate commerce or of the mails, to offer to sell or to sell securities, or to carry or cause such securities to be carried through the mails or in interstate commerce for the purpose of sale or for delivery after sale.

60. No registration statement has been filed with the Commission or has been in effect with respect to any of the offerings alleged herein.

61. By engaging in the conduct described above, defendant Roebuck violated, and unless restrained and enjoined will continue to violate, Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77(e)(c).

///

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

I.

Issue findings of fact and conclusions of law that the defendants committed the alleged violations.

II.

Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d), permanently enjoining defendant Roebuck and his officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the final judgment by personal service or otherwise, and each of them, from violating Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77(e)(c).

III.

Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d), permanently enjoining defendants Kaiser and Roebuck and their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the final judgment by personal service or otherwise, and each of them, from violating Section 17(a) of the Securities Act, 15 U.S.C. § 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.

IV.

Order defendants Kaiser and Roebuck to disgorge all ill-gotten gains from their illegal conduct, including both profits and losses avoided, together with prejudgment interest thereon.

///

///

V.

Order defendants Kaiser and Roebuck to pay civil penalties under 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.

Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d), permanently barring defendants Roebuck and Kaiser from participation in any offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock under 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).

VII.

Enter and order, pursuant to Section 20(e) of the Securities Act, 15 U.S.C. § 77t(e), and Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2), prohibiting defendant Kaiser from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l, or that is required to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d)

VIII.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

///

///

///

IX.

Grant such other and further relief as this Court may determine to be just and necessary.

Dated: July 8, 2008

Andrew J. Dunbar
Attorney for Plaintiff
Securities and Exchange Commission