UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE COMMISSION,	:	
Plaintiff,	:	
v.	:	Civ. No.
JONATHAN R. CURSHEN, MICHAEL S. KROME, DAVID C. RICCI, RONNY MORALES SALAZAR, ROBERT L. WEIDENBAUM, ARIAV "ERIC" WEINBAUM, and YITZCHAK ZIGDON a/k/a IZHACK ZIGDON,	:	
Defendants.	:	

COMPLAINT FOR INJUNCTIVE RELIEF, DISGORGEMENT, PENALTIES AND OTHER RELIEF, FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS AND DEMAND FOR JURY TRIAL

Plaintiff Securities and Exchange Commission alleges as follows against the defendants named above:

SUMMARY OF ALLEGATIONS

1. This action arises out of a fraudulent pump-and-dump scheme in the common stock of CO2 Tech Ltd., which the defendants perpetrated through Red Sea Management, Ltd., a Costa Rican asset protection company, from late 2006 through April 2007. Defendant Jonathan R. Curshen, a recidivist securities law violator, founded and led Red Sea, which effected fraudulent pump-and-dump schemes on behalf of its clients and laundered millions of dollars in illegal trading proceeds out of the United States to its clients overseas. Curshen directed Red Sea to

open numerous nominee brokerage accounts with U.S. and Canadian broker-dealers to enable the firm to engage in coordinated manipulative trading and conceal its illegal activity. Red Sea's two stock traders, defendants David C. Ricci and Ronny Morales Salazar, had trading authority over and effectively controlled the nominee accounts.

2. Defendants Ariav "Eric" Weinbaum and Yitzchak (or Izhack) Zigdon were two of Red Sea's clients, who initiated the pump-and-dump of CO2 Tech, a sham company without significant assets or operations whose stock prices were quoted in the Pink Sheets. Weinbaum and Zigdon used the services of defendant Michael S. Krome, an attorney, who issued a fraudulent opinion letter to enable them to have the restrictive legend removed from their CO2 Tech stock certificate, giving them nearly full control over the freely tradeable shares of CO2 Tech stock. Weinbaum hired Red Sea to sell massive quantities of CO2 Tech stock to the investing public through its web of nominee brokerage accounts. Zigdon caused materially false and misleading information about CO2 Tech to be disseminated in press releases and on its website. Weinbaum hired defendant Robert L. Weidenbaum, a stock promoter, to redistribute the false information through websites, spam e-mails and fax blasts. Weidenbaum enlisted a group of stock promoters who then executed illegal "matched orders" with Red Sea's nominee brokerage accounts in order to "jump-start" the market and increase the price of the stock.

3. Ricci and Salazar placed multiple layered orders to sell CO2 Tech stock and thereby created the false appearance that the market for the stock was deeper than it actually was. Weinbaum directed Ricci's and Salazar's sales of the stock. The defendants' coordinated misconduct enabled them to sell the stock at artificially inflated prices, resulting in profits of over $7 million euchred from unsuspecting public investors.

4. By committing the acts described in this Complaint, Curshen, Krome, Ricci, Salazar, Weinbaum and Zigdon directly or indirectly engaged in and, unless restrained and enjoined by the Court, will continue to engage in, transactions, acts, practices and courses of business that violate Sections 5(a) and (c) and 17(a)(1), (2) and (3) of the Securities Act of 1933 (the "Securities Act")[15 U.S.C. §§ 77e(a) & (c), 77q(a)(1), (2) & (3)], Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act")[15 U.S.C. § 78j(b)], and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5]. Weidenbaum aided and abetted Weinbaum's and Zigdon's violations of Exchange Act Section 10(b) and Rule 10b-5.

5. The Commission seeks a judgment from the Court: (a) enjoining the defendants from engaging in or aiding and abetting future violations of the federal securities laws named above; (b) ordering them to file a sworn accounting of all their assets with the Court and to serve it on the Commission; (c) ordering them to disgorge, with prejudgment interest, all illegal trading profits and other ill-gotten gains obtained as a result of the securities violations described in this Complaint; (d) requiring them to pay civil money penalties pursuant to Securities Act Section 20(d) and Exchange Act Section 21(d)(3) [15 U.S.C. §§ 77t(d), 78u(d)(3)]; and (e) barring them from participating in any offering of penny stock pursuant to Securities Act Section 20(g) and Exchange Act Section 21(d)(6) [15 U.S.C. §§ 77t(g), 78u(d)(6)].

JURISDICTION AND VENUE

6. The Court has jurisdiction over this action pursuant to Securities Act Section 20(b) and (c) and Exchange Act Sections 21(d) and (e) and 27 [15 U.S.C. §§ 77t(b) & (c), 78u(d) & (e), 78aa]. The defendants made use of the means or instruments of interstate commerce, of the mails, or of the facilities of a national securities exchange in connection with their acts, transactions, practices and courses of business alleged in this Complaint.

7. Venue lies in the Southern District of Florida pursuant to Securities Act Section 22(a) and Exchange Act Section 27 [15 U.S.C. §§ 77v(a), 78aa] in that certain of the acts, practices and courses of business constituting the violations described in this Complaint occurred in this District and one or more of the defendants are inhabitants of this District.

THE PARTIES

8. The plaintiff is the Securities and Exchange Commission, which brings this action pursuant to the authority conferred on it by Securities Act Section 20(b) and (c) and Exchange Act Section 21(d) and (e) [15 U.S.C. §§ 77t(b) & (c), 78u(d) & (e)].

9. Defendant Jonathan R. Curshen, age 46, is a dual U.S. and United Kingdom citizen who lives in Sarasota, Florida. Curshen led Red Sea and was instrumental in establishing its business plan. In an unrelated criminal case, he pled guilty to conspiracy to commit securities fraud and commercial bribery. He is free on conditional release pending his sentencing. In an unrelated civil enforcement action brought by the Commission, he was found liable after trial for violations of the antifraud provisions of the federal securities laws. The evidence showed that he anonymously posted baseless financial projections and other information about an issuer on Internet sites, failed to disclose that he was paid to promote the issuer, and sold the issuer's stock at the same time he touted it. SEC v. C. Jones & Co., 2009 WL 539615 (D. Colo. Mar. 3, 2009), *aff'd*, 2010 WL 1444910 (10th Cir. Apr. 13, 2010).

10. Defendant Michael S. Krome, age 49, is a U.S. citizen who lives in Lake Grove, New York. He is an attorney licensed to practice in the State of New York. In testimony before the staff of the Commission, he invoked his Fifth Amendment privilege against self-incrimination and refused to answer questions about the basis for his January 16, 2007 opinion letter to the

effect that CO2 Tech could legally issue a certificate for 22.5 million shares of unregistered stock without a restrictive legend.

11. Defendant David C. Ricci, age 39, is a Canadian citizen who lives in San Jose, Costa Rica. He was the head stock trader for Sentry Global Securities, Ltd., a broker-dealer affiliated with Red Sea. He was formerly a registered representative associated with Pacific International Securities, Inc. in Vancouver, British Columbia.

12. Defendant Ronny Morales Salazar, age 39, is a dual U.S. and Costa Rican citizen who lives in San Jose, Costa Rica. He shared trading responsibilities with Ricci at Sentry Global and handled the operations of the trading floor.

13. Defendant Robert L. Weidenbaum, age 44, is a U.S. citizen who lives in Coral Gables, Florida. He is a stock promoter who operates through his company, CLX & Associates, Inc. He was a registered representative with the broker-dealer Raymond James Financial Services, Inc., until March 2001, when he tendered his resignation. Weidenbaum was hired by Weinbaum to create buying interest in CO2 Tech stock by launching a media campaign and engaging others to make coordinated purchases of the stock.

14. Defendant Ariav ("Eric") Weinbaum, age 37, is a dual U.S. and Israeli citizen who lived in Boca Raton, Florida at the time of the fraud described in this Complaint. At present, he lives in Israel. He has a network of operatives he uses to perpetrate pump-and-dump stock manipulations. He contracted with Curshen to have Red Sea execute the pump-and-dump of CO2 Tech stock.

15. Defendant Yitzchak or Izhack Zigdon, age 47, is an Israeli citizen who lives in Tel Aviv, Israel. He is an Israeli accountant and the business partner of Weinbaum. He was

instrumental in establishing a business relationship with Red Sea and helped coordinate a false media campaign for CO2 Tech stock.

FACTS

I. RED SEA EFFECTED PUMP-AND-DUMP STOCK MANIPULATIONS FOR ITS CLIENTS.

16. Red Sea was founded in 1998 by Curshen and others and had its principal place of business in San Jose, Costa Rica. The firm held itself out as an international entity specializing in offshore company incorporation, asset protection and offshore investments. Its affiliated entities included: Sentry Global Securities, a broker-dealer licensed by St. Kitts and Nevis; Sentry Global Trust, Ltd., a trust incorporated in St. Kitts and Nevis; and LPS&C Lawyers, a law firm. All of these operated out of the same offices as Red Sea in Costa Rica.

17. Red Sea had more than one hundred clients located throughout the world. On behalf of its clients, Red Sea incorporated shell corporations, established virtual offices for the shell corporations, and opened bank accounts for the shell corporations in countries such as the Republic of Seychelles, Cyprus, Panama and Tanzania. Another service that the firm provided was to effect pump-and-dump schemes for its clients using a Byzantine trading and money-laundering structure designed to avoid detection by criminal and regulatory authorities. This structure included a labyrinth of nominee brokerage, custodial and foreign bank accounts.

18. To perpetrate the pump-and-dump schemes, Red Sea required its clients to obtain control over all the free-trading stock of their issuers and to deposit it in Red Sea nominee brokerage accounts. Controlling the float of the stock enabled Red Sea, in the persons of Ricci and Salazar, to dominate the market and manipulate the stock's price. By using the names of nominees in opening its brokerage accounts, Red Sea concealed from the broker-dealers its

beneficial ownership of the accounts. And by trading through numerous nominee accounts, Red Sea created the false impression that unrelated parties were buying and selling the stock and that the market was deeper than it actually was.

19. In October 2006, Red Sea operated approximately 54 brokerage accounts in the names of 20 nominee shell corporations with 26 brokerage firms in the U.S. and Canada. Many of these were opened as delivery-versus-payment ("DVP") accounts, in which the buyer's payment was due upon delivery of the stock, with the result that the account retained no securities or cash at settlement. Curshen supervised the formation of the nominees and the opening of the accounts. He changed the brokerage account structure as needed to hide the link between accounts that he believed were known to government authorities and new accounts that Red Sea had opened to carry on the business.

20. Ricci and Salazar made false and misleading representations on account opening documents that they submitted for the Red Sea nominee accounts. For example, in response to a form question, they answered that they were "self employed" when, in reality, they worked for Red Sea and its affiliated entities. They did not provide truthful answers about accounts at other brokerage firms that were under their control. They made these misrepresentations to disguise Red Sea's network of accounts and its dominant position in the market for the stocks of its clients. Ricci and Salazar also used layered custodial accounts, so that the brokerage firm holding each layer of accounts was unaware that Red Sea was the true beneficial owner of the accounts.

21. In August 2006, Curshen ordered a Red Sea employee named Joseph Francis, Jr. to open a bank account in the name of Sentry Global at HSBC Bank in Vancouver, British Columbia. Francis represented to HSBC that the money that would be flowing in and out of the

account would be personal trading proceeds. In reality, Red Sea used the HSBC account to wire proceeds from the sales of clients' stocks to locations outside the United States. Salazar had signature authority over the account and wired funds into and out of it.

22. Red Sea's nominee shell corporations included Market Maven Management LLC, incorporated in Delaware ("Market Maven Delaware") and Kinross Investments LLC. Red Sea opened DVP brokerage accounts for Market Maven Delaware in December 2006 at the Vertical Group and for Kinross in January 2007 at Sloan Securities Corporation. Ricci and Salazar had the authority to trade in these accounts and transfer money in or out of them.

23. To hold the stocks that would supply the sell orders for Red Sea's DVP accounts, Curshen participated in negotiations for opening a custodian account in the name of Market Maven LLC, incorporated in Nevis and St. Kitts ("Market Maven Nevis") at American Intercapital Depository & Trust ("AIDT"), an international private bank based in Denver, Colorado. Red Sea opened the account in October 2006. The listed owner of Market Maven Nevis was a nominee named Christopher Blythe, whereas the real owner was Sentry Global Trust. In anticipation of servicing Market Maven, in September 2006 AIDT opened a custody account in the name of "AIDT 1" at Mission Management & Trust Company, a trust company based in Tucson, Arizona. On behalf of AIDT -- and, ultimately, Market Maven Nevis -- Mission Management submitted stock certificates to the Depository Trust Corporation, settled trades and provided record-keeping.

24. From November 2, 2006 through September 28, 2007, Red Sea wired $90.8 million into the HSBC account and $91.5 million out to accounts around the world in the names of different individuals and entities. Salazar ordered more than 90 percent of the outgoing wires. Of the $90.8 million that was wired into the account, more than $76.8 million originated from

trading in Red Sea nominee brokerage accounts, including $58.9 million from the Market Maven Nevis account at Mission Management. On information and belief, most of this money consisted of trading proceeds from pump-and-dump schemes perpetrated by Red Sea on behalf of its clients. One of these schemes involved the market manipulation for the stock of CO2 Tech, which Red Sea effected on behalf of Weinbaum and Zigdon.

II. WEINBAUM CONVERTED CO2 TECH INTO A PUBLICLY TRADED COMPANY.

25. CO2 Tech purportedly manufactured and sold anti-global warming products and services. The company supposedly had its headquarters at 95 Wilton Road, Suite 3, London, while its operating subsidiary was located in Israel. It was formed in January 2007 through a reverse merger between CO2 Tech Ltd., a private United Kingdom company ("CO2 Tech U.K."), and a defunct Nevada shell corporation named China Energy & Carbon Black Holdings, Inc. ("China Energy"), whose common stock was quoted in the Pink Sheets.

26. Although neither was an officer, director or shareholder of record, Weinbaum and Zigdon effectively controlled CO2 Tech and hired Krome to convert it into a publicly traded company. Krome bought the China Energy shell by means of a wire transfer, dated December 21, 2006, in the amount of $175,000. The purchase money originated from two payments deposited into Krome's attorneys' trust account on October 3 and December 21, 2006. One of the payments, in the amount of $81,985, came from a brokerage account at Grand Capital Corporation in the name of JAHL Holdings Corporation. Account opening documents identified the director of JAHL as Shimon Yeuda Azrad, a rabbi in Israel. In reality, Weinbaum was the beneficial owner of JAHL.

27. On January 2, 2007 -- and prior to the reverse merger -- China Energy reduced its outstanding shares in a 2,000-to-1 reverse stock split, changed its operating name to CO2 Tech Ltd., and changed its ticker symbol to CTTD. Krome drafted the written consent of the sole director which effected these corporate changes. On January 9, 2007, Helga Schotten, a resident of Israel, was named CO2 Tech's sole director and executive officer. On January 24, Jacob Froynd became CO2 Tech's Chief Executive Officer, and Schotten became its President. Froynd was one of Zigdon's accounting clients.

28. On January 15, 2007, Schotten purportedly authorized the issuance of 22.5 million shares of CO2 Tech stock to MMTC & Co., as assignee of JB Investment Enterprises, Ltd. MMTC & Co. was a nominee shell corporation formed by Mission Management to hold securities on behalf of AIDT. The 22.5 million shares were issued pursuant to a convertible debenture, dated October 1, 2006, in which CO2 Tech promised to pay to the order of JB Investment on or before January 1, 2007, the principal amount of $200,000 plus interest. The debenture, signed by Schotten as Chairman of CO2 Tech, provided that if the company was unable to repay the debenture with interest on or before January 1, 2007, JB Investment could convert the debenture into CO2 Tech common stock. Sometime after January 1, JB Investment supposedly exercised its right to convert the debt into the 22.5 million shares of stock.

29. JB Investment was beneficially owned and controlled by Weinbaum and Zigdon, incorporated by Krome, and held an account at Red Sea. Curshen, Ricci and Salazar knew that Weinbaum and Zigdon were the true owners of JB Investment's account. On November 7, 2006, Curshen sent an e-mail to his staff stating that "Eric [Weinbaum] . . . would like to move forward with our firm" and "could be a substantial client." Zigdon and Krome provided Red Sea with the paperwork necessary to open the account. Weinbaum was in Red Sea's offices in Costa Rica in

early February 2007 -- at the same time that the market for CO2 Tech stock was being manipulated. As a matter of course, Red Sea knew the beneficial owners of the companies doing business with the firm.

III. KROME WROTE A FRAUDULENT OPINION LETTER ENABLING CO2 TECH STOCK TO BE FREELY TRADED.

30. On January 16, 2007, Krome wrote a legal opinion letter pertaining to the issuance of the 22.5 million shares of CO2 Tech stock to MMTC & Co. In the opinion letter, Krome recited:

> "JB Investment Enterprises Ltd. entered into with CO2 Tech Ltd., a Nevada corporation, a Convertible Debenture Note dated October 1, 2006, in the amount of TWO HUNDRED THOUSAND ($200,000)(the 'Principle'), plus interest at the rate of TEN PERCENT (10%) per annum, payable in three months, on January 1, 2007."

31. Krome further represented that JB Investment was notified that CO2 Tech had defaulted on the debenture; and the principal and interest on the debenture were partially converted to 22.5 million shares of CO2 Tech stock. Krome cited Section 4(1) of the Securities Act, Securities Act Rule 144 and Model UCC Article 9 for the proposition that a non-affiliated shareholder who obtained securities pursuant to a good faith commercial transaction for value, as a result of an issuer defaulting on a loan, can legally sell the securities without registration. In particular, according to Krome:

> "Pledgee has represented that it is a bona fide Pledgee of the stock and is foreclosing under Article 9 of the Uniform Commercial Code, and is therefore permitted to sell under Article 9 without registration pursuant to Section 4(1) of the Securities Act of 1933."

Krome concluded that CO Tech could issue the 22.5 million shares without a restrictive legend and transfer them to MMTC & Co.

32. Krome's opinion letter, and the debenture on which the letter was based, were fraudulent. Because CO2 Tech had no assets or operating revenue to repay the debenture, it was simply a pretext for the issuance of stock to JB Investment or its assignee. Krome knew or was reckless in not knowing that neither CO2 Tech (the Nevada company and CO2 Tech U.K.) nor JB Investment were in existence on October 1, 2006, the date that they purportedly entered into the debenture. China Energy did not become CO2 Tech until January 2, 2007, when Krome filed an amendment to its articles of incorporation changing its name. CO2 Tech U.K. was not incorporated until January 24, 2007. Krome incorporated JB Investment in Delaware on January 4, 2007 -- three months after it supposedly signed the debenture.

33. Schotten could not have signed the debenture as Chairman of CO2 Tech on October 1, 2006 because she did not become an officer or director until January 9, 2007. Krome had possession of the January 9 corporate resolution making Schotten sole director and executive officer. The short-term debt purportedly created by the debenture was not recorded on CO2 Tech's December 31, 2006 balance sheet, which Krome posted on the Pink Sheets.

34. Krome knew that CO2 Tech and JB Investment were affiliated with each other – *i.e.*, that Weinbaum and Zigdon beneficially owned and effectively controlled both companies. Krome performed similar legal work for Weinbaum and acted as escrow agent for the proceeds of other suspected pump-and-dump schemes that Weinbaum perpetrated. At the time of the CO2 Tech manipulation, Krome spoke with Weinbaum and sent packages to Weinbaum and Zigdon on several occasions. Zigdon was included on correspondence between Krome and CO2 Tech's transfer agent.

35. The legal theory of Krome's opinion letter was invalid. It was based on the false premise that CO2 Tech and JB Investment entered into the convertible debenture at arms' length

and in good faith. In reality, the debenture did not represent an arms' length transaction because both CO2 Tech and JB Investment were beneficially owned and controlled by Weinbaum and Zigdon. Weinbaum and Zigdon did not intend in good faith to have CO2 Tech use the purported financing from JB Investment for capital expenditures. Instead, they intended to use the financing to buy a shell corporation and not repay the debt, so that they could obtain CO2 Tech stock without a restrictive legend and sell it to the public.

36. Rule 144 requires that certain thresholds be met to ensure that a shareholder selling unregistered securities is not an issuer, underwriter or dealer. One of the thresholds applicable in 2007 was a holding period of at least one year. Here, the selling in CO2 Tech stock began within days after it was issued. When questioned in investigative testimony about the bases for his opinion letter, Krome refused to answer and invoked his Fifth Amendment privilege against self-incrimination.

37. In reliance on Krome's opinion letter, on January 16, 2007 CO2 Tech's transfer agent issued the 22.5 million shares of stock to MMTC & Co. The stock certificate representing the 22.5 million shares was deposited into an account at Mission Management on or about January 17, 2007. Sentry Global represented to AIDT that the total value of the shares was $33.7 million. With the 22.5 million shares, Red Sea controlled nearly the entire public "float" of CO2 Tech stock.

38. On January 12, 2007, Schotten purportedly authorized the issuance of 500 million restricted shares to herself as compensation for serving as an officer and director of CO2 Tech. According to stock transfer records, the certificate for the 500 million restricted shares was issued to "Helga Shcoten" but was never sent to Schotten.

IV. ZIGDON MADE FALSE STATEMENTS ABOUT CO2 TECH.

A. False Representations That CO2 Tech Was A Real, Operating Company.

39. Weinbaum and Zigdon were in effective control of CO2 Tech. Zigdon caused his sister, Hila Zigdon Shtork, to create a website for CO2 Tech that falsely touted its business prospects. On January 25, 2007, CO2 Tech posted its website on the Internet for the first time and published specious statements about its business. Shtork registered CO2 Tech's domain name and created the website purportedly for Froynd, who provided her with the content and his credit card number to register the domain name. In addition, beginning on January 29, CO2 Tech issued several press releases, which were published on the website and carried on Prime Newswire.

40. The website and the press releases falsely described CO2 Tech as a

> "UK-based company [that] provides cutting-edge, sophisticated anti-global warming technologies along with a full range of expert consulting and environmental products and services to businesses, industries and governments. CO2 Tech's innovative approach provides high quality, maintenance-friendly system solutions that offer cutting-edge technological developments and outstanding reliability to support anti-global warming actions."

41. The website represented that the company's experts had

> "been involved for over a decade in the research, development, design, manufacture, installation, operations and testing of numerous pollution control products and systems for industrial enterprises and testing of numerous pollution control products and systems for industrial enterprises and government agencies all over the world."

The website and all but one press release claimed that CO2 Tech had "extensive first hand experience with all major air pollution control equipment including air pollution control systems,

removal of solid particles from gas/air units, evaporator units, reduced CO2 emissions units, etc."

42. Zigdon arranged for the dissemination of the press releases. He used Renee Hochman, who owned a translation service in Israel, to send the press releases to Prime Newswire. Zigdon, and sometimes Froynd, sent Hochman the press releases, which she edited and sent to Prime Newswire, at Zigdon's instruction and subject to Zigdon's or Froynd's review and approval. Zigdon was copied on many of the e-mails between Hochman and Prime Newswire and on invoices for payment.

43. The statements that Zigdon disseminated in the press releases and on the website were false and misleading because CO2 Tech was a sham company. Schotten was not a corporate executive, but the 72-year-old mother of Froynd. She had not traveled outside of Israel since May 18, 2004. Froynd, the purported CEO, had not traveled outside of Israel since November 1, 2003. Thus, neither of the company's two top officers had visited the corporate headquarters in London.

44. CO2 Tech did not have offices at the street address published for its headquarters. Instead, that address -- 95 Wilton Road, Suite 3, London -- was a rented maildrop. The U.K. telephone numbers listed on the company's website and press releases were operated by telephone providers that routed calls overseas.

45. A CO2 Tech business plan represented that the company had ten employees working in its manufacturing and research and development facility in Israel, which was purportedly located on property owned by a CO2 Tech subsidiary named Shamar Industries, Inc. But Shamar Industries was not listed with Israel's official Companies Registrar, and Israeli authorities could not locate the supposed manufacturing facility. Extensive portions of CO2

Tech's business plan were plagiarized from the website http://www.livescience.com/globalwarming.

B. False Representations That CO2 Tech Had A Business Relationship With The Boeing Company.

46. CO2 Tech issued press releases falsely touting business relationships that the company had not formed. On January 30, 2007, the company issued a press release entitled "CO2 Tech To Join Boeing's Global Environmental Efforts," which represented that the company was developing a new "dispersion solution" to reduce gas emissions from airplanes at high altitudes. According to the press release:

> "CO2 Tech's new dispersion solution for high-altitude gaseous aircraft emissions is based on speed fluctuations. Exploiting the airplanes' speed, CO2's unique mechanism will compress and decompose the destructive gases before emission through a dedicated system. The company expects its new product to make a significant contribution to the aviation industry's need to reduce ecological contamination."

The press release claimed that the Boeing Company's interest in CO2 Tech had been sparked by the latter's dispersion solution. In the press release, Schotten supposedly stated that "[w]e are extremely proud to join the anti-global warming efforts of Boeing, a world leader in its field" and that CO Tech's new dispersion solution "meshes well with Boeing's strong commitment to protect the global environment and reduce global warming."

47. The next day, CO2 Tech issued another press release about its relationship with Boeing, representing that "[f]urther to correspondence and understandings between CO2 Tech and Boeing, CO2 Tech will exhibit product features and prototype of its new anti-global warming solution to Boeing as early as Q2/2007." The press release quoted Schotten, who stated

that the company "intends to collaborate with Boeing in testing this product" and was "very pleased with Boeing's encouragement of our work on this innovative product."

48. The press releases were false. There had been no communications, correspondence or understandings between CO2 Tech and Boeing. On February 5, 2007, Boeing sent a cease-and-desist letter to CO2 Tech's e-mail address. The next day, Boeing received an e-mail, purportedly from Schotten, conceding that no relationship existed between the two companies:

> "We understand the worry from any impression of an active association or affiliation between Boeing and CO2 Tech following the mentioned press release. There for we can promise you that CO2 Tech will not use any of "Boeing" name or trademark or any other form of using its name in our future press release without a written confirmation from Boeing.
>
> I am a sorry for the misunderstanding and I will take the action to ensure that any . . . such . . . misunderstanding in the future will not occur."

49. On February 12, 2007, CO2 Tech issued a press release entitled "CO2 Tech Considers Joint Developments With Academics Under Branson $25 Million Cleaner Air Prize." The press release represented that the company had approached Klaus Lackner, a professor at Columbia University who had developed an extraction device to clean carbon from the air. The press release stated that "[a]lthough Mr. Lackner's project remained in the planning stage, collaboration with CO2 Tech may lead to an integrated viable solution to analyze, identify and reduce the high altitude emissions of airplanes in flight."

50. The press release was false. Lackner did not know CO2 Tech or anyone at the company, was never approached by the company, and had not engaged in discussions about working with the company on any subject, let alone the Branson Prize.

51. Weidenbaum assisted CO2 Tech in a parallel promotional campaign. On January 23, 2007, CO2 Tech contracted with CLX & Associates, Inc., a company controlled by

Weidenbaum, to coordinate the campaign. CLX used the $275,000 fee charged CO2 Tech to pay several stock promoters to rerun the company's press releases on their websites and to launch spam e-mails and fax-blasts. One fax-blast, sent on January 31, 2007, was entitled "CO2 Tech To Join Boeing's Global Environmental Efforts Along With Mitsubishi Corporation NOW IS THE TIME." The fax stated: "Around the world, everyone has a role to play in implementing global warming solutions at all levels of society. You can be a part of the solution with an investment in CTTD. IF BOEING LIKES CTTD SO WILL YOU!" The representations in the fax-blasts were based on false statements on CO2 Tech's website and in its press releases.

V. THE DEFENDANTS ENGAGED IN MATCHED ORDERS OF CO2 TECH STOCK TO "JUMP-START" THE MARKET.

52. Curshen and his traders, Salazar and Ricci, engaged in matched orders to "jump-start" the market for CO2 Tech stock. From January 9 through January 24, 2007, only 33 shares of CO2 Tech stock were traded in the market. Salazar and Ricci began selling CO2 Tech stock and, on January 26 and 29, their sales accounted for 100 percent and 99.1 percent of the U.S. retail sell volume. On January 30, the day of the first Boeing press release, they dumped more than 5.1 million shares of the stock into the market. They sold the stock primarily through the Market Maven nominee account at the Vertical Group and the Kinross nominee account at Sloan Securities.

53. Weinbaum was in telephonic contact with Red Sea's trading floor from his home in Boca Raton, Florida, giving Salazar and Ricci directions on what sell orders in CO2 Tech stock to place. Salazar and Ricci communicated Weinbaum's directions through instant messages and telephone calls to brokers at the Vertical Group and Sloan Securities. Curshen was present on

Red Sea's trading floor through the first days of CO2 Tech trading, interacting with Salazar and Ricci.

54. On January 30, 2007, Red Sea sold a large quantity of CO2 Tech stock. The firm was able to sell a large quantity of CO2 Tech stock because of manipulative buy-side support provided by three stock promoters: Ryan Reynolds, Nathan Montgomery and Tim Barham (the "Reynolds Group"). Weinbaum, through Weidenbaum, arranged for this manipulative buy-side support. The Reynolds Group controlled brokerage accounts at Franklin Ross, Inc. in the names of family members, friends and entities that they owned or controlled. They used these accounts to execute matched orders with Red Sea, inflating buy-side volume and artificially increasing the price of the stock.[1]

55. In the pre- and early market hours of January 30, 2007, Salazar, Ricci and the Reynolds Group engaged in matched orders at increasing prices. For example, at 8:33 a.m., Red Sea's Market Maven account placed a sell order for 100,000 shares at $0.91 per share and at 8:40 a.m. placed a sell order for an additional 27,000 shares at $0.93 per share. Less than a minute later, the Reynolds Group bought the 127,000 shares at $0.94 per share.

56. At 8:52 a.m., the Market Maven account placed a sell order for 25,500 shares of CO2 Tech stock at $0.94 per share. A minute and a half later, the Reynolds Group bought the 25,500 shares at $0.95 per share. At 9:29 a.m., the Market Maven account placed a sell order for 250,000 shares, which the Reynolds Group immediately bought for $0.987 per share. At 9:38 a.m., Red Sea's Kinross account placed a sell order for 25,000 shares at $1.11 per share. Less

[1] Matched orders are "orders for the purchase/sale of a security that are entered with the knowledge that orders of substantially the same size, at substantially the same time and price, have been or will be entered by the same or different persons for the sale/purchase of such security." Ernst & Ernst v. Hochfelder, 425 U.S. 185, 205 n.25 (1976).

than a minute later, the Reynolds Group bought the 25,000 shares at the asked price. The Reynolds Group bought CO2 Tech stock throughout the day of January 30, 2007.

57. After enough buyers had entered the market for CO2 Tech stock, Weinbaum ordered Salazar and Ricci to put out layered offers to sell through different brokerage firms. An example of "layered offers" would be to place a sell order for 100,000 shares of stock at $1.30 per share, 75,000 shares at $1.31 per share, 50,000 shares at $1.32 per share, etc., through multiple brokers. This manipulative trading practice makes the sell-side of the market appear to be deeper than it actually is.

58. As a result of the false media campaign and the defendants' illegal matched orders, the market price of CO2 Tech stock increased from $0.91 per share at the market's close on January 29, 2007, to $1.65 per share at the close on January 30 -- an increase of 81 percent in one day. The trading volume increased from 729,100 shares on January 29 to 12,204,700 shares on January 30 -- an increase of 1,573 percent.

59. Weidenbaum knew that Red Sea and the Reynolds Group were engaged in illegal coordinated trading in the market for CO2 Tech stock. In the days leading up to January 30, 2007, he was on the telephone with each promoter in the Reynolds Group and, at times, with the Group as a whole. He was on the phone with each promoter in the pre- and early market hours of January 30, 2007, while the matched orders were being executed. Weidenbaum was also on the phone with Weinbaum a number of times -- in particular, on January 29 and 31.

60. On January 30, 2007 alone, Red Sea's nominee accounts generated over $5.5 million in illegal trading profits from selling CO2 Tech stock. In total, Red Sea obtained over $7 million in illegal profits for Weinbaum and Zigdon. Ricci and Salazar wired the $7 million to the HSBC

account in Canada. Between February and April 2007, Red Sea wired the profits from the HSBC account to bank accounts around the world, but principally to accounts in Israel and Switzerland.

FIRST CLAIM

Cursheh, Krome, Ricci, Salazar, Weinbaum And Zigdon Violated Exchange Act Section 10(b) And Rule 10b-5

61. The Commission realleges paragraphs 1 through 60 above.

62. Cursheh, Krome, Ricci, Salazar, Weinbaum and Zigdon each violated Exchange Act Section 10(b) and Exchange Act Rule 10b-5 [15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5].

63. Between December 1, 2006 through April 30, 2007, these defendants, directly or indirectly, by use of the means or instruments of interstate commerce, or of the mails, or the facility of a national securities exchange, in connection with the purchase or sale of securities, and with knowledge or recklessness: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of material fact or omitted to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person.

64. The defendants' fraudulent scheme included, among other things, the following fraudulent devices, fraudulent acts, untrue statements of material fact, and material omissions:

a. Cursheh, Ricci and Salazar constructed a complex trading structure that enabled them to execute the fraudulent pump-and-dump of the stock of CO2 Tech using a labyrinth of nominee brokerage, custodial and foreign bank accounts;

b. Weinbaum, Zigdon and Krome converted CO2 Tech into a publicly traded company and engineered the issuance of 22.5 million shares of stock to be sold into a manipulated market;

c. Krome wrote a fraudulent legal opinion letter enabling the 22.5 million shares of CO2 Tech stock to be freely traded;

d. Weinbaum and Zigdon made false representations about CO2 Tech on the company's website and in press releases disseminated to the public; and

e. Curshen, Ricci, Salazar and Weinbaum engaged in illegal matched orders of CO2 Tech stock so as to "jump-start" the market.

SECOND CLAIM

Curshen, Krome, Ricci, Salazar, Weinbaum And Zigdon Violated Securities Act Section 17(a)(1), (2) And (3)

65. The Commission realleges paragraphs 1 through 60 above.

66. Curshen, Krome, Ricci, Salazar, Weinbaum and Zigdon each violated Securities Act Section 17(a)(1), (2) and (3) [15 U.S.C. § 77q(a)(1), (2) & (3)].

67. Between December 1, 2006 through April 30, 2007, these defendants, directly or indirectly, by use of the means or instruments of interstate commerce, or of the mails, or the facility of a national securities exchange, in connection with the offer or sale of securities, and with knowledge, recklessness or negligence: (a) employed devices, schemes, or artifices to defraud; (b) obtained money or property by means of untrue statements of material fact or by omitting to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts,

practices, or courses of business which operated or would operate as a fraud or deceit upon the purchasers of the securities being offered or sold.

68. The defendants' fraudulent scheme included, among other things, the following fraudulent devices, fraudulent acts, untrue statements of material fact, and material omissions:

a. Curshen, Ricci and Salazar constructed a complex trading structure that enabled them to execute the fraudulent pump-and-dump of the stock of CO2 Tech using a labyrinth of nominee brokerage, custodial and foreign bank accounts;

b. Weinbaum, Zigdon and Krome converted CO2 Tech into a publicly traded company and engineered the issuance of 22.5 million shares of stock to be sold into a manipulated market;

c. Krome wrote a fraudulent legal opinion letter enabling the 22.5 million shares of CO2 Tech stock to be freely traded;

d. Weinbaum and Zigdon made false representations about CO2 Tech on the company's website and in press releases disseminated to the public; and

e. Curshen, Ricci, Salazar and Weinbaum engaged in illegal matched orders of CO2 Tech stock so as to "jump-start" the market.

THIRD CLAIM

Weidenbaum Aided And Abetted A Fraudulent Scheme

69. The Commission realleges paragraphs 1 through 60 above.

70. Between December 1, 2006 and April 30, 2007, Weidenbaum aided and abetted violations by Weinbaum and Zigdon of the federal securities laws and thereby violated Exchange Act Section 10(b) and Exchange Act Rule 10b-5. Weinbaum and Zigdon perpetrated a fraudulent scheme in connection with the purchase or sale of securities in violation of Exchange

Act Section 10(b) and Exchange Act Rule 10b-5 by committing the acts described in paragraphs 25 through 29, 39 through 49, and 52 through 60 above. Weidenbaum substantially assisted the scheme by, among other things: (a) executing a promotional campaign in which he paid several stock promoters to rerun CO2 Tech press releases on their websites and to launch spam e-mails and fax-blasts; and (b) engaging the Reynolds Group and coordinating its execution of illegal matched orders of CO2 Tech stock. Weidenbaum knowingly and substantially assisted Weinbaum and Zigdon in their perpetration of the fraudulent scheme within the meaning of Exchange Act Section 20(e) [15 U.S.C. § 78t(e)].

FOURTH CLAIM

Cursheh, Krome, Ricci, Salazar, Weinbaum and Zigdon Violated Securities Act Section 5(a) And (c)

71. The Commission realleges paragraphs 1 through 60 above.

72. Cursheh, Krome, Ricci, Salazar, Weinbaum and Zigdon violated Section 5(a) and (c) of the Securities Act [17 U.S.C. § 77e(a) & (c)].

73. Between December 1, 2006 and April 30, 2007, these defendants, directly or indirectly, and notwithstanding the fact that there was no applicable exemption: (a) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell, through the use or medium of a prospectus or otherwise, securities as to which no registration statement was in effect; (b) for the purpose of delivery after sale, carried or caused to be carried through the mails or in interstate commerce, by means or instruments of transportation, securities as to which no registration statement was in effect; and/or (c) made use of means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell, through the use or medium of a prospectus or otherwise, securities as to

which no registration statement had been filed. No valid registration statement was filed with the Commission or in effect with respect to the defendants' sales of, and offers to sell, shares of stock in CO2 Tech.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

I.

Enter judgment in favor of the Commission finding that Curshen, Krome, Ricci, Salazar, Weidenbaum, Weinbaum and Zigdon each violated the federal securities laws and Commission Rules as alleged in this Complaint;

II.

Permanently enjoin Curshen, Krome, Ricci, Salazar, Weinbaum and Zigdon from violating Securities Act Sections 5(a) and (c) and 17(a)(1), (2) and (3), Exchange Act Section 10(b), and Exchange Act Rule 10b-5;

III.

Permanently enjoin Weidenbaum from violating Exchange Act Section 10(b) and Exchange Act Rule 10b-5;

IV.

Order Curshen, Krome, Ricci, Salazar, Weidenbaum, Weinbaum and Zigdon to disgorge all illegal trading profits, commissions, fees, payments and other ill-gotten gains that they obtained as a result of their fraudulent misstatements, acts or courses of conduct described in this Complaint, and to pay prejudgment interest thereon;

V.

Order Curshen, Krome, Ricci, Salazar, Weidenbaum, Weinbaum and Zigdon each to file with the Court and serve on the Commission a sworn written accounting of all assets over which he has ownership or control including, but not limited to, a detailed description of the locations of any and all proceeds from the sale of CO2 Tech stock;

VI.

Order Curshen, Krome, Ricci, Salazar, Weidenbaum, Weinbaum and Zigdon to pay civil monetary penalties pursuant to Securities Act Section 20(d) and Exchange Act Section 21(d)(3) [15 U.S.C. §§ 77t(d), 78u(d)(3)];

VII.

Pursuant to Securities Act Section 20(g) and Exchange Act 21(d) [15 U.S.C. §§ 77t(g), 78u(d)], bar Curshen, Krome, Ricci, Salazar, Weidenbaum, Weinbaum and Zigdon from participating in any offering of penny stock; and

VIII.

Grant such equitable relief as may be appropriate or necessary for the benefit of investors pursuant to Exchange Act Section 21(d)(5) [15 U.S.C. § 78u(d)(5)].

DEMAND FOR JURY TRIAL

The Commission hereby demands a trial by jury pursuant to Rule 38(b) of the Federal Rules of Civil Procedure.

Dated: Washington, D.C.
February 18, 2011

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