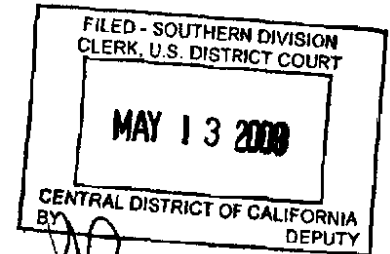


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10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**
12 **SOUTHERN DIVISION**

13 **SECURITIES AND EXCHANGE**
14 **COMMISSION,**

15 **Plaintiff,**

16 **vs.**

17 **SUN EMPIRE, LLC, ECAM, LLC a/k/a**
18 **EMPIRE CAPITAL ASSET**
19 **MANAGEMENT, DELILAH A.**
20 **PROCTOR, SHAUNTEL A. MCCOY,**
SUN INVESTMENT SAVINGS AND
LOAN, SUN GROUP, BICH QUYEN
NGUYEN, and JOHNNY E. JOHNSON,

21 **Defendants,**

22 **SUN COMMERCE AND**
23 **INVESTMENT, INFINITY**
24 **INVESTMENT CLUB, LLC, SUNLAND**
25 **INVESTMENT CLUB, LLC,**
RECOMMENDED SERVICES, INC.,
and TYCOON CLUB
INTERNATIONAL, LLC,

26 **Relief Defendants.**

Case No. SACV09-399 DOC (RNBx)

SECOND AMENDED COMPLAINT

27
28

1 **JURISDICTION AND VENUE**

2 1. This Court has jurisdiction over this action pursuant to Sections 20(b),
3 20(d)(1) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C.
4 §§ 77t(b), 77t(d)(1), and 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e), and 27
5 of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78u(d)(1),
6 78u(d)(3)(A), 78u(e), and 78aa. Defendants have, directly or indirectly, made use
7 of the means or instrumentalities of interstate commerce, of the mails, or of the
8 facilities of a national securities exchange in connection with the transactions, acts,
9 practices and courses of business alleged in this Complaint.

10 2. Venue is proper in this district pursuant to Section 22(a) of the
11 Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C.
12 § 78aa, because certain of the transactions, acts, practices, and courses of conduct
13 constituting violations of the federal securities laws occurred within this district,
14 and most of the defendants reside or are located in this district.

15 **SUMMARY**

16 3. This case involves the ongoing fraudulent offer and sale of more than
17 \$9 million in unregistered securities by defendants Sun Empire, LLC ("Sun
18 Empire"), ECAM, LLC a/k/a Empire Capital Asset Management ("ECAM"),
19 Delilah A. Proctor ("Proctor"), Shauntel A. McCoy ("McCoy"), Sun Investment
20 Savings and Loan ("SISL"), Sun Group, Bich Quyen Nguyen ("Nguyen"), and
21 Johnny E. Johnson ("Johnson") (collectively "Defendants").

22 4. From at least June 2008 through the present, Defendants have been
23 soliciting investors for a multi-level marketing scheme operated from an Anaheim,
24 California hotel. The scheme involves the recruitment of investors who in turn are
25 encouraged with promises of financial incentives to recruit other new investors.
26 Proctor and McCoy, through their entities Sun Empire and ECAM, and Nguyen
27 and Johnson, through their entities SISL and Sun Group, solicited hundreds of
28 investors from the Desert Palms Hotel in Anaheim and from other locations in

1 California. SISL and Sun Group also solicited investors through SISL's website.
2 The Defendants offered investors several types of investments that purportedly
3 generated high-yield returns.

4 5. In reality, Defendants are operating a multi-level marketing Ponzi-like
5 scheme. In perpetrating the scheme, Defendants have misrepresented how the
6 proceeds are being used by claiming that they are being invested in high-yield
7 investments. Instead, Defendants expend investor funds for their own personal use
8 or for use by other entities they control. These other entities are not disclosed to
9 potential investors. Defendants also failed to pay investors the returns that they
10 promised, and Defendants did not disclose to investors that the returns that
11 Defendants did pay were paid with later investors' money.

12 6. The Defendants, by engaging in the conduct described in this
13 complaint, have violated, and unless enjoined will continue to violate, the
14 registration, antifraud, and broker-dealer registration provisions of the federal
15 securities laws. By this complaint, the Commission seeks emergency relief against
16 the Defendants, including a temporary restraining order, an asset freeze, the
17 appointment of a receiver, accountings, an order expediting discovery, and an
18 order prohibiting the destruction of documents, as well as preliminary and
19 permanent injunctions, disgorgement with prejudgment interest, and civil penalties.

20 **DEFENDANTS**

21 7. Sun Empire, LLC was incorporated in Nevada in 2000. Delilah A.
22 Proctor is the manager of Sun Empire. Sun Empire's business address is 631 West
23 Katella Avenue, Suite 500, Anaheim, California, which is the address for the
24 Desert Palms Hotel and Suites.

25 8. ECAM, LLC a/k/a Empire Capital Asset Management was
26 incorporated in California on December 10, 2008. Delilah Proctor is the manager
27 of ECAM. ECAM's business address is 5820 Miramar Rd, Suite 210, San Diego,
28 California 92121-2556. Since about January 2009, ECAM has been soliciting

1 investors from the Desert Palms Hotel and Suites.

2 9. Delilah A. Proctor, age 57, resides in Corona, California. Proctor is
3 the manager of ECAM and Sun Empire. Proctor was associated with two
4 registered broker-dealers between April 2003 and June 2006. She holds licenses as
5 an Investment Company Products/Variable Contracts Limited Principal, but is not
6 currently associated with any broker-dealer.

7 10. Shauntel A. McCoy, age 36, resides in Fontana, California. McCoy
8 makes investor presentations on behalf of ECAM and is a manager of at least two
9 Sun Empire and/or ECAM investment clubs. From March 2007 through February
10 2008, McCoy was associated with a registered investment adviser headquartered in
11 Georgia. Her prior employment includes positions as a loan originator, a youth
12 counselor for the California Youth Authority, and a parole agent with the
13 California Department of Corrections. McCoy is not currently associated with any
14 registered broker-dealer or investment adviser.

15 11. Sun Investment Savings and Loan ("SISL") purports to be a savings
16 and loan association located in Milpitas, California. Nguyen is the chief executive
17 officer of SISL. Its website www.suninvestsl.com is registered to Sun Group, and
18 its IP address is located in Stockholm, Sweden. SISL does not have a license to
19 operate as a savings and loan in California. On October 10, 2008, the California
20 Department of Financial Institutions issued an order warning SISL to cease and
21 desist from doing business in California without a license from the California
22 Commissioner of Financial Institutions. SISL is registered with the Swedish
23 Companies Registration Office as a Swedish "sparkassa" (credit union). A
24 "sparkassa" is not a bank and does not have a license for financial activities. SISL
25 is not registered with the Commission in any capacity.

26 12. Sun Group purports to be a "complex, interconnected group of
27 international corporate, trust and otherwise legally registered financial entities
28 located throughout the world." Nguyen is the chief executive officer of Sun

1 Group. Sun Group is affiliated with SISL and relief defendant Sun Commerce and
2 Investment. Sun Group is not registered with the Commission in any capacity.

3 13. Bich Quyen Nguyen (“Nguyen”), age 55, resides in Los Gatos,
4 California. Nguyen is the chief executive officer of SISL and Sun Group. From at
5 least June 2008 through the present, Nguyen solicited investors on behalf of Sun
6 Group, SISL, Sun Commerce and Investment, and other affiliates in various
7 locations in California. Nguyen is currently soliciting investors through the SISL
8 website. Nguyen is not registered with the Commission in any capacity.

9 14. Johnny E. Johnson (“Johnson”) is the chief operating officer of Sun
10 Group and its affiliates. From at least June 2008 through the present, Johnson
11 solicited investors on behalf of Sun Group, SISL, Sun Commerce, and other
12 affiliates in various locations in California. Johnson is currently soliciting
13 investors through the SISL website. Johnson is not registered with the
14 Commission in any capacity.

15 **RELIEF DEFENDANTS**

16 15. Sun Commerce and Investment is believed to be incorporated in
17 Panama and doing business in Milpitas, California. According to the website of
18 SISL, Sun Commerce is “a fully registered, licensing [sic] financial institution, and
19 is a subsidiary of the Sun Group and functions as a management and processing
20 entity operating in support of Sun Investment Savings and Loan.” Approximately
21 \$2,356,000 in investor funds were transferred to Sun Commerce and Investment.

22 16. Infinity Investment Club, LLC is a Wyoming limited liability
23 corporation with its principal place of business at the Desert Palms Hotel and
24 Suites in Anaheim, California. Approximately \$185,000 of investor funds was
25 transferred to Infinity Investment Club, LLC.

26 17. Sunland Investment Club, LLC is a Wyoming Limited Liability
27 Company with its principal place of business in Murietta, California. At least
28 \$33,000 of investor funds were transferred to Sunland Investment Club, LLC.

1 18. Recommended Services, Inc. is a Nevada corporation with its
2 principal place of business in Las Vegas, Nevada. In March of 2009, at least
3 \$1,070,000 of investor money was transferred to Recommended Services, Inc.

4 19. Tycoon Club International, LLC is a Wyoming limited liability
5 corporation with its principal place of business at the Desert Palms Hotel and
6 Suites in Anaheim, California. More than \$75,000 of investor money has been
7 transferred to Tycoon Club International, LLC.

8 **THE FRAUDULENT OFFERING**

9 20. Defendants are soliciting hundreds of investors in a multi-level
10 marketing scheme conducted from various locations in California, including the
11 Desert Palms Hotel and Suites in Anaheim, California. Defendants offered and
12 sold unregistered securities to investors located in several different states,
13 including California, Texas, Arizona, and Nevada. Defendants also offered and
14 sold the securities through the SISL website. No registration statement was filed
15 or in effect with respect to any of the Defendants' securities offerings. Relief
16 Defendants, Sun Commerce and Investment, Infinity Investment Club, Sunland
17 Investment Club, Recommended Services, Inc., and Tycoon Club International are
18 recipients of some of the investor funds raised by the Defendants.

19 **A. Sun Empire Solicitation in June 2008**

20 21. Sun Empire has been soliciting investors to attend "invitation only"
21 presentations at the Desert Palms Hotel and Suites. One such investor was invited
22 by a friend to one of these presentations in June 2008, which included
23 approximately 70 potential investors. This investor witnessed two other similarly-
24 sized groups meeting with Proctor immediately before and after his group met with
25 Proctor. Proctor introduced herself as the CEO of Sun Empire and presented the
26 Sun Empire investment opportunity.

27 22. In June 2008, Sun Empire, through Proctor, told investors they would
28 receive at least \$35,000 per month on a \$4,995 investment and that their

1 investments were guaranteed to be safe. She represented that the funds from each
2 investment group or “club” were pooled with other investment clubs’ funds
3 together into one “super corporation” and invested in secure offshore investments.
4 Prospective investors received a flyer entitled “Super Million Dollar Program,”
5 detailing how an investor would earn a return of \$35,000 per month on a \$4,995
6 investment. Prior to investing, each investor was required to provide his social
7 security number, purportedly to allow Sun Empire to obtain the FICO score for the
8 investor. Proctor told investors that the better their FICO scores, the higher the
9 rate of return they would receive.

10 23. Proctor promised investors that their investments were guaranteed by
11 SISL. Proctor claimed that she had invested \$1 million in SISL and received high
12 rates of return on her investment. She told investors that she founded Sun Empire
13 so that other investors could take advantage of these high returns. Proctor told
14 investors that the identity of the bank’s owner was a secret, but she provided
15 investors with the website address for the bank. As of March 30, 2009, SISL’s
16 website advertised certificates of deposit with returns as high as 19.30%. The
17 website also provided investors with information regarding high return private
18 placement programs, savings accounts, and international project development
19 funding. SISL issued purported certificates of deposit signed by Nguyen as CEO.

20 24. On October 7, 2008, the California Department of Financial
21 Institutions (“DFI”) issued a cease and desist warning to SISL because it was
22 operating without a license from the DFI. The DFI sent an examiner to SISL, but
23 the location appeared to be the office of a software company. The individual who
24 occupied the office told the DFI examiner that the software company and SISL
25 might be indirectly related. On October 15, 2008, in response to the DFI’s cease
26 and desist warning, an attorney for SISL wrote “this company is not doing any
27 banking business . . . this is merely a U.S. Administrative Office . . . the company
28 is actually located in Sweden.” Despite these facts, the website for SISL solicited

1 investments as recently as May 8, 2009.

2 25. In or about November 2008, one Sun Empire investor was told by his
3 group leader that his funds had never been invested offshore as represented. This
4 investor eventually received a refund of his principal after he complained to the
5 Better Business Bureau and the California Attorney General. He never received
6 any of the promised profits.

7 26. After this investor received his refund, Sun Empire solicited him to
8 invest in other programs offered by Sun Empire. The solicitation included a flyer
9 from Sun Empire entitled "Sun Group to the Rescue." This flyer describes two
10 different investment options purporting to be fully "guaranteed for the Original
11 Investment and Profit."

12 27. Option one purported to be a one year investment opportunity
13 requiring an investor to form an investment club and raise a minimum of \$100,000.
14 The leader of the investment club was promised 3% commissions per year of the
15 amount raised. Further, each participant in the club was guaranteed 12% per year
16 returns. The flyer indicated that the investment was fully guaranteed for "the
17 original investment and profit."

18 28. Option two purported to be a four-year investment opportunity
19 requiring an investor to form an investment club and raise a minimum of \$100,000.
20 The flyer stated that the investors in the club would double their money in four
21 years and the club leader would receive 3% of the amount raised each year.

22 **B. Sun Group Presentations to Potential Investors**

23 29. Nguyen and Johnson solicited investors to invest in Sun Group and
24 SISL. Nguyen and Johnson spoke to Sun Empire "investment club" leaders and
25 others at investment presentations in the Sun Group offices, the Desert Palms
26 Hotel, and other locations. Nguyen and Johnson encouraged club leaders to
27 become millionaires by finding investors to invest in Sun Group's guaranteed
28 programs. Nguyen also encouraged club leaders to find investors who were

1 unemployed or recently bankrupt. According to Nguyen, such investors could
2 improve their situation by borrowing money and investing with Sun Group.
3 Several groups of investors invested several million dollars in purported high-
4 interest rate certificates of deposit issued by SISL.

5 30. For example, on August 26, 2008, McCoy introduced Johnson to a
6 group of investors as the vice president and chief operations officer of the Sun
7 International investment group. The presentation was made to not-for-profit
8 groups. Johnson told these potential investors that Sun Group's goal was to help
9 people achieve a better life. He encouraged potential investors to pool together
10 their funds, as other groups of investors had done for Proctor, to meet Sun Group's
11 minimum investment requirements. Johnson told potential investors that they
12 could double their earnings; that if they invested in Sun Group, Sun Group would
13 match their investment; and that they would earn many times more than 10% per
14 year returns. Then SISL issued purported certificates of deposit, claiming to
15 represent the investors' investments with SISL, which were signed by Nguyen as
16 CEO. Nguyen and Johnson told investor that their investments were "guaranteed"
17 by SISL.

18 **C. Presentation by ECAM, Proctor, and McCoy to a Group of Potential**
19 **Investors**

20 31. On January 19, 2009, Proctor and McCoy on behalf of ECAM, made
21 a presentation to a group of potential investors. During this presentation, Proctor
22 told investors this presentation was the grand opening of ECAM, which was
23 designed to help investors enter the high-yield investment market in a safe and
24 consistent manner. McCoy stated that Proctor founded ECAM, and also started an
25 entity called "Sun Capital," which is still purportedly operating and supposedly
26 providing 250 investors with returns.

27 32. McCoy's presentation outlined several programs offered by ECAM.
28 McCoy described the first program as the College Advantage Program ("CAP"),

1 which allows an investor to invest \$5,000 and, in the case of an investor who does
2 so on behalf of a child who is between the ages of one (1) and nine (9) years old,
3 allows the investor to receive \$1,000,000 by the time the investor's child enters
4 college. McCoy further explained that if the child is older, then the investor would
5 need to invest \$10,000 to have \$1,000,000 by the time the child enters college.
6 McCoy further stated that an investor's money doubles every year and the invested
7 principal never fluctuates.

8 33. McCoy also described a retirement account similar to an IRA or
9 401K, which, McCoy explained, is a "roll-over" program and does not require
10 taxes to be paid on the appreciation until retirement. McCoy stated that this
11 program had an investment return of 4% every month, equaling an annual return
12 rate of 48%.

13 34. McCoy also described Certificates of Deposits that the organization
14 could offer that have returns five to ten times higher than those available through
15 banks. McCoy added that these returns are "guaranteed."

16 35. McCoy stated that the money invested never leaves the account of
17 ECAM. McCoy claimed ECAM was able to obtain favorable rates for the money
18 it invested because Proctor uses the large amount of money pooled together from
19 various investors and obtains better returns as a result. McCoy explained that
20 Proctor has access to financial vehicles otherwise only available to extremely
21 wealthy individuals because of the pooled money.

22 36. McCoy explained that individuals interested in ECAM could obtain
23 one of 125 positions that Proctor has set up in the organization by accumulating
24 funds to invest in the program. The positions are directly related to the amount of
25 money a person can obtain from other investors. For example, an "Investment
26 Club Leader" would need to provide \$250,000 for investment. As a result, the
27 "Investment Club Leader" would receive 1.75% every month of the \$250,000
28 brought into ECAM. Other positions include "Branch Manager" (requiring the

1 “Branch Manager” to bring in \$1,000,000) and “Regional Branch Manager.”

2 37. McCoy stated that the return on investments is at least 36% per year
3 and that the invested assets are protected. She further assured that nothing could
4 happen to the investments and that the investments are never at risk.

5 38. McCoy explained the requirements necessary to join ECAM. She
6 stated that an investor must be invited to join, and that currently, the minimum
7 investment amount is \$10,000. McCoy then stated that this minimum amount is
8 likely to go up.

9 39. During her presentation, McCoy also stated that the scheme was
10 legitimate based upon registration pursuant to “Regulation D of the Securities Act
11 of the 1930s and 1940s.”

12 40. McCoy then introduced Proctor as the next speaker. Proctor stated
13 that the retirement program was currently open and that the program could fill up
14 at any time, as investors are coming in quickly. Proctor claimed that the retirement
15 program has a return of 4% per month, which could only be taxed if the money is
16 removed from the program. Proctor further stated that the minimum investment
17 amount for the retirement program was \$50,000.

18 **D. The Defendants Misrepresented Promised Returns And Use Of Investor**
19 **Proceeds**

20 41. The Defendants promised returns such as \$35,000 per month or 36%
21 per year, which are virtually impossible to guarantee through legitimate
22 investments. In fact, investors did not receive these returns.

23 42. Investor proceeds were not used for the promised purposes. First,
24 Defendants’ promises of investments involving SISL were false. According to the
25 California Department of Financial Institutions, Sun Investment Savings and Loan
26 does not exist at the business location alleged by defendants and was not
27 authorized by the state to do business as a financial institution. SISL is registered
28 with the Swedish Companies Registration Office as a “sparkassa.” A sparkassa is

1 not a bank and is not licensed for financial activity in Sweden. A sparkassa can
2 have a maximum of 1000 members; all members must be natural persons;
3 companies are not allowed. A sparkassa is not open to everyone; to become a
4 member one must belong to a limited group of persons, and that group must be
5 specified under Swedish statutes. A sparkassa is only allowed to take deposits
6 from members, and deposits are limited to SEK 50 000 per member, which is
7 approximately \$4,000 U.S. dollars.

8 43. Second, investors fund were not invested offshore as represented,
9 according to a what an investor was told by his group leader in November 2008.

10 44. Third, Defendants did not pool investor funds into a "super
11 corporation" as they had represented.

12 45. Fourth, Defendants did not develop a system to "guarantee" profitable
13 returns. Instead, they paid earlier investors with money raised from later investors,
14 in an undisclosed Ponzi-like scheme.

15 46. Finally, money from investors was not used as represented. Some
16 investor money went into accounts in the name of Empire Club, Inc. – a Proctor-
17 controlled entity – instead of going into foreign investments, CD's, or other
18 promised forms of investment. Based on a review of Empire Club's bank records,
19 Sun Empire investor funds were wired to Empire Club's bank account. Proctor is a
20 signatory on the Empire Club account.

21 47. Funds in the Empire Club account did not go to promised investments,
22 but instead were at least partially disbursed to related companies owned and
23 controlled by Proctor. Some disbursements from the Empire Club account went to
24 Sun Empire and ECAM. Other disbursements went to unrelated Proctor-controlled
25 entities. For example, the Empire Club account disbursed \$1,421,572 to an
26 account in the name of D'Quadrant Strategies, a Nevada LLC managed by Proctor
27 and another individual. Proctor is a signatory on the D'Quadrant Strategies bank
28 account. Records from the D'Quadrant bank account for the same period indicate

1 that 100% of the deposits into the D'Quadrant bank account were from the Empire
2 Club account and almost 50% of the disbursements from the D'Quadrant bank
3 account were made to Baja Sand and Gravel, an apparent construction company
4 managed by Proctor and others and located at the same address as D'Quadrant.

5 48. Moreover, Sun Empire investor funds were deposited into an account
6 in the name of Sun Commerce and Investment. Significant funds from the Sun
7 Commerce and Investment bank account were spent at retail outlets. In addition,
8 some investors funds were used to pay Nguyen's monthly mortgage, travel
9 expanses, and were paid to related companies owned and controlled by Nguyen.
10 Nguyen was the signatory on the Sun Commerce and Investment account.

11 **E. SISL's Subsequent Disclaimer and Efforts to Lull Investors**

12 49. After the Commission filed its action against Sun Empire, ECAM,
13 Proctor, and McCoy, SISL's website posted a "disclaimer," disassociating it from
14 those four defendants. The disclaimer stated, in part, "Recently a number of
15 international individuals or commercial entities that engage in illegal or unethical
16 business practice had claimed that they are representatives of or in association with
17 Sun Investment Savings and Loan, using our name and reputation to mislead and
18 scam potential investors. . . . We have just been informed that there are
19 individuals in California who were charged as scammers and have engaged in
20 scamming business and attached our name to a part of their advertisement without
21 our approval or knowledge The Management Team of Sun Investment
22 Savings and Loan confirms with our members that your investment at our firm is
23 safe and managed by our professional team with full responsibility and integrity."

24 50. The statements distancing SISL from Sun Empire are false. Nguyen,
25 the CEO of SISL and Sun Group, made presentations to investors, including Sun
26 Empire investors, about investing in SISL and Sun Group. Moreover, SISL issued
27 at least one purported \$1 million certificate of deposit to Sun Empire investors.
28 That purported certificate of deposit is signed by Nguyen.

1 51. On April 3, 2009, the day after the Commission filed its original
2 complaint in this matter, Johnson contacted many Sun Empire investors and
3 informed them that their investment in Sun Group is “guaranteed and paid.”
4 Johnson said that in order for the investors to be paid, they needed to provide Sun
5 Group with personal information, including financial and bank account
6 information. On April 9, 2009, Johnson sent another communication to members
7 of two clubs, indicating that the payments due to them would be made to the court-
8 appointed receiver. At the time of the filing of this Complaint, Sun Group had not
9 made any payments to the receiver.

10 **FIRST CLAIM FOR RELIEF**

11 **Fraud in The Offer or Sale of Securities**

12 **Violations of Section 17(a) of the Securities Act**

13 **(Against All Defendants)**

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

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

- 20 a. with scienter, employed devices, schemes, or artifices to
21 defraud;
- 22 b. obtained money or property by means of untrue statements of a
23 material fact or by omitting to state a material fact necessary in
24 order to make the statements made, in light of the
25 circumstances under which they were made, not misleading; or
- 26 c. engaged in transactions, practices, or courses of business which
27 operated or would operate as a fraud or deceit upon the
28 purchaser.

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

4 **SECOND CLAIM FOR RELIEF**

5 **Fraud in Connection With The Purchase or Sale of Securities**
6 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder**
7 **(Against All Defendants)**

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

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

- 14 a. employed devices, schemes, or artifices to defraud;
- 15 b. made untrue statements of a material fact or omitted to state a
16 material fact necessary in order to make the statements made, in
17 the light of the circumstances under which they were made, not
18 misleading; or
- 19 c. engaged in acts, practices, or courses of business which
20 operated or would operate as a fraud or deceit upon other
21 persons.

22 57. By engaging in the conduct described above, the Defendants violated,
23 and unless restrained and enjoined will continue to violate, Section 10(b) of the
24 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R.

25 § 240.10b-5.

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THIRD CLAIM FOR RELIEF

Unregistered Offer and Sale of Securities

Violations of Sections 5(a) and 5(c) of the Securities Act

(Against All Defendants)

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

59. All of the Defendants, and each of them, 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, all of the Defendants 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 77e(c).

FOURTH CLAIM FOR RELIEF

Failure to Register as a Broker-Dealer

Violations of Section 15(a) of the Exchange Act

(Against All Defendants)

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

63. Defendants, and each of them, by engaging in the conduct described above, directly or indirectly, made use of the mails or means or instrumentalities of interstate commerce to effect transactions in, or to induce or attempt to induce, the purchase or sale of securities, without being registered as brokers or dealers in accordance with Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a).

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V.

Order each of the Defendants 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.

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.

VII.

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

DATED: May 12, 2009

/s/ Molly M. White
MOLLY M. WHITE
Attorney for Plaintiff
Securities and Exchange Commission

PROOF OF SERVICE

1 I am over the age of 18 years and not a party to this action. My business address is:

2
3 U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire
Boulevard, 11th Floor, Los Angeles, California 90036-3648

4 Telephone No. (323) 965-3998; Facsimile No. (323) 965-3908.

5 On May 12, 2009, I caused to be served the document entitled **[PROPOSED]**
6 **SECOND AMENDED COMPLAINT** on all the parties to this action addressed as
stated on the attached service list:

7 **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for
8 collection and mailing today following ordinary business practices. I am
9 readily familiar with this agency's practice for collection and processing of
correspondence for mailing; such correspondence would be deposited with
the U.S. Postal Service on the same day in the ordinary course of business.

10 **PERSONAL DEPOSIT IN MAIL:** By placing in sealed
11 envelope(s), which I personally deposited with the U.S. Postal Service.
Each such envelope was deposited with the U.S. Postal Service at Los
12 Angeles, California, with first class postage thereon fully prepaid.

13 **EXPRESS U.S. MAIL:** Each such envelope was deposited in a
14 facility regularly maintained at the U.S. Postal Service for receipt of
Express Mail at Los Angeles, California, with Express Mail postage
paid.

15 **HAND DELIVERY:** I caused to be hand delivered each such envelope to
16 the office of the addressee as stated on the attached service list.

17 **FEDERAL EXPRESS:** By placing in sealed envelope(s) designated by
18 Federal Express with delivery fees paid or provided for, which I deposited in
a facility regularly maintained by Federal Express or delivered to a Federal
Express courier, at Los Angeles, California.

19 **ELECTRONIC MAIL:** By transmitting the document by electronic mail
20 to the electronic mail address as stated on the attached service list.

21 **FAX:** By transmitting the document by facsimile transmission. The
transmission was reported as complete and without error.

22 **(Federal)** I declare under penalty of perjury that I am a member of the bar of
23 this Court and that the foregoing is true and correct.

24
25 Date: May 12, 2009

/s/ Molly M. White
Molly M. White

1 **SEC v. SUN EMPIRE, LLC, et al.**
2 **United States District Court – Central District of California**
3 **Case No. SACV 09-399 DOC (RNBx)**
4 **(LA-3629)**

5 **SERVICE LIST**

6 Randy S. Grossman, Esq.
7 Jones Day
8 12265 El Camino Real, Suite 200
9 San Diego, CA 92130-4096
10 Email: rsgrossman@jonesday.com
11 ***Attorney for Defendants Defilah A. Proctor, Empire Capital Asset***
12 ***Management, and Sun Empire LLC***

13 Christian D. Humphreys, Esq.
14 McKenna Long & Aldridge LLP
15 750 B. Street, Suite 3300
16 San Diego, CA 92101
17 Email: chumphreys@mckennalong.com
18 ***Attorney for Defendant Shauntel A. McCoy***

19 Richard Weissman, Receiver
20 12121 Wilshire Boulevard, Suite 600
21 Los Angeles, CA 90025
22 Email: rweissman@rwreceiver.com
23 ***Permanent Receiver of Sun Empire and ECAM***

24 Jonathan Schwartz, Esq. (by U.S. mail only)
25 4640 Admiralty Way, Suite 500
26 Marina del Rey, CA 90292
27 Email: nasdlaw@aol.com
28 ***Attorney for Sunland Investment Club and Sun Commerce and***
Investment

 Recommended Services, Inc. (by U.S. mail only)
 Attn: Jason Kuruso, President
 P.O. Box 27740
 Las Vegas, NV 89126

 Tycoon Club International, LLC (by U.S. mail only)
 c/o Ernesto G. Rodriguez
 631 W. Katella Avenue, Suite 500
 Anaheim, CA 92802

PROOF OF SERVICE

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2 [X] U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire
3 Boulevard, 11th Floor, Los Angeles, California 90036-3648

4 Telephone No. (323) 965-3998; Facsimile No. (323) 965-3908.

5 On May 15, 2009, I caused to be served the document entitled
6 **SECOND AMENDED COMPLAINT**
on all the parties to this action addressed as stated on the attached service list:

7 [X] **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for
8 collection and mailing today following ordinary business practices. I am
9 readily familiar with this agency's practice for collection and processing of
correspondence for mailing; such correspondence would be deposited with
the U.S. Postal Service on the same day in the ordinary course of business.

10 [] **PERSONAL DEPOSIT IN MAIL:** By placing in sealed
11 envelope(s), which I personally deposited with the U.S. Postal Service.
12 Each such envelope was deposited with the U.S. Postal Service at Los
Angeles, California, with first class postage thereon fully prepaid.

13 [] **EXPRESS U.S. MAIL:** Each such envelope was deposited in a
14 facility regularly maintained at the U.S. Postal Service for receipt of
Express Mail at Los Angeles, California, with Express Mail postage
paid.

15 [] **HAND DELIVERY:** I caused to be hand delivered each such envelope to
16 the office of the addressee as stated on the attached service list.

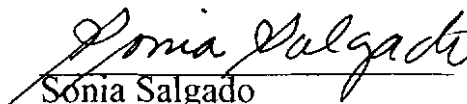
17 [] **FEDERAL EXPRESS:** By placing in sealed envelope(s) designated by
18 Federal Express with delivery fees paid or provided for, which I deposited in
a facility regularly maintained by Federal Express or delivered to a Federal
Express courier, at Los Angeles, California.

19 [] **ELECTRONIC MAIL:** By transmitting the document by electronic mail
20 to the electronic mail address as stated on the attached service list.

21 [] **FAX:** By transmitting the document by facsimile transmission. The
transmission was reported as complete and without error.

22 [X] **(Federal)** I declare that I am employed in the office of a member of the bar
23 of this Court, at whose direction the service was made. I declare under
penalty of perjury that the foregoing is true and correct.

24
25 Date: May 15, 2009


Sonia Salgado

1 **SEC v. SUN EMPIRE, LLC, et al.**
2 **United States District Court – Central District of California**
3 **Case No. SACV 09-399 DOC (RNBx)**
4 **(LA-3629)**

5 **SERVICE LIST**

6 Randy S. Grossman, Esq.
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9 San Diego, CA 92130-4096
10 Email: rsgrossman@jonesday.com
11 ***Attorney for Defendants Defilah A. Proctor, Empire Capital Asset***
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16 San Diego, CA 92101
17 Email: chumphreys@mckennalong.com
18 ***Attorney for Defendant Shauntel A. McCoy***

19 Richard Weissman, Receiver
20 12121 Wilshire Boulevard, Suite 600
21 Los Angeles, CA 90025
22 Email: rweissman@rwreceiver.com
23 ***Court-Appointed Temporary Receiver***

24 Jonathan Schwartz, Esq.
25 4640 Admiralty Way, Suite 500
26 Marina del Rey, CA 90292
27 Email: nasdlaw@aol.com
28 ***Attorney for Sunland Investment Club***

29 Recommended Services, Inc. (by U.S. mail only)
30 Attn: Jason Kuruso, President
31 P.O. Box 27740
32 Las Vegas, NV 89126

33 Tycoon Club International, LLC (by U.S. mail only)
34 c/o Ernesto G. Rodriguez
35 631 W. Katella Avenue, Suite 500
36 Anaheim, CA 92802

37 Infinity Investment Club
38 c/o Amy Chambers
39 309 N. Huber Dr.
40 Casper, WY 82609