

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO. <u>08-</u>
v.	:	DATE FILED: <u>December 11, 2008</u>
EDUARDO RODRIGUEZ	:	VIOLATIONS:
	:	15 U.S.C. §§ 78j(b), 78ff, and 17 C.F.R.
	:	§ 240.10b-5 (securities fraud - 4 counts)
	:	18 U.S.C. § 2 (aiding and abetting)
	:	

SUPERSEDING INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

BACKGROUND

At all times relevant to this information:

1. Defendant EDUARDO RODRIGUEZ was a New Jersey resident and a stock promoter who, in exchange for a fee, facilitated organized retail sales of a publicly traded stock with the objective of manipulating the stock's price by artificially creating demand in the stock.
2. An individual known to the grand jury and identified here as the cooperating witness ("the CW") was secretly cooperating with the government. In this capacity, the CW agreed to help defendant EDUARDO RODRIGUEZ and other individuals who were involved in manipulating the price of a stock by arranging for securities brokers and other individuals to make purchases in a publicly traded stock and then "park," or hold, the stock to artificially inflate the stock's price. The CW charged a fee for his services, a portion of which he

purportedly used to secretly bribe brokers to purchase stock in their clients' accounts.

3. Defendant EDUARDO RODRIGUEZ and the CW agreed to split fees generated through illegal agreements to manipulate stock in publicly traded companies.

4. The United States Securities and Exchange Commission (the "SEC") was an independent agency of the United States which was charged by law with the duty of protecting investors by regulating and monitoring, among other things, the purchase and sale of publicly traded securities. Among the national securities markets regulated by the SEC were the New York Stock Exchange, the American Stock Exchange, and the Pink OTC Markets Inc., an inter-dealer electronic quotation and trading system in the over-the-counter ("OTC") securities market commonly referred to as the "Pink Sheets."

5. National Lampoon, Inc. ("National Lampoon") was a company based in Los Angeles, California, that was involved primarily in media projects including feature films, television programming, online and interactive entertainment, home video, and book publishing. National Lampoon owned interests in all major National Lampoon properties, including the movies Animal House and the Vacation series. National Lampoon also operated a college television network and humor website. National Lampoon was publicly traded under symbol "NLN" on the American Stock Exchange.

THE SECURITIES FRAUD

6. From in or about March 2008 through in or about June 2008, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

EDUARDO RODRIGUEZ

willfully and knowingly, by the use of the means and instrumentalities of interstate commerce

and the facilities of national securities exchanges, directly and indirectly, used and employed manipulative and deceptive devices and contrivances, and aided and abetted the use and employment of manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon other persons in connection with purchases and sales of National Lampoon stock.

MANNER AND MEANS OF THE SECURITIES FRAUD

It was part of the securities fraud that:

7. Defendant EDUARDO RODRIGUEZ and others known and unknown to the United States Attorney attempted to artificially inflate the price of National Lampoon stock by causing manipulative market activity in National Lampoon stock that was designed to appear to be the product of free and fair market forces. They did this in various ways, including the following:

- a. Agreeing to engage in manipulative and deceptive securities transactions to artificially increase the price of National Lampoon stock.
- b. Entering into illegal agreements to orchestrate their trading activity to create the false impression of market demand for National Lampoon stock.
- c. Coordinating trading activity with issuing National Lampoon press releases to provide a false pretext for the increased trading volume in National Lampoon stock.

d. Agreeing to secretly bribe brokers and other individuals to purchase and hold, and cause their retail customers to purchase and hold, National Lampoon stock.

All in violation of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Section 240.10b-5, and Title 18 United States Code, Section 2.

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 4 of Count One are incorporated here.
2. At all times relevant to this information, Advatech Corporation (“Advatech”) was a West Palm Beach, Florida corporation that described itself as an early-stage biotechnology company engaged in the research and development and the commercialization of non-invasive electrical therapies. Advatech stock was publicly traded under the ticker symbol “ADVA” on Pink OTC Markets Inc., an inter-dealer electronic quotation and trading system in the over-the-counter (“OTC”) securities market commonly referred to as the “Pink Sheets.”

THE SECURITIES FRAUD

3. From in or about May 2008 through in or about June 2008, in the Eastern District of Pennsylvania and elsewhere, defendant

EDUARDO RODRIGUEZ

willfully and knowingly, by the use of the means and instrumentalities of interstate commerce and the facilities of national securities exchanges, directly and indirectly, used and employed manipulative and deceptive devices and contrivances, and aided and abetted the use and employment of manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon other persons in connection with

purchases and sales of Advatech stock.

MANNER AND MEANS OF THE SECURITIES FRAUD

It was part of the securities fraud that:

4. Defendant EDUARDO RODRIGUEZ and others known and unknown to the United States Attorney sought to artificially inflate the price of Advatech stock by causing manipulative market activity in Advatech stock that was designed to appear to be the product of free and fair market forces. They did this in various ways, including the following:

- a. Agreeing to engage in manipulative and deceptive securities transactions to artificially increase the price of Advatech stock.
- b. Entering into illegal agreements to orchestrate their trading activity to create the false impression of market demand for Advatech stock.
- c. Coordinating trading activity with issuing Advatech press releases to provide a false pretext for the increased trading volume in Advatech stock.
- d. Agreeing to secretly bribe brokers and other individuals to purchase and hold, and cause their retail customers to purchase and hold, Advatech stock.

All in violation of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Section 240.10b-5, and Title 18 United States Code, Section 2.

COUNT THREE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 4 of Count One are incorporated here.
2. At all times relevant to this information, Swedish Vegas, Inc. (“Swedish Vegas”) was a Delaware corporation based in Arcadia, California that described itself as a company “building a global brand name with a website, a line of microbrewed beer and a restaurant/bar concept.” Swedish Vegas was publicly traded under the ticker symbol “SWDV” on the Pink OTC Markets Inc., an inter-dealer electronic quotation and trading system in the over-the-counter (“OTC”) securities market commonly referred to as the “Pink Sheets.”

THE SECURITIES FRAUD

3. From in or about June 2008 through in or about July 2008, in the Eastern District of Pennsylvania and elsewhere, defendant

EDUARDO RODRIGUEZ

willfully and knowingly, by the use of the means and instrumentalities of interstate commerce and the facilities of national securities exchanges, directly and indirectly, used and employed manipulative and deceptive devices and contrivances, and aided and abetted the use and employment of manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon other persons in connection with

purchases and sales of Swedish Vegas stock.

MANNER AND MEANS OF THE SECURITIES FRAUD

It was part of the securities fraud that:

4. Defendant EDUARDO RODRIGUEZ and others known and unknown to the United States Attorney sought to artificially inflate the price of Swedish Vegas stock by causing manipulative market activity in Swedish Vegas stock that was designed to appear to be the product of free and fair market forces. They did this in various ways, including the following:

- a. Agreeing to engage in manipulative and deceptive securities transactions to artificially increase the price of Swedish Vegas stock.
- b. Entering into illegal agreements to orchestrate their trading activity to create the false impression of market demand for Swedish Vegas stock.
- c. Coordinating trading activity with issuing Swedish Vegas press releases to provide a false pretext for the increased trading volume in Swedish Vegas stock.
- d. Agreeing to secretly bribe brokers and other individuals to purchase and hold, and cause their retail customers to purchase and hold, Swedish Vegas stock.

All in violation of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Section 240.10b-5, and Title 18 United States Code, Section 2.

COUNT FOUR

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 4 of Count One are incorporated here.
2. At all times relevant to this information, a company known to the United States Attorney and identified here as “Company A” was publicly traded on the Pink OTC Markets Inc., an inter-dealer electronic quotation and trading system in the over-the-counter (“OTC”) securities market commonly referred to as the “Pink Sheets.”

THE SECURITIES FRAUD

3. From in or about June 2008 through in or about July 2008, in the Eastern District of Pennsylvania and elsewhere, defendant

EDUARDO RODRIGUEZ

willfully and knowingly, by the use of the means and instrumentalities of interstate commerce and the facilities of national securities exchanges, directly and indirectly, used and employed manipulative and deceptive devices and contrivances, and aided and abetted the use and employment of manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon other persons in connection with

purchases and sales of Company A stock.

MANNER AND MEANS OF THE SECURITIES FRAUD

It was part of the securities fraud that:

4. Defendant EDUARDO RODRIGUEZ and others known and unknown to the United States Attorney sought to artificially inflate the price of Company A stock by causing manipulative market activity in Company A stock that was designed to appear to be the product of free and fair market forces. They did this in various ways, including the following:

- a. Agreeing to engage in manipulative and deceptive securities transactions to artificially increase the price of Company A stock.
- b. Entering into illegal agreements to orchestrate their trading activity to create the false impression of market demand for Company A stock.
- c. Coordinating trading activity with issuing Company A press releases to provide a false pretext for the increased trading volume in Company A stock.
- d. Agreeing to secretly bribe brokers and other individuals to purchase and hold, and cause their retail customers to purchase and hold, Company A stock.

All in violation of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Section 240.10b-5, and Title 18 United States Code, Section 2.

LAURIE MAGID
Acting United States Attorney