

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

U.S. SECURITIES AND EXCHANGE
COMMISSION,
100 F Street, N.E.
Washington D.C. 20549-6030

Plaintiff,

v.

SURE TRACE SECURITY CORPORATION
1615 Walnut Street, 3rd Floor
Philadelphia, PA 19103,
MICHAEL M. CIMINO, AND PETER
LEEUWERKE

Defendants.

Case: 1:07-cv-01619
Assigned To : Robertson, James
Assign. Date : 9/13/2007
Description: General Civil

COMPLAINT

Plaintiff U.S. Securities and Exchange Commission (the "Commission") alleges that:

SUMMARY

1. This case involves Sure Trace Security Corporation's ("Sure Trace" or the "company") issuance of fraudulent press releases and its repeated attempts to evade registration requirements.
2. In 2004, Sure Trace issued a press release claiming that the company had signed a contract for \$6 million; and two press releases claiming that the company was about to acquire Sensor Media Corporation, a company with alleged sophisticated technology.
3. These releases were false or materially misleading. Sure Trace had not signed a contract for \$6 million as reported. In addition, Sure Trace omitted material facts by failing to

disclose that Sensor Media was controlled by a related party and only had an unfinished prototype for a product.

4. Peter Leeuwerke (“Leeuwerke”) drafted each of the press releases that were issued. Leeuwerke was a consultant for Sure Trace at the time the releases were issued, and had previously served as Sure Trace’s chief executive officer. Leeuwerke knew, or was reckless in not knowing, that each release was materially false and misleading.

5. Sure Trace also made several attempts to evade securities registration requirements. From 2002 to 2003, Sure Trace attempted to use at least three Forms S-8 to register the issuance of stock, purportedly to give to its employees and consultants under the auspices of various employee stock option plans. Many of the shares Sure Trace registered on Forms S-8 and issued to “consultants” were never intended to compensate the so-called “consultants” for their services, but rather were designed from the outset to make a market in the company’s stock.

6. Sure Trace also violated the registration requirements of the Securities Act of 1933 (“Securities Act”) in May 2006 when it spun off shares of its subsidiary, True Product ID (“TPDI”). Michael Cimino (“Cimino”), Sure Trace’s current vice-chairman and president, effected the spin-off

7. As a result of this conduct, Sure Trace violated Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, and Sections 5(a) and 5(c) of the Securities Act. Leeuwerke violated, and aided and abetted violations of, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and violated Sections 5(a) and 5(c) of the Securities Act. Finally, Cimino violated sections 5(a) and 5(c) of the Securities Act.

62. By reason of the foregoing, Sure Trace, Leeuwerke, and Cimino violated Sections 5(a) and 5(c) of the Securities Act.

PRAYER FOR RELIEF

Wherefore, the SEC respectfully requests that this Court enter a final judgment:

I.

Permanent Injunctive Relief

(Defendants Sure Trace, Leeuwerke, and Cimino)

- (a) Permanently enjoining Defendants Sure Trace and Leeuwerke from violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.
- (b) Permanently enjoining Defendants Sure Trace, Leeuwerke, and Cimino from violating Sections 5(a) and 5(c) of the Securities Act.

II.

Disgorgement

(Sure Trace and Leeuwerke)

- (a) Ordering Sure Trace to pay disgorgement of \$933,750, plus-prejudgment interest of \$165,150.75, representing the benefit from the conduct alleged herein.
- (b) Ordering Leeuwerke to pay disgorgement plus pre-judgment interest representing the benefit from the conduct alleged herein.

III.

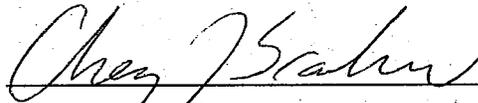
Civil Money Penalties

(Sure Trace and Leeuwerke)

(a) Ordering Sure Trace and Leeuwerke to pay a penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

Dated: September 10, 2007

Respectfully submitted,



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