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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA
LAS VEGAS DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

CV-S-01-0225-DWH-PAL

INTERNET SOLUTIONS FOR BUSINESS, INC.;

and

LAWRENCE SHAW

Defendants.

COMPLAINT

Plaintiff, Securities and Exchange Commission ("Commission"), for its Complaint against Defendants Internet Solutions For Business, Inc. ("ISFB") and Lawrence Shaw ("Shaw"), alleges as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this action, pursuant to Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§78u(d), 77u(e) and 78aa], and venue is proper in the Southern Division of Nevada.

COMPLAINT

SEC v. Internet Solutions For Business, Inc., et al.

2. The common stock offered by ISFB, a Nevada Corporation, constitutes “securities” under Section 3(a)(10) of the Exchange Act, [15 U.S.C. §78c].

3. The Commission brings this action pursuant to the authority conferred upon it by Section 21(d) of the Exchange Act, [15 U.S.C. § 78u(d)]. To prevent further investor losses, the Commission seeks an order of this Court which permanently enjoins Defendants ISFB and Shaw, their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from future violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and of Rule 10b-5 thereunder [17 C.F.R. §240.10b-5]. In addition, the Commission seeks civil penalties against Defendant Shaw pursuant to Section 21(d) of the Exchange Act [15 U.S.C. §78u(d)].

4. The Defendants, directly or indirectly, singly or in concert, made use of the means or instruments of transportation or communication, and the means or instrumentalities of, interstate commerce, or of the mails, in connection with the transactions, acts, practices, and courses of business alleged herein. Certain of the transactions, acts, practices, and courses of business alleged herein took place in the District of Nevada.

SUMMARY

5. In this action, the Commission charges Defendants with perpetrating an Internet investment fraud that targeted thousands of investors throughout the United States, including residents of Nevada.

6. From at least March 1999 until October 2000, Defendants, through press releases and website postings, represented ISFB to be a successful and sophisticated, high-tech Internet company with cutting edge products and profitable business relationships with prominent “blue

chip” companies. Defendants touted these products and relationships on an Internet website, in press releases and through reports published by a stock analyst whom they compensated.

7. Many of the Defendants’ representations concerning: a) the status and potential of ISFB’s products, b) the true nature of ISFB’s business relationships with prominent international corporations, c) ISFB’s stock listing, and d) stock price predictions, were false and misleading, and were made during the time that ISFB’s stock was publicly traded in the United States.

8. For a six-month period, beginning in March of 1999, when the Defendants began issuing false and misleading press releases and website postings, ISFB’s share price increased 52 percent, despite the fact that the company was in dire financial condition.

9. By engaging in the conduct detailed in this Complaint, the Defendants directly or indirectly, singly or in concert, have engaged, and, unless enjoined and restrained, will again engage in transactions, acts, practices and courses of business that constitute violations of Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), [15 U.S.C. §78j(b)], and Rule 10b-5, [17 C.F.R. §240.10b-5], promulgated thereunder.

DEFENDANTS

10. **Internet Solutions For Business, Inc.**, a Nevada corporation headquartered in England, is engaged in various Internet-related businesses. ISFB’s common stock was quoted on the OTC Bulletin Board, an electronic quotation service operated by the National Association of Securities Dealers, from March 1999 until May 4, 2000. Subsequently, ISFB’s stock has been, and is currently, quoted on the National Quotation Bureau’s Pink Sheets.

11. **Lawrence Shaw**, age 32, is a resident of the United Kingdom, and the founder, president, CEO and single largest shareholder of ISFB.

DEFENDANTS' SCHEME TO DEFRAUD

12. Shaw founded ISFB in 1996, and is company's president, CEO and largest shareholder. Shaw's direct and indirect holdings total approximately 32 percent of ISFB's outstanding common stock. Among other duties, Shaw conducted ISFB's public relations activities during the relevant period, including the preparation, review and approval of company press releases and website content.

13. ISFB represented itself as a successful and sophisticated, high-tech Internet company with cutting edge products and profitable business relationships with many international "blue chip" companies. ISFB purported to offer Internet and wireless related products and services including website design, security related software, e-mail software and wireless communications systems. The company also claimed to operate a successful Internet website listing residential property for sale in the United Kingdom.

14. To promote its securities, ISFB issued numerous press releases, which it disseminated *via* major United States news services including Business Wire and PR Newswire. ISFB also operated an Internet website, located at www.IS4B.net, which contained the company's press releases and information concerning the company's history, products and services.

15. To further promote its securities, the Defendants provided 12,500 shares of ISFB stock to a stock analyst. In return, this analyst issued two highly favorable profiles of ISFB and recommended the purchase of ISFB securities. ISFB's website permitted readers to access, through a hypertext link, one of the analyst's report.

16. From June 1999, through at least October 2000, the Defendants, through press releases, website postings and the analyst's report described above, provided to investors and

prospective investors, false and misleading information, and failed to disclose information that was material, as detailed below.

**DEFENDANTS' MISREPRESENTATIONS AND OMISSIONS OF MATERIAL FACT
IN FURTHERENCE OF THEIR SCHEME TO DEFRAUD**

17. The Defendants, individually and in combination, issued press releases which represented that ISFB successfully operated an Internet website "audit service," which was able to detect security flaws in other websites. The Defendants falsely represented that this audit service was "[O]nline to Collect a Potential \$4.1 Billion in Fees." The Defendants also made these same representation on ISFB's website.

18. The Defendants, individually and in combination, also claimed in press releases and on the ISFB website that ISFB was successfully operating an Internet property guide that contained over \$200 million in residential property listings. However, the Defendants failed to disclose that the property guide was not commercially viable, in that the Defendants had been unable to sell any advertising on the website, the only contemplated source of revenue for the venture. Further, the Defendants failed to disclose that the property guide was not owned by ISFB, but rather, was owned by Shaw.

19. The Defendants, individually and in combination, also falsely claimed in press releases and on ISFB's website, that ISFB had successful and profitable business relationships with numerous prominent international "blue chip" companies including Sears, Ericcson, and Del Monte Royal Foods.

20. The Defendants, individually and in combination, and without a reasonable basis, claimed in press releases and on ISFB's website, that ISFB's share price would increase 300 percent "mid-term."

21. The Defendants, individually and in combination, also falsely claimed in press releases and on ISFB's website, that the company's stock was listed on the "NASDAQ" stock exchange.

CAUSE OF ACTION

22. The Commission repeats and realleges paragraphs 1 through 21 of this Complaint and incorporates them herein by reference as if set forth *verbatim*.

23. The Defendants, directly or indirectly, in connection with the purchase and sale of securities, by use of the means or instrumentalities of interstate commerce and by use of the mails: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material facts and omitted 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) engaged in acts, practices and courses of business which operated as a fraud and deceit upon purchasers, prospective purchasers and other persons.

24. As a part of and in furtherance of their scheme, Defendants, directly or indirectly, prepared, disseminated, or used electronic and written offering documents which contained untrue statements of material facts and misrepresentations of material facts, and which omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, those set forth above.

25. The Defendants made the above-referenced misrepresentations and omissions knowingly or in reckless disregard of the truth.

26. By reason of the foregoing, Defendants ISFB and Shaw violated and, unless enjoined, will continue to violate the provisions of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

RELIEF REQUESTED

WHEREFORE, Plaintiff Securities and Exchange Commission respectfully requests that this Court:

I.

Enter an Order permanently enjoining the Defendants, ISFB and Shaw, their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of the injunction, by personal service or otherwise, and each of them, from future violations of Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)], and of Rule 10b-5 thereunder [17 C.F.R. §240.10b-5];

II.


Enter an Order imposing civil penalties against Defendant Shaw pursuant to Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)], for the violations alleged herein; and

III.

Enter an Order for such further relief as this Court may deem just and proper.

For the Commission, by its attorneys:

Dated this 27th day of February 2001.



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