UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-20503

In the Matter of **ALEXANDER GOLDSCHMIDT,** **Respondent.**	**DIVISION OF ENFORCEMENT'S MOTION FOR DEFAULT JUDGMENT AND IMPOSITION OF REMEDIAL SANCTIONS**

In accordance with the Order to Show Cause entered April 4, 2022, the Division of Enforcement ("Division"), pursuant to Rules 155(a) and 220(f) of the Commission's Rules of Practice, respectfully moves for the entry of a default judgment and the imposition of remedial sanctions against Respondent Alexander Goldschmidt ("Respondent" or "Goldschmidt").

For the reasons set forth in the accompanying Memorandum of Law and the Declaration of Rhonda L. Jung in support of this Motion, the Division respectfully moves for an order finding Goldschmidt in default and permanently barring Goldschmidt from participating in an offering of penny stock.

Dated: May 16, 2022

Respectfully Submitted,
DIVISION OF ENFORCEMENT

/s/ Paul G. Gizzi
/s/ Rhonda L. Jung

_____

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OS Received 05/16/2022

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-20503

In the Matter of

ALEXANDER GOLDSCHMIDT,

Respondent.

MEMORANDUM OF LAW IN SUPPORT OF THE DIVISION OF ENFORCEMENT'S MOTION FOR ENTRY OF DEFAULT AND IMPOSITION OF REMEDIAL SANCTIONS AGAINST RESPONDENT ALEXANDER GOLDSCHMIDT

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I. INTRODUCTION

In accordance with the Order to Show Cause, entered April 4, 2022 ("Order to Show Cause"), the Division of Enforcement ("Division") respectfully moves for an order finding Respondent Alexander Goldschmidt ("Respondent" or "Goldschmidt") in default, and imposing remedial sanctions, pursuant to Commission Rule of Practice 155(a)(2). 17 C.F.R. § 201.155(a)(2). Goldschmidt has not responded to the Order Instituting Proceedings ("OIP"), or the Order to Show Cause, within the time allowed. In addition, the Commission should determine that an order permanently barring Goldschmidt from participating in an offering of penny stock is appropriate and in the public interest under Section 15(b)(6)(A)(ii) of the Securities Exchange Act of 1934 (the "Exchange Act") based upon the OIP's allegations (all of which should be deemed true) and the criminal judgment entered against him based on his plea to conspiracy to commit securities fraud and substantive securities fraud. These facts warrant an Order barring Goldschmidt from participating in an offering of penny stock.

II. PROCEDURAL HISTORY

The Commission commenced this proceeding on August 30, 2021, with an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Notice of Hearing. On October 13, 2021, the OIP was served on Goldschmidt, and his answer to the OIP was due by November 2, 2021. Jung Decl. Exhibit G. Goldschmidt filed no response. *Id*. ¶ 3. On April 4, 2022, the Commission issued an Order to Show Cause, ordering Goldschmidt to respond by April 18, 2021. Jung Decl. Exhibit H. Goldschmidt again filed no response. Accordingly, and pursuant to the Order to Show Cause, the Division submits this Motion for Default Judgment and Imposition of Remedial Sanctions.

III. STATEMENT OF FACTS

A. The Criminal Case Against Goldschmidt

Goldschmidt is 55 years old. OIP ¶ II.A.1. From in or about 2012 through at least March 2013, Goldschmidt participated in an offering of Face Up Entertainment Group, Inc. ("Face Up") stock. OIP ¶ II.A.1; Jung Decl. Exhibit A ¶ 11. Face Up was a penny stock dually quoted on the OTC Bulletin Board and OTC Link (formerly, "Pink Sheets") operated by Pink OTC Markets, Inc. under the symbol "FUEG." Jung Decl. Exhibit E, F.

On March 28, 2013, Goldschmidt was charged in a criminal complaint alleging that he and other conspirators had participated in a fraudulent scheme to manipulate artificially the market price of Face Up common stock. Jung Decl. Exhibit A (Complaint in *United States v. Alexander Goldschmidt, et al.*, 13 Mag. 828 (HBP)).

According to the criminal complaint, judicially authorized wiretaps revealed that Goldschmidt, and his co-conspirators (collectively, the "Conspirators") were engaged in a "pump and dump" market manipulation scheme in which they worked to fraudulently inflate the market price and trading volume of Face Up common stock, and then sold shares of the stock at artificially inflated prices to the investing public for a profit. Jung Decl. Exhibit A, ¶ 11.

Face Up was secretly controlled by one of the Conspirators, Yitz Grossman ("Grossman"), a previously convicted felon, who was a purported "consultant" to the company.[1] *Id.* ¶ 8. Grossman had put his family members, including his father-in-law, in nominal leadership positions at the company and owned or controlled the majority of the company's purportedly freely trading stock. *Id.* ¶ 22 a. i. The stock was deposited in brokerage accounts that the Conspirators

[1] Grossman consented to a permanent penny stock bar. *In the Matter of Yitz Grossman*, Admin. Proc. File No. 3-16715 (Aug. 4, 2015).

beneficially owned or controlled (the "Nominee Accounts"). *Id.* ¶ 22 a. iii. The Conspirators coordinated trading between and amongst the Nominee Accounts to inflate the market price of Face Up and to create the false appearance of liquidity and demand for the stock. *Id.* ¶ 22 a. ii, 23, 28. Goldschmidt controlled and directed the purchase and sale of Face Up common stock in Nominee Accounts in the name of Dolton Consulting Services, Inc. ("Dolton"). *Id.* ¶ 18. During the relevant period, Grossman hired various individuals, including "CC-1" and "CC-3" to create prolific promotional campaigns designed to drum up retail investor interest in the stock. *Id.* ¶ 26, 27. The FBI intercepted phone calls between and amongst the Conspirators that revealed discussions about driving up the stock price and coordinating the stock promotions with the trading. *Id.* ¶ 5. On certain of those calls, Goldschmidt, using a pre-paid cellular phone, was heard talking to CC-1 about getting "the stock price up" and coordinating the trading activity with CC-3's promotional campaign. *Id.* ¶ 22 a.

Before any additional manipulative activity could occur, Goldschmidt and his co-conspirators were arrested and the Commission suspended trading in the common stock of Face Up. *See* Order of Trading Suspension (Apr. 4, 2013) (available at: http://www.sec.gov/litigation/suspensions/2013/34-69293-o.pdf). As detailed in the criminal complaint, the arrests may also have stopped the defendants from harming CC-1. At one point, Grossman came to believe that CC-1 had stolen approximately $350,000 from him -- money that was slated to be used to promote Face Up as part the "pump." *Id.* ¶ 39, 40. In response to this purported betrayal, Grossman enlisted certain of the defendants' to get the money back by threatening CC-1 with the use of force and improper economic harm. *Id.* ¶ 39-57.

On August 15, 2013, Goldschmidt was charged in a superseding indictment with, among other charges, conspiracy to commit securities fraud in *United States v. Alexander Goldschmidt, et al.*, 13 Cr. 410 (NRB)(S.D.N.Y). Jung Decl. Exhibit B.

B. Goldschmidt's Guilty Plea and Sentencing

On October 13, 2015, Goldschmidt pleaded guilty to three counts of conspiracy to commit securities fraud in violation of 18 U.S.C. § 371, two counts of securities fraud in violation of 15 U.S.C. §§ 78j(b) and 78ff, one count of conspiracy to commit extortion in violation of 18 U.S.C. § 1951, and one count of conspiracy to commit money laundering in violation of 18 U.S.C. § 1956. Jung Decl. Exhibit D. By pleading guilty to the Information, Goldschmidt admitted, among other things, that he was involved in a scheme to manipulate the stock price of Face Up so that the individuals involved in the scheme would profit. Jung Decl. Exhibit C. In addition, Goldschmidt pleaded guilty to conspiring to manipulate the securities of at least two additional micro-cap issuers from 1996 through 2009. Jung Decl. Exhibit C. On March 5, 2019, Goldschmidt was sentenced to time served, seven years of supervised release, and ordered to forfeit $1,768,032 (all of his ill-gotten gains). Jung Decl. Exhibit D.

IV. ARGUMENT

Goldschmidt has not filed an answer to the Commission's OIP, nor has he responded to the Commission's Order to Show Cause. Jung Decl. Exhibit G. The Commission should find Goldschmidt in default and enter judgment accordingly. Further, because of Goldschmidt's criminal conviction and long history of securities fraud in the micro-cap space, the Division submits that a permanent bar from participating in an offering of penny stock is appropriate.

A. Entry of Default Judgment is Appropriate

Goldschmidt received service of the OIP in this matter on October 13, 2021. In the OIP, Goldschmidt was directed to file an Answer within twenty days after its service on him. OIP ¶ IV; see also Rules of Practice 160(a) and 220(b), 17 C.F.R. §§ 201.160(a) and 201.220(b). To date, Goldschmidt has not filed an answer or responded to the Commission's Order to Show Cause. Jung Decl. Exhibit G.

Rule 220(f) of the Commission's Rules of Practice provides that if a "respondent fails to file an answer . . . within the time provided, such person may be deemed in default pursuant to Rule 155(a)." 17 C.F.R. § 201.220(f). In turn, Commission Rule of Practice 155(a) provides that "[a] party to a proceeding may be deemed to be in default and the Commission or the hearing officer may determine the proceeding against the party upon consideration of the record, including the order instituting proceedings, the allegations of which may be deemed to be true, if that party fails . . . [t]o answer, to respond to a dispositive motion within the time provided, or to otherwise defend the proceeding." 17 C.F.R. § 201.155(a).

On April 4, 2022, the Commission issued the Order to Show Cause finding that Goldschmidt had failed to respond to the OIP within the specified twenty days. Jung Decl. Exhibit H. That Order gave Goldschmidt until April 18, 2022 to submit a response, otherwise he would be in default. *Id*. Goldschmidt has not filed a response. Therefore, pursuant to the Order to Show Cause, the Division now moves for a judgment of default and appropriate remedial relief. *Id*.

B. Section 15(b)(6) Relief Is Appropriate

Under Exchange Act Section 15(b)(6), the Commission is authorized to bar from participating in an offering of penny stock, any person who, at the time of the alleged misconduct,

was participating in the offering of any penny stock and was convicted of any offense specified in Section 15(b)(4)(B) within ten years of the commencement of the proceedings if such sanction is in the public interest. The predicate offenses in Section 15(b)(4)(B) include, among other things, any crime that involves the purchase or sale of any security, or conspiracy to commit any such offense.

At all times relevant to this proceeding, Face Up's common stock qualified as a penny stock because it was an equity security that did not meet any of the exceptions from the definition of "penny stock" in Section 3(a)(51) of the Exchange Act and Rule 3a51-1 thereunder. Among other things: (1) Face Up's common stock was not an "NMS stock," as defined in 17 CFR § 242.600(b)(52); (2) the stock traded at less than five dollars per share during the relevant period; and (3) Face Up had net tangible assets and average revenue below the thresholds of Rules 3a51-1(g)(1) and (2). Jung Decl. Ex. E.

Goldschmidt pleaded guilty to three counts of conspiracy to commit securities fraud and two counts of substantive securities fraud. By pleading guilty to the charges in the Information, Goldschmidt admitted that he was involved in a scheme to manipulate the stock price of Face Up so that the individuals involved in the scheme would profit. And Goldschmidt himself profited from the scheme, as evidenced by the forfeiture order. Thus, Goldschmidt is subject to being barred from participating in any penny stock offering.

C. A Permanent Penny Stock Bar is Appropriate in the Public Interest.

In considering whether sanctions are in the public interest, and, if so, what sanctions to impose, the Commission typically considers several factors, referred to as the *Steadman* factors. Specifically, the Commission considers the egregiousness of respondent's actions, the isolated or recurrent nature of the infraction, the degree of scienter involved, the sincerity of the respondent's assurances against future violations, the respondent's recognition of the wrongful nature of his

conduct, and the likelihood that the respondent's occupation will present opportunities for future violations. *In the Matter of Eric Butler*, Exchange Act Release No. 65204, 2011 SEC LEXIS 3002, at *13-14 & n.21 (Aug. 26, 2011) (citing *Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979), *aff'd on other grounds*, 450 U.S. 91 (1981)). While the inquiry is a "'flexible one, and no one factor is dispositive,'" *Id.* at *14 & n.22 (quoting *In the Matter of David Henry Disraeli*, Exchange Act. Rel. No. 57027, 2007 SEC LEXIS 3015, at *61 (Dec. 21, 2007), *petition denied*, *Disraeli v. SEC*, 334 F. App'x 334 (D.C. Cir. 2009)), in this proceeding the majority of these factors support the imposition a penny stock bar.

On the record in this matter, the *Steadman* factors weigh in favor of permanently barring Goldschmidt from participating in an offering of penny stock. As he admitted by pleading guilty to the Information, Goldschmidt was involved in the scheme to manipulate the stock price of Face Up so that the individuals involved in the scheme would profit. He controlled and directed the purchase and sale of Face Up common stock in Nominee Accounts in order to artificially inflate the price of the stock. In addition, he pleaded guilty to conspiring to manipulate the securities of at least 2 additional micro-cap issuers from 1996 to 2009. Although Goldschmidt appears to have taken responsibility for his conduct by pleading guilty to the criminal charges against him, he has not provided the Commission with any information regarding his current or future planned occupation. Goldschmidt's conduct was egregious, performed with a high degree of scienter, and as is evident from his plea, this behavior was not an isolated instance but was instead a course of conduct that he repeatedly engaged in for over a decade.

The undisputed facts and analysis of the *Steadman* factors demonstrates that the public interest weighs heavily in favor of barring Respondent Alexander Goldschmidt from participating in an offering of penny stock. Goldschmidt's criminal conviction for conspiracy to commit

securities fraud and substantive securities fraud supports this conclusion and the facts that gave rise to Goldschmidt's conviction establish that a penny stock bar is an appropriate remedy and is necessary for the protection of investors.

V. Conclusion

For the reasons set forth above, the Division requests that the Commission find Goldschmidt in default and impose a penny stock bar as authorized by Exchange Act Section 15(b)(6).

Dated: New York, New York
May 16, 2022

Respectfully submitted,

/s/ Paul G. Gizzi
/s/ Rhonda L. Jung

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CERTIFICATE OF SERVICE

I certify that I caused copies of the foregoing Motion for Entry of Default and Imposition of Remedial Sanctions, and the accompanying Declaration of Rhonda L. Jung, dated May 16, 2022, to be served upon Respondent Alexander Goldschmidt, by sending the same to Respondent and Respondent's counsel on May 16, 2022 by UPS Overnight to:

Alexander Goldschmidt
[redacted]

Gary A. Farrell, Esq.
Attorney at Law
40 Exchange Place, 14th Floor
New York, New York 10005
(Counsel for Alexander Goldschmidt)

/s/Rhonda L. Jung
Counsel for the Division of Enforcement

EXHIBIT A

Approved: _____
JENNIFER E. BURNS/JASON A. MASIMORE
Assistant United States Attorneys

Before: HONORABLE HENRY B. PITMAN
United States Magistrate Judge
Southern District of New York

13 MAG 0828

UNITED STATES OF AMERICA	SEALED COMPLAINT
- v. -	Violations of 18 U.S.C. §§ 371, 1951
ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA, YITZ GROSSMAN, EFIM AKSANOV, and STEVE KOIFMAN,	COUNTY OF OFFENSE: NEW YORK
Defendants.	

STATE OF NEW YORK) ss:
SOUTHERN DISTRICT OF NEW YORK)

THOMAS ZUKAUSKAS, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation, and charges as follows:

COUNT ONE

(Conspiracy to Commit Securities Fraud)

1. From at least in or about 2012, up to and including on or about March 27, 2013, in the Southern District of New York and elsewhere, ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA, YITZ GROSSMAN, EFIM AKSANOV, and STEVE KOIFMAN, the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, securities fraud in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

Object

2. It was a part and an object of the conspiracy that ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA, YITZ GROSSMAN, EFIM AKSANOV, and STEVE KOIFMAN, the defendants, and others known and unknown, willfully and knowingly, directly and indirectly, by the use of means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in contravention of Title 17, Code of Federal Regulations, Sections 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 the 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 purchasers and sellers, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

Overt Acts

3. In furtherance of the conspiracy and to effect the illegal object thereof, ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA, YITZ GROSSMAN, EFIM AKSANOV, and STEVE KOIFMAN, the defendants, and others known and unknown, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. On or about July 19, 2012, at approximately 8:00 p.m., a co-conspirator not named as a defendant herein ("CC-1"), while in New York, New York, as set forth herein, placed a call to GOLDSHMIDT, during which call GOLDSHMIDT and CC-1 discussed the unlawful promotion of a stock.

b. On or about September 20, 2012, at approximately 4:52 p.m., as set forth herein, PUZAITZER placed a call to EFIM AKSANOV, the defendant, during which call PUZAITZER and AKSANOV discussed an unlawful stock market manipulation.

c. On or about August 31, 2012, at approximately 3:18 p.m., as set forth herein, GOLDSHMIDT placed a call to PAUL ORENA, the defendant, during which call GOLDSHMIDT and ORENA

discussed trading occurring as part of an unlawful stock promotion.

d. On or about February 26, 2013, at approximately 3:44 p.m., as set forth herein, PUZAITZER received a call from MICHAEL VAX, the defendant, during which they discussed an unlawful market manipulation scheme.

e. On or about September 25, 2012, at approximately 10:14 a.m., as set forth herein, AKSANOV placed a call to STEVE KOIFMAN, the defendant, during which they discussed trading patterns as part of an unlawful market manipulation scheme.

(Title 18, United States Code, Section 371.)

COUNT TWO

(Conspiracy to Commit Extortion)

4. From at least in or about February 2012, up to and including on or about March 27, 2013, in the Southern District of New York and elsewhere, ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA, YITZ GROSSMAN, EFIM AKSANOV, and STEVE KOIFMAN, the defendants, and others known and unknown, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), by obtaining money and property from and with the consent of another person, to wit, CC-1, which consent would have been and was induced by the wrongful use of actual and threatened force, violence, and fear, and thereby would have obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, GOLDSHMIDT, PUZAITZER, VAX, ORENA, GROSSMAN, AKSANOV, and KOIFMAN attempted to collect money and shares of publicly traded stock from CC-1 through the threat of force.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge of the foregoing charges are, in part, as follows:

5. I have been a Special Agent with the FBI since May 2006. Since July of 2011, I have been assigned to Squad C-24, which is the Eurasian Organized Crime Task Force ("EOCTF"). Prior to July 2011, I was assigned to Squad C-1, the Securities

Fraud squad. As a Special Agent, I have conducted investigations into federal crimes relating to wire fraud, mail fraud, and securities fraud, among other things. During that time, I also have conducted or participated in surveillance, the execution of search warrants, debriefings of informants, and have participated in investigations that included the interception of wire and electronic communications. Through my training, education and experience, I have become familiar with market manipulation as it relates to securities fraud, including "pump and dump" schemes. I have been personally involved in the investigation of this matter. This affidavit is based upon my own knowledge, my conversations with other individuals, including other law enforcement agents, and my examination of reports and records. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated. Moreover, where I refer to the contents of previously recorded conversations (e.g., wiretap interceptions), my quotations and descriptions are based on preliminary draft transcripts and/or translations of those conversations and are reported in substance and in part.

Relevant Persons

6. At all times relevant to this Complaint, ALEXANDER GOLDSHMIDT, the defendant, was a partner of ALEX PUZAITZER, the defendant, and others in the promotion, purchase and sale of securities, and controlled and directed Dolton Consulting Services, Inc. ("Dolton"), including its purchase and sale of securities, and was one of the signatories on Dolton's bank accounts. Judicially authorized wiretap interceptions have revealed that GOLDSHMIDT, together with others known and unknown, participated in a "pump and dump" market manipulation scheme in which they worked to fraudulently inflate the prices and trading volumes of publicly traded stock of small cap companies in the small cap stock market, also known as "penny stocks," and then to sell shares of the stock at fraudulently inflated prices to the investing public for a profit.

7. At all times relevant to this Complaint, ALEX PUZAITZER, the defendant, was a partner of ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown in the promotion, purchase and sale of securities. Judicially authorized wiretap interceptions have revealed that PUZAITZER, together with others

known and unknown, participated in a "pump and dump" market manipulation scheme in which they worked to fraudulently inflate the prices and trading volumes of publicly traded stock of small cap companies in the small cap stock market, also known as "penny stocks," and then to sell shares of the stock at fraudulently inflated prices to the investing public for a profit.

8. At all times relevant to this Complaint, YITZ GROSSMAN, the defendant, was engaged in a $10,000 per month "consulting agreement" with Face Up Entertainment Group, Inc. ("FUEG") pursuant to which GROSSMAN was retained as a consultant to advise FUEG on "corporate development" and introduce FUEG to "some of [GROSSMAN's] contacts which may have an interest in investing in" FUEG. GROSSMAN is believed to have used GROSSMAN's position as an insider with FUEG to assist with the market manipulation of FUEG stock. GROSSMAN is using or has used the promotional services of others known and unknown to artificially inflate the price of shares of FUEG. Judicially authorized wiretap interceptions have revealed that GROSSMAN, together with others known and unknown, participated in a "pump and dump" market manipulation scheme involving several stocks.

9. At all times relevant to this Complaint, PAUL ORENA, the defendant, is believed to have been an associate of ALEXANDER GOLDSHMIDT and ALEX PUZAITZER, the defendants, who worked with GOLDSHMIDT, PUZAITZER and YITZ GROSSMAN, the defendant, as a promoter to artificially inflate the stock price of FUEG. ORENA coordinated the buying and selling of targeted stocks, including FUEG, to enhance artificial price increases by making them appear to the market as though there was increased interest in the stock. Judicially authorized wiretap interceptions have revealed that ORENA, together with others known and unknown, participated in a "pump and dump" market manipulation scheme involving several stocks.

10. At all times relevant to this Complaint, MICHAEL VAX, the defendant, is believed to have been a close associate of ALEXANDER GOLDSHMIDT and ALEX PUZAITZER, the defendants, who is working with GOLDSHMIDT, PUZAITZER, and PAUL ORENA, the defendant, in artificially inflating the stock price of FUEG and is involved in other stock schemes. VAX also worked on behalf of YITZ GROSSMAN, the defendant, in the extortion of CC-1.

11. At all times relevant to this Complaint, EFIM AKSANOV, the defendant, is believed to have been an associate of ALEXANDER GOLDSHMIDT, the defendant, who worked with ALEX PUZAITZER and YITZ GROSSMAN, the defendants, as a promoter to artificially inflate the stock price of FUEG. AKSANOV coordinated the buying and selling of targeted stocks, including FUEG, to enhance artificial price increases by making the stocks appear to the market as though there was interest in the stock. Judicially authorized wiretap interceptions have revealed that AKSANOV, together with others known and unknown, participated in a "pump and dump" market manipulation scheme involving several stocks.

12. At all times relevant to this Complaint, SYEVE KOIFMAN, the defendant, is believed to have been an associate of EFIM AKSANOV, the defendant, with whom KOIFMAN is working in artificially inflating the stock price of FUEG.

13. At all times relevant to this Complaint, a co-conspirator not named as a defendant herein ("CC-1"),[1] controlled and directed Marjorie Group, LLC ("Marjorie Group"), a company used to purchase and sell securities. CC-1's control included causing the purchase and sale of securities by Marjorie Group, and CC-1 was one of the signatories on Marjorie Group's bank accounts. Judicially authorized wiretap interceptions have revealed that CC-1, together with others known and unknown, participated in a "pump and dump" market manipulation scheme involving several stocks. As set forth below, CC-1 is the victim of the extortion conspiracy alleged in Count Two.

14. At all times relevant to this Complaint, a co-conspirator not named as a defendant herein ("CC-2") was a stock broker, acting as a President at a brokerage firm ("Brokerage-1") with offices in New York, New York and Brooklyn, New York. Judicially authorized wiretap interceptions have revealed that CC-2 assisted ALEXANDER GOLDSHMIDT, the defendant, and others in a "pump and dump" market manipulation scheme involving FUEG.

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[1] CC-1 has retained counsel and is providing information to law enforcement in the hope of receiving lenient treatment when CC-1 ultimately is charged and sentenced in connection with CC-1's participation in stock fraud schemes. Information provided by CC-1 has been corroborated through, among other things, surveillance and wiretap interceptions. Accordingly, I believe CC-1 to be a reliable source of information concerning the subject matters described herein.

15. At all times relevant to this Complaint, a co-conspirator not named as a defendant herein ("CC-3") is believed to have been an associate of CC-1 who coordinated the promotional campaign used in market manipulations for the purposes of generating interest in the companies and fraudulently inflating the prices and trading volumes of the companies' shares, and who was approached to promote FUEG.

Relevant Entities

16. At various times relevant to this Complaint, Face Up Entertainment Group, Inc. ("FUEG") was a corporation that purportedly was involved in the reality gaming social network market, such as providing an online poker platform, with its principal place of business located in Valley Stream, New York, and which was publicly traded under the stock symbol "FUEG."[2] FUEG traded on the Over the Counter Bulletin Board ("OTCBB"), a regulated quotation service operated by the Financial Industry Regulatory Authority, Inc. ("FINRA") and OTCQB, a marketplace operated by OTC Markets Group, Inc. The OTCBB shows real-time quotes and trading volume information for securities not listed on a national securities exchange. Public companies quoted on the OTCBB and OTCQB, including FUEG, are subject to periodic filing requirements with the Securities and Exchange Commission ("SEC") and other regulatory authorities.

17. At all times relevant to this Complaint, Marjorie Group, LLC ("Marjorie Group") was a private company controlled by CC-1, with its principal place of business in New York, New York. Marjorie Group was a vehicle through which CC-1 executed trades of securities and received proceeds.

18. At all times relevant to this Complaint, Dolton Consulting Services, Inc. ("Dolton") was a private company controlled by ALEXANDER GOLDSHMIDT, the defendant, which, at various times relevant to this Complaint, operated out of the same office space as Marjorie Group. Dolton was a vehicle through which CC-1, GOLDSHMIDT and others executed trades of securities. Bank records reveal that GOLDSHMIDT is the signatory on DOLTON's bank account.

[2] On or about April 26, 2012, Face Up Entertainment Group, Inc., stock symbol IKCC, announced that effective April 27, 2012 it would change its ticker symbol from IKCC to FUEG.

"Pump and Dump" Stock Schemes

19. Based on my training and experience, including my experience investigating "pump and dump" cases, I am aware of the following:

a. Market manipulation schemes known as "pump and dump" schemes involve fraudulently inflating the price and trading volume of public company stocks and then selling those stocks at the fraudulently inflated prices to the investing public for a profit. There are generally three phases to a "pump and dump" scheme: (1) obtaining and concealing control of a significant portion of a publicly traded company's stock ("Phase 1"); (2) fraudulently inflating the price and trading volume of the company's stock through a variety of means ("Phase 2"); and (3) once the price of the stock has been fraudulently inflated, selling the stock at the fraudulently inflated price, thereby profiting at the expense of the investing public ("Phase 3").

b. During the Phase 1, the perpetrators of a "pump and dump" scheme typically obtain control over a substantial portion of the free trading shares of a publicly traded company. Generally, "free trading" shares are shares of stock that the shareholder can trade without restriction. After they have acquired control over a substantial portion of the company's free trading shares, the perpetrators are poised to profit from selling those shares as soon as the price and trading volume of the company's stock have been fraudulently inflated.

c. The perpetrators of a "pump and dump" scheme usually take steps to conceal from the investing public their control over a substantial portion of the company's free trading shares. Ordinarily, the perpetrators would have to disclose their control of the company's stock to the public, to comply with the rules and regulations requiring disclosure of the identities of all shareholders who own or control more than a certain percentage (usually five percent) of the company's stock. For that reason, among others, the perpetrators of "pump and dump" schemes often hide their control over the company's stock by purporting to transfer ownership of the shares to various nominee entities and individuals whom they, in fact, control. A nominee account is set up by a nominee (the registered owner) for administering securities or other assets held on behalf of the actual owner (the beneficial owner) under a custodial agreement. Accordingly, even if they do not hold the shares in their own names, the perpetrators maintain actual control over disposition of the shares through the nominees.

d. During Phase 2, the perpetrators fraudulently inflate the price and trading volume of the company's stock. The perpetrators typically use some or all of the following methods to generate interest in the company and fraudulently raise the price and trading volume of the company's stock:

i. The perpetrators buy shares of the company's stock on the open market shortly before launching a promotion campaign (a technique known as "priming the pump"), to raise the price of the stock and create the false appearance that there is an increased market demand for the stock.

ii. Using accounts that they control (either in their own or in the names of nominees), the perpetrators buy and sell the company's stock back and forth among themselves, often at increasingly higher prices (a technique known as "cross trading"), to create the false appearance that there is a high market demand for the stock.

iii. The perpetrators pay stock promoters and analysts to recommend the company's stock to the investing public. The promoters recommend the stock through a variety of methods, including mass mailings and emails, Internet chat rooms, television and Internet advertising, celebrity endorsements, "boiler room" operations and telemarketers, and other media outlets. The analysts, who often purport to offer independent and unbiased analysis of the company's stock to the investing public, tout the stock as underpriced, issue "buy" recommendations, and set unrealistically high target prices for the stock.

iv. The perpetrators, often including complicit officers at the company, issue false and misleading press releases to generate investor interest in the company's stock, including statements that exaggerate the nature and scope of the business activities and operations and misrepresent intentions to hire additional employees and develop new products.

e. During Phase 3, the perpetrators sell their shares of the company's stock in coordination to maximize their fraudulent profits from the scheme. This coordinated selling often causes the price of the stock to drop significantly, leaving investors who were deceived into buying the company's

stock at the fraudulently inflated price holding shares worth substantially less than what the investors had paid for them.

f. The perpetrators of "pump and dump" schemes often target publicly traded companies whose stocks trade at low prices, often less than a dollar per share ("penny stocks"), because it is possible to purchase large numbers of shares for less money, which increases the potential to reap substantial profits, and because it is easier to manipulate the prices.

FUEG "Pump and Dump" Conspiracy

20. As set forth in more detail below, I have probable cause to believe that from at least in or about 2012, up to and including on or about March 27, 2013, ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA, YITZ GROSSMAN, EFIM AKSANOV, and STEVE KOIFMAN, the defendants, and others known and unknown, conspired to defraud unsuspecting investors through a "pump and dump" market manipulation scheme involving FUEG stock.

21. Specifically, ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA, YITZ GROSSMAN, EFIM AKSANOV, and STEVE KOIFMAN, the defendants, and others known and unknown, conspired (1) to control a large portion of the publicly traded shares of FUEG; (2) purchase and sell shares of FUEG back and forth between investment accounts they controlled, timed to occur in connection with the issuance of press releases and other promotional, potential market-moving events, in an effort to create the appearance of trading volume in the security and to artificially inflate the price of the security; and (3) sell the artificially inflated shares of FUEG to unsuspecting investors.

Phase 1 - Participants in the FUEG "pump and dump" Scheme Exercise Control Over FUEG Stock

22. Based on my training and experience, familiarity with this investigation, and review of the following intercepted communications, among others, I believe that, beginning at least as early as July 2012 and continuing into at least September 2012, ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA, YITZ GROSSMAN, EFIM AKSANOV and STEVE KOIFMAN, the defendants, and others were involved in planning who would control shares of FUEG to execute the scheme:

a. On or about July 17, 2012, at approximately 7:36 p.m., CC-1 placed a call using a cellular telephone assigned a

call number ending in 3772 ("CC-1 Phone-1")[3] to GOLDSHMIDT ("AG") at a cellular telephone assigned a call number ending in 1829 ("GOLDSHMIDT Phone-1"),[4] during which the following conversation took place, in substance and in part:

CC1: . . . How'd it go?

AG: It went, uh, at the end of it, it, uh, you know, it went ok. It was just, [unintelligible], uh, you know, because it started with, uh, that you spoke to them yesterday and you said that you were going to get the price up, so they told [GROSSMAN] that, you know, they gonna try to fix it, -and nothing happened again, and what the fuck, and what do we do? So I told them, I said listen we, we're dealing with this shit all day today . . . I said, you know, we're, you're making arrangements for [CC-3]. [CC-3]'s getting people to go so we'll have the schedule and who's going, and I said once we have that, we'll get the stock up tomorrow, day after whatever and uh, move on. You know, because that's why. . .

CC1: [OV] Yeah, well, "Number One" [PUZAITZER][5] told me a different story. He said don't do anything until we know.

AG: Don't do anything until we know what?

CC1: What the schedule is. He said he had a conversation with [AKSANOV].

AG: Listen to me, uh, you know, between me and you, I mean, you know, I don't want to put anybody on the spot. These

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[3] CC-1 Phone-1 is a prepaid cellular telephone. Based on wiretap interceptions, I recognize the voice of CC-1 as that being used on CC-1 Phone-1.

[4] GOLDSHMIDT Phone-1 is a prepaid cellular telephone. Based on confidential source information, I learned that GOLDSHMIDT Phone-1 is a prepaid cellular telephone used by GOLDSHMIDT, which that source has used to communicate with GOLDSHMIDT. Information provided by the confidential source has been independently corroborated, and I believe the confidential source to be a reliable source of information about GOLDSHMIDT. Based on a review of information contained in the phone of CC-1 Phone-3, this number of GOLDSHMIDT Phone-1 was contained under the entry "Alex2."

[5] During a debriefing, CC-1 stated, in sum and substance, that CC-1 nicknamed PUZAITZER "One," and GOLDSHMIDT "Two."

conversations with [AKSANOV] go absolutely nowhere, because [AKSANOV] doesn't really know him.

CC1: Doesn't know who?

AG: He [AKSANOV] doesn't know, he doesn't know Alex [PUZAITZER].

CC1: Yeah, so then I gotta take my, who do I get direction from if Alex [PUZAITZER] tells me one more thing, and then, I don't, I don't get. . .

AG: I'm telling you that, you know, they entertain these conversations but they don't really know the guy. You understand what I'm saying?

CC1: Yeah.

AG: He said he spoke to you last night.

CC1: Correct.

AG: So after our conversation last night his last conversation with [GROSSMAN] was around one o'clock in the fucking morning, ok?

CC1: Yeah, but he spoke to Alex [PUZAITZER] afterwards.

AG: Not after he spoke to [GROSSMAN], I don't think so.

CC1: Are you sure, 'cause Alex [PUZAITZER] told me that we're not going to do it until we know that we have a date or something like that and that he told [AKSANOV]. Alright? So then what do we have to do?

AG: Ok, but if, if [CC-3]'s going out over this, over the weekend? Right?

CC1: I, when he gives me a schedule of the five days, I told him to go.

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that GOLDSHMIDT and CC-1 were discussing FUEG stock. Specifically, GOLDSHMIDT's references to having a discussion with YITZ GROSSMAN, the defendant, about "get[ting] the price up" and "get[ting] the stock up" meant that he had been discussing with GROSSMAN how to inflate the share price of FUEG stock. When GOLDSHMIDT told CC-1 that GOLDSHMIDT had told

GROSSMAN that CC-3 was getting people together and they were determining "the schedule and who's going," GOLDSHMIDT was referring to CC-3, a stock promoter, preparing to purchase stock. CC-1's report to GOLDSHMIDT that when CC-3 gave CC-1 a "schedule of the five days," CC-1 had instructed CC-3 "to go," apparently meant that CC-1 authorized CC-3 to conduct an FUEG stock promotion or campaign targeting the investing public, in coordination with trades in FUEG stock by CC-1, GOLDSHMIDT and other participants in the "pump and dump" scheme, once they had determined the trading schedule (the "schedule") to follow in order to achieve the desired price.

Moreover, based on the following information, in part, I believe the discussion between CC-1 and GOLDSHMIDT about GROSSMAN described above reflects GROSSMAN's control over FUEG and FUEG stock, which GROSSMAN used to facilitate the FUEG "pump and dump" scheme:

i. Based on my review of the FUEG Form 10K for fiscal year 2011, which was publicly filed with the SEC, I am aware that two individuals served as directors and officers of FUEG during the relevant time period: (1) the President, CEO, CFO and one of the Directors ("FUEG Insider-1"); and (2) the Secretary and other FUEG Director ("FUEG Insider-2," together the "FUEG Insiders"). As reported in the FUEG 10K, FUEG Insider-2 is YITZ GROSSMAN's father-in-law, and, on February 22, 2011, FUEG entered into a $10,000 per month "consulting agreement" with GROSSMAN, pursuant to which GROSSMAN was retained as a consultant to advise FUEG on "corporate development" and introduce FUEG to "some of his contacts which may have an interest in investing in" FUEG. The FUEG 10K also states that in late 2011, FUEG issued demand notes totaling $206,000 to three entities purportedly controlled by GROSSMAN's wife, including one called Arevim, Inc., convertible on demand into shares of FUEG at $0.10 per share. Demand notes are loans with no fixed term or set duration of repayment, which can be recalled upon the lender's request, assuming the notice required, if any, by the provisions of the loan are met.

ii. On or about September 20, 2012, at approximately 4:52 p.m., EFIM AKSANOV (EA), the defendant, received a call using a cellular telephone assigned a call number

ending in 5773 ("AKSANOV Phone-1")[6] from ALEX PUZAITZER ("AP") at a cellular telephone assigned a call number ending in 7722 ("PUZAITZER Phone-1")[7], during which the following conversation took place, in substance and in part:

EA: Well, listen, [ORENA] has already done something today, no?

AP: No. What do you mean?

EA: Today...

AP: [OV][8] [ORENA] bought...

EA: [OV] I understand...

AP: [ORENA] bought today - yes, he bought, but eighty - he had bought it all. There were 7[UI] sales on the market, and at 8/100 the bid was triggered. This was when I spoke to him - this was - uh - I was driving from the dentist's office - it was 3 o'clock. So, I...

EA: [OV] Tell me - tell me one - what - what is your relationship with [ORENA]? He thinks that he is going to do these deals with that - with [GROSSMAN], that [ORENA] will make money with him?

AP: I have no idea what he thinks. With [ORENA] I signed for 33% of his share. Ok? And he asked me to help out and guaranteed there'd be no headache for me. I say: "[ORENA], you are responsible for everything, so [GROSSMAN] [UI] doesn't call my guys." He says: "Alex [PUZAITZER], no question"...

EA: [OV] He - he is not letting me breathe, he calls me every day.

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[6] Based on a review of information provided by T-Mobile, I have learned that AKSANOV Phone-1 is subscribed in the name of ASKSANOV.

[7] From records provided by AT&T, I am aware that PUZAITZER Phone-1 was subscribed to in the name of ALEX PUZAITZER, the defendant, at the address of his residence, as confirmed by public records checks and surveillance.

[8] "OV" stands for "overlapping voices" heard during the interception.

AP: Yeah, well, send him to [ORENA]; if you're going to [UI], it's better to - Sasha [GOLDSHMIDT] told him yesterday, he says: "I'll be calling you", he says: "If you call me, I won't pick up." He says: "Why the fuck do I need you?" He told him this. He says: "You gave back the deal. Why are you now calling me regretting it [UI] - you look like a puppet running back and forth. It doesn't happen that way: either you are here or you're there.

EA: Well, I told him - I also told him: "Listen, you dropped out, you put me in such a situation where I've never been in all my life." I tell him...

AP: So that's it, send him to [UI]; now you don't have to re... - he's already dropped out and went with others. This was my reason, because Pushkin [GOLDSHMIDT] tells me: "Let's whatchamacallit - let him give us - try to give us back our money, go in for a share with [ORENA, we'll take this money and split it among ourselves." I say: "Sure, no question, let's..."

EA: [OV] To distance oneself from him...

AP: [OV] That's why I made a deal with [ORENA]. I say: "[ORENA], let's whatchamacallit... Sure, let me sign up with you." He says: "I am short - prices went up, they want to create a normal program - I am short 250 thousand." I say: "I'll give you 250,000 but go and work, make deals and figure things out with [GROSSMAN]." That's all. I wrote him a check made out to [ORENA]'s corporation and... that's it. I am going to - because I can't take out my 25 yet while all this shit...

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that PUZAITZER and AKSANOV were discussing the new roles of GOLDSHMIDT, PUZAITZER and ORENA in the FUEG stock market manipulation. PUZAITZER described PUZAITZER's stake by stating that he had "signed for 33%" of ORENA's "share" in the FUEG stock scheme, which allows "no headache" for PUZAITZER. PUZAITZER further explains GOLDSHMIDT's agreement with the arrangement by telling AKSANOV that GOLDSHMIDT had said to "let him [meaning ORENA] give us, try to give us back our money." Accordingly, ORENA is apparently operating at the direction of

GOLDSHMIDT and PUZAITZER, which was part of PUZAITZER's plan ("That's why I made a deal with [ORENA]").

The call continued:

EA: Yeah, but I don't understand what [ORENA] did in the beginning, he could've thought of selling to recoup - shit.

AP: [OV] The sale didn't work out, I'll explain to you what happened. Or maybe that's how [GROSSMAN] put it together. From his account at ["Brokerage-2"], when a person put in a bid, he shoved 120,000 at this person and then said: "Oh, there's been a mistake, I put in my order like this and sent an email, it's your problem, not mine; I can only email", and so on. These 44,000 that are on his account right now, just so you understand, have been bought by our guy, who should be let out of this, he is sitting on it. Do you understand this? And when they saw that this offer was getting hit, the guys stopped [ORENA] and said: "Listen, [UI]. What's going on, someone is hitting it."

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that, in this portion of the conversation, PUZAITZER and AKSANOV were discussing the trading by YITZ GROSSMAN and PAUL ORENA, the defendants, of FUEG stock in an effort to create the appearance of liquidity and depth in the FUEG marketplace.

The call continued:

* * *

AP: . . . So, tell me: so it turns out that yours are coming out when? They are coming out on Friday, well, they're coming out on Friday for Monday?

EA: On Friday after market close, Friday, Saturday, Sunday.

AP: Uh huh. Coming out for Monday, so it whatchamacallit there.

EA: Well, if he does all that's needed, if, I don't know, we'll see tomorrow.

AP: Pardon?

EA: We'll see tomorrow, if [GROSSMAN] says he is going to do whatchamacallit...

AP: Uh huh. So [GROSSMAN] hasn't confirmed it yet, so to speak?

EA: I spoke to him, he said: "Listen, [ORENA] is doing what he is supposed to be doing, he's told me that it'll be there, so if everything is alright, then we have the green light. If...

AP: [OV] Uh huh. And he said - and he said that it'll - and he said that it would be 30 kopecks,[9] right?

EA: That's what we agreed on, yeah, I... He started saying "35", I told him...

AP: [OV] It's...

EA: [OV] I tell him: "30 - 30 is more than enough."

AP: It's not going to get there, I don't see it - 10, 20, 30 - 30 is what's showing. And at 30 there are already 2; I already see 40. I think another 70 thousand or so need to be bought up.

EA: I don't know, he told me that he'd spoken to [ORENA], that everything would be alright, and he'd give his answer tomorrow.

AP: Well, [ORENA, ORENA] called me; he didn't tell him that exactly - he told him what he's doing, he doesn't know whether he'll be there, but 'there' is in the 20s, in the high 20s, and it'll happen, but he wasn't...

EA: I tried, but he told me - I told him: "If we - if it's at 28", he says: "What are we talking about?" He said that [ORENA] told him that it'll get there, that - so uh - you know, we'll see tomorrow.

[9] "Kopecks" are coins in Russian currency.

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that PUZAITZER and AKSANOV were discussing the fact that the price of FUEG stock was likely never going to exceed 30 cents ("30 kopecks"), unless 70,000 more shares were purchased on the open market. Furthermore, PUZAITZER and AKSANOV discussed the anticipated coordinated FUEG promotional campaign "coming out on Friday, for Monday." Records checks reveal that FUEG issued a press release on Friday, September 21, 2012, at approximately 4:01 p.m. titled, "Face Up Entertainment Group, Inc. Reality Gaming Platform Built to Take Advantage of Ruling That Poker is Legal." Furthermore, PUZAITZER and AKSANOV were discussing the current FUEG stock price in the "20's" and where PUZAITZER and AKSANOV anticipate the FUEG stock price to be before the anticipated FUEG press release is released "if it's at 28 . . . [ORENA] told him it'll get there." I know from trading data for FUEG that, on September 20, 2012, FUEG shares had been trading between approximately $0.20 and $0.26. and closed at $0.275 on Friday, September 21, 2012.

The call continued:

AP: [OV] This Jew [referring to GROSSMAN], he - he is so fucking nasty, he needs to have money taken from him, I am fucking sick of him.

EA: I - I - no, I can't talk to him, I just want to do it like this and then do it like this and say: "Listen, [GROSSMAN], here it's done, and...

AP: [OV] Yeah.

EA: [OV] And if it didn't come out in the right way, and something didn't go correctly, later it's impossible to do, to tell him: "Listen, here I wanted to - you - make it up to you, and you fucked it up yourself, goodbye, have a good day."

AP: He needs to have it taken away from him, that fucker, because he is fucking nitpicker, he just walks around analyzing all this shit.

EA: Something is not right there - I am just telling you that...

AP: [OV] Yes, analysis here, analysis there - he analyzes every single fucking thing, but besides his analyses he doesn't - and he lectures everyone. This has put me in such a mood, I am going to call [ORENA] right now, and tell him to screw the fucker - so I don't call him and tell him this myself.

EA: I am just looking: the way this thing is going, it's a joke, because - uh - all of a sudden, this one knows that everybody is out of the way, and all of a sudden it's going where it needs to go. Uhhh... And then - you know, you have to see this, because maybe he... I don't even think it's him - you know who I think is doing this?

AP: Yeah? [OV] The market makers are fucking around.

EA: It's that fucking [FUEG Insider-1], motherfucker.

AP: Who?

EA: [FUEG Insider-1].

AP: Who is [FUEG Insider-1]?

EA: What do you mean, who is [FUEG Insider-1]? The CEO of the fucking company.

AP: You think he is doing this?

EA: . . . He - he had been in the game before. I think it's him, somehow - because I simply don't understand where all this paper is coming from.

AP: But it seems that he is watching that all his shit is in place, I don't know...

EA: This shit is what he is showing, but one person has [UI], which is never shown to the public. And when he creates the documents and prints them, he - he does it so he is never in there. How do you know? He gives you the documents, it's not like you see it on your...

AP: Yeah, you mean that [FUEG Insider-1], who was supposed to convert and receive all this shit. He had a converter there, someone who converted...

EA: [OV] You see, he has another racket going. I know what one guy did...

AP: Uh huh.

EA: The first - when it took off there - the first - you know, uh - 700 million shares was trading, everything was fine.

AP: Uh huh.

EA: All of a sudden the guy doesn't understand what's going on. He just put up the money, he sold...

AP: [OV] Uh huh.

EA: He sold 300 thousand, and then someone - out of nowhere - half a million, hitting on each side.

AP: Uh huh.

EA: He has no idea what's going on. He - he calls him, he says to him: "Listen, you told me that there's nothing there, where... We were trading out of a million shares, we've only sold 300 thousand, how can this be?"

AP: Uh huh.

EA: "I don't understand..."

AP: I got it.

EA: [OV] He later sold to him. You know? So it's - it's the same fairy tale as [UI] person told, you know?

AP: Yeah.

EA: Totally the same.

AP: Ok, and you - you - have you spoken with this trader?

EA: I spoke to the trader there, he doesn't even- they don't even look at this shit.

AP: But you told him that - these are friends, friendly, so to speak, right?

EA: I told him: "Listen, I know a person, who - you know, uh - I know a person, who owns this thing, and uh - he has asked me to speak to you. You are - you know - playing around, right - it's better for us to make a deal, you know, for him to give you a higher commission, and you leave him alone."

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that PUZAITZER and AKSANOV were discussing trading in FUEG that was taking place, and AKSANOV said AKSANOV believed that FUEG Insider-1 was trading, and that he "had been in the game before," meaning, I believe, that FUEG Insider-1 had been part of a prior market manipulation scheme ("the game"). When PUZAITZER pointed out that public records ("the documents") show that FUEG Insider-1 still owns all of the stock, AKSANOV indicated that AKSANOV believed FUEG Insider-1 was using other people ("a converter") to conduct trading to conceal the involvement of FUEG Insider-1 and YITZ GROSSMAN, the defendant. I believe that this discussion of who was conducting trading is reflective of Phase 1 activities in the FUEG "pump and dump" scheme.

iii. On or about August 31, 2012, at approximately 5:02 p.m., CC-1 placed a call using a cellular telephone assigned a call number ending in 5996 ("CC-1 Phone-2")[10] to GOLDSHMIDT at a cellular telephone assigned a call number ending in 1143 ("GOLDSHMIDT Phone-2").[11] During the call, the following conversation took place in substance and in part:

CC1: [ORENA] looks like he's cleaning it up.

AG: I haven't even looked, uh, whatchamacallit, he, he called me. He said, uh, I spoke before, he says he spoke to you and you are arranging the stock. Then I

[10] CC-1 Phone-2 is a prepaid cellular telephone. Based on wiretap interceptions, I recognize the voice of CC-1 as that being used on CC-1 Phone-2. Based on information provided by CC-1, I know that CC-1 Phone-2 is a prepaid cellular telephone provided to CC-1 by ALEX PUZAITZER, the defendant, within the past year and a half.

[11] GOLDSHMIDT Phone-2 is a prepaid cellular telephone. Based on wiretap interceptions, I recognize the voice of GOLDSHMIDT as that being used on GOLDSHMIDT Phone-2.

told him, I said, "calm that fucking guy [referring to YITZ GROSSMAN, the defendant] down because he keeps calling me." I said, "and you know, he's gonna get everything that I have so tell him to fucking relax."

CC1: Yeah, if he doesn't relax, tell him to go fuck himself. I'm not kidding around.

AG: . . . No, I don't want to tell him to go fuck himself, he, you know? I mean look, right? You know, uh, promise him, you know, whatever. It is what it is. What I [unintelligible], you know.

CC1: He's got, he's got all, he's got 99% of it so far.

AG: I know that, but here, here's the thing, I, when I spoke to what's his name, I spoke to [ORENA]. I told him, I said "explain to him that everything is under control." I said, "you know exactly what is going on." I said, "I can't tell him what is going on." Okay? "But you gotta somehow, you know, diffuse the situation, so tell him to fucking relax." So, he said he is gonna take care of it, so [unintelligible] that['s] where we are.

Based on my review of other recorded conversations and the context of this conversation, I am aware that CC-1 and GOLDSHMIDT were discussing the fact that GROSSMAN ("that fucking guy") was pressuring GOLDSHMIDT, CC-1 and the others through ORENA about returning FUEG stock that was distributed to controlled nominees to facilitate the concealment of the true identities of the traders of FUEG to effect the "pump and dump" scheme, and GOLDSHMIDT wanted GROSSMAN to "calm . . . down," meaning to stop harassing them on the telephone. I believe that CC-1's statement that GROSSMAN has "got 99% of it so far," referred to the fact that GROSSMAN controlled most of FUEG's publicly tradable stock.

iv. On or about September 7, 2012, at approximately 5:39 p.m., GOLDSHMIDT placed a call using GOLDSHMIDT Phone-2 to CC-1 at CC-1 Phone-2, during which the following conversation took place, in substance and in part:

AG: I didn't get anything yet.

CC1: It should be in your account.

AG: It's not.

CC1: Are you 1,000% positive?

AG: So I just, when I got home, I checked the account, the other shit is there, this shit is not there.

CC1: What other shit is there?

AG: The FU.

CC1: FU is not in your acc[ount]. . . it's not supposed to be in your account.

AG: FU is in my account.

CC1: It's supposed to be in the other idiot's account.

AG: No, FU is in my account.

CC1: Oh, these fucking idiots.

AG: OK, so FU is in my account, but that stuff is not in my account.

CC1: Oy vay. Alright, let me call [individual at Brokerage-1] right now. It's supposed to be in your, first of all, FU, just between you and I . . . is not supposed to be in your account, it's supposed to be in Arevim [unintelligible].

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that in this call, GOLDSHMIDT was stating that GOLDSHMIDT checked GOLDSHMIDT's brokerage account expecting to see shares of a different stock ("this shit"), but discovered that GOLDSHMIDT's account contained FUEG shares ("the other shit" and "FU"). CC-1 explained that the FUEG shares were supposed to have been transferred into someone else's ("the other idiot's") account. Based on the context and my familiarity with market manipulation schemes, I believe CC-1 was exhibiting knowledge of the use of nominee accounts to facilitate the concealment of the true identities of the traders of FUEG and referring to the fact that those FUEG shares had been transferred into the wrong nominee account for purposes of executing the scheme. Indeed, it is apparent that these FUEG shares were supposed to have been placed in a nominee account controlled by GROSSMAN called "Arevim." As noted above, based on my review of the FUEG Form 10K for fiscal year 2011, I am

aware that GROSSMAN's wife was described as the president of Arevim, Inc., to which, in late 2011, FUEG granted a demand note convertible to shares of FUEG. In addition, from reviewing a 2010 opinion of the Delaware Court of Chancery, I am aware that Arevim, Inc. is a Delaware corporation formed by GROSSMAN, whose officers consist of GROSSMAN and his wife, and its principal place of business is GROSSMAN's home address.

b. On or about July 17, 2012, at approximately 8:48 p.m., GOLDSHMIDT placed a call using GOLDSHMIDT Phone-1 to PUZAITZER at a cellular telephone assigned a call number ending in 8909 ("PUZAITZER Phone-2")[12], during which the following conversation took place, in substance and in part:

AP: What's up with [AKSANOV], that nut?

AG: Nothing, we're waiting for whatchamacallit, the thing he asked for. He told me, "[CC-1] told me that today something will happen so that the paper will get accepted. He hasn't done a fucking thing again."

AP: But I spoke with him. I told him, "[AKSANOV], if we don't know when, it costs us money." He is either dumb or doesn't really understand. When I called [CC-1] and said, "[CC-1], find out when from him." And I told that one personally yesterday, I said, "This one will be coming out; that one will be coming out. Are you okay with it?" He says, "Yeah, we have to go to him with Sasha [GOLDSHMIDT] and have a talk with him." I say, "Talk to him, meantime, meantime I'll tell him to make an arrangement. When we learn the dates, let him line some people up and find out." He says, "Okay, but we have to [unintelligible]." I say, "[AKSANOV]" He says, "Let him get out." I said, "[AKSANOV], it makes no sense to get out then; it's a waste of everything. You have to at least understand when, then you can get out a day earlier and do something." Either he's dumb or I'm bad at explaining.

AG: I think you just don't understand each other. Because in order for [GROSSMAN] to agree to do something, the paper should be raised to a certain level. And to raise the paper to a certain level, you have 10 thousand shares in your way. Because if you take a look at it now, you'll see that

[12] Based on a review of wiretap interceptions, I recognize the voice of PUZAITZER as that being used on PUZAITZER Phone-2.

no one is touching it. That's why you two speak different languages.

AP: We're not speaking different languages, Sashen'ka. As far as the theory goes, it's always . . . it's 10 thousand then, and 20 thousand after, and then you look and see that it's not gonna be 10 thousand again. And they won't raise it to the level he wants.

AG: Did you look at it?

AP: Yeah, I did look at it. What, what are we arguing for? Let's, let's just make a bet on a bottle of beer.

AG: What's the bet?

AP: The bet is that they won't raise it to 35 or to 30-35 like he wants.

AG: But, I guarantee that tomorrow, figuratively speaking, 20-25 thousand shares will come in.

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that GOLDSHMIDT's reference to CC-1 indicated that CC-1 was assisting with the transfer of shares of FUEG stock. Furthermore, GOLDSHMIDT describes the anticipated FUEG stock price "in order for [GROSSMAN] to agree to do something, the paper should be raised to a certain level" for GOLDSHMIDT, PUZAITZER, and others to be in a position to sell of FUEG stock in an artificially inflated market.

The call continued:

* * *

AP: No, because if that one wants to get out this weekend, they will come in tomorrow, you have to stand still for four days and it turns out you have to support it for four days.

AG: You don't have to support it, no one is touching it, Alik.

AP: Well okay. . .

AG: No one is touching it. You have no one on that offer. All the offers that were taken back, the ones that were there in the beginning of you remember, they were 20, 19, 20, 23

cents. They were all taken back. It costs 27.[13] I can tell you more. Do you want me to make it 35 without him doing anything at all?

AP: If you do it, what do we need him for? I don't understand. . . . Because it has to be [unintelligible] because 27 [unintelligible]. [AKSANOV] is a nut, but he will take it back and will stand at 35. It has to be printed at 35, Alik . . .

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that their references to "This one will be coming out; that one will be coming out" refer to pending FUEG stock promotions or campaigns coordinated by GOLDSHMIDT, PUZAITZER and others, and the "arrangement" refers to the coordination of trading between participants in the scheme, known as "cross trading," which is an essential component of a "pump and dump" scheme.

c. On or about July 19, 2012, at approximately 2:17 p.m., GOLDSHMIDT, using GOLDSHMIDT Phone-1, sent a text message to CC-1 at a cellular telephone assigned a call number ending in 3803 ("CC-1 Phone-3")[14], stating, "Is anything going to happen with FU. [AKSANOV] keeps calling me, says that u promised him that u will get it up, so that [GROSSMAN] is alittle [sic] calm . . . ." GOLDSHMIDT replied by text, "Huh?" CC-1 replied, "R u free for a call?" GOLDSHMIDT responded, "I called you. What's up." CC-1 asked, "When did I speak to [AKSANOV]" GOLDSHMIDT replied, "Btw, do we need news for Monday?" Shortly after that GOLDSHMIDT texted CC-1 again, stating "Not his offer. If u can, take it." CC-1 replied approximately 8 minutes and 30 seconds later, "Bought what I thought was the offer and they reloaded."

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that GOLDSHMIDT's reference to "FU" meant FUEG, and that they were discussing the fact that GOLDSHMIDT heard from EFIM AKSANOV that CC-1 would be trading to increase the share price of FUEG ("u will get it up"). I believe that GOLDSHMIDT's question, "do we need news for Monday" was asking CC-1 whether a press release should be issued the next Monday to help move the

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[13] I know from trading records that the price of FUEG stock closed at $0.27 per share on July 17, 2012.

[14] Subscriber information for CC-1 Phone-3 lists CC-1 as the user.

price of FUEG. I believe that, later in the text exchange, CC-1 and GOLDSHMIDT were discussing matching bids and offers, known as "cross trading," for FUEG stock among the participants in the "pump and dump" scheme ("his offer," "if you can, take it," and "[b]ought what I thought was the offer"). Such "cross trading" is indicative of a "pump and dump" scheme because the participants are coordinating trades to achieve movements in price. Moreover, I know from trading records that, on July 19, 2012, CC-1, through Marjorie Group, purchased a total of 10,500 shares of FUEG believed to have been executed in two purchases of 8,000 and 2,500 shares for $0.28 per share.

Phase 2 - FUEG Price Manipulation

23. On or about July 19, 2012, at approximately 8:00 p.m., ALEXANDER GOLDSHMIDT, the defendant, received a call on GOLDSHMIDT Phone-1 from CC-1, using CC-1 Phone-1, during which the following conversation took place, in substance and in part:

CC1: . . . How was your meeting with uh . . .

AG: Well, my meetings are, my meetings are all the same. You know, you promise the stock is going to be somewhere, then I spoke to . . .

CC1: I love it that we both go through the same fucking day.

AG: Bro, same shit every day. I'm telling you, I'm losing my mind.

CC1: It's "Groundhog Day."

AG: It's the same fucking conversation every fucking day. From morning till night. So, uh, whatchamacallit, he says, "Look you promised and [CC-1] promised that it's going to go, we're going to get it to the same level, and then the guys are going to go out and you can agree to it and he's fine with it."

CC1: Bro, I would love to, but the guy is leaning on the fucking stop like you can't imagine. I took 8,000. It was supposed to be gone. Boom, he reloads . . .

AG: I don't know what it was showing. Try to do something in the morning so that this guy. . . Here's the thing, then I spoke to [YITZ GROSSMAN, the defendant], okay? And [GROSSMAN] is like, he goes, "I understand the situation," he goes, "I'm sure you didn't need me for money, blah blah

blah, I don't want to see you lose money on the transaction," he goes, "but, uh, you know, uh, [EFIM AKSANOV, the defendant] said you guys were trying to do something for next week," he goes, "I'll be honest with you, I don't believe it." [unintelligible] [GROSSMAN], he goes, "You have all the help from me that you need. If you need more money, I will, I'll give you more money." You know what I'm saying? This is where these conversations are going now. He's like . . .

CC1: Wait. Say that again. Say that, what did he say?

AG: He said, if you know that [AKSANOV] told him that, you know, we're going to do something next week. Right? He goes, I don't believe it, but if I see it and you need more money to recoup with the bills, he goes, you can count me in and I'll help you even with the money. I just don't believe that you're going to do anything because it doesn't look to me like the stock is getting ready to do something.

CC1: I understand that. I would have, you're not following what I'm saying to you, [unintelligible] snoop-a-loop. Okay, like look at this. Well now it's gone, but at night it keeps reloading at 28; they don't want to, fucking to move it. Your World Co. guy is gone.

AG: Right.

CC1: You can't even get up.

AG: I think it was showing 5,000 at 28 before [unintelligible].

CC1: Dude, yeah, look at the time of sales. I bought 8,000 to do it at market 'cause I thought it was going to go to 32, and then all of a sudden he freaking reloads with another 8,600.

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that GOLDSHMIDT was relaying to CC-1 GOLDSHMIDT's meetings that day with others involved in the FUEG "pump and dump" scheme and GOLDSHMIDT's frustration with having to follow through with the "promise" that the price of FUEG "is going to be somewhere." CC-1 confirmed GOLDSHMIDT's frustration in describing CC-1's own trading that day in what appears to be FUEG stock, for what is believed to be the purpose of artificially inflating the FUEG market, by stating, "I took 8,000," which is believed to refer to CC-1's purchase of 8,000

FUEG shares. I know from trading records that CC-1 purchased a total of 10,500 shares of FUEG stock through Marjorie Group, on July 19, 2012, in two purchases of 8,000 and 2,500 shares. CC-1's reference to "28" appears to match the closing price of FUEG stock on July 19, 2012. Trading records show that the price of FUEG stock opened at $0.18 per share on July 19, 2012, and closed at $0.28 per share. The total volume of trading in FUEG stock on July 19, 2012, was approximately 12,000 shares, 10,500 of which CC-1 purchased. Accordingly, CC-1's purchase of 10,500 shares constituted approximately 88% of the trades in FUEG stock that occurred on July 19, 2012, and is therefore believed to have caused the closing price of FUEG to rise to $0.28 per share.

24. On or about July 25, 2012, at approximately 2:14 p.m., ALEXANDER GOLDSHMIDT, the defendant, received a call on GOLDSHMIDT Phone-1 from CC-1, using CC-1 Phone-1, during which the following conversation took place, in substance and in part:

CC1: So, on the FUEG there is a bid for about 57,000 shares at 20.

AG: Ok.

CC1: What?

AG: Ok, don't do anything.

CC1: What?

AG: Don't do anything because he still won't do single back, so you know what I am saying?

CC1: I am not going to, I just asking you . . .

AG: No, no, no. Don't do it. Don't do it.

CC1: Should I take it down to 2 cents?

AG: Huh?

CC1: Should I take it to 2 cents?

AG: Well, that's what I am saying, don't do that.

CC1: Don't take it to 2 cents, or take it to 2 cents? I can't hear what you are saying, there's a Russian in the background.

AG: Don't, don't, don't. Why the fuck do you want to take it to 2 cents?

CC1: Take? You said to take it to 2 cents?

AG: No, I said don't do it.

CC1: Who is in the background?

AG: A bus.

CC1: Take it down to 2 cents, what?

AG: Yeah, okay. Stop being a wise ass.

CC1: Uh, can I get [unknown male] off my back and maybe have him sell a little bit to get him out of my ass. Are you there?

AG: What are you saying?

CC1: Can you hear me?

AG: Now I can hear you. What do you want me to [unintelligible]?

CC1: I am saying can I have [unknown male], sell a little bit so he is not up my ass?

AG: Uh, a little bit I guess, I don't know, I don't . . . It's your call.

CC1: What do you mean? It's your call too. We are responsible for it. We are not alone on it.

AG: I understand, but can we wait a day, 'cause to figure out what the fuck we are doing until tomorrow, can we hold off? Can you [unintelligible] hold him off 'til tomorrow?

CC1: Yes, I can tell him to chill out. Fine, I will call you back.

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that CC-1 and GOLDSHMIDT are discussing that CC-1 wants to sell a small amount of shares of FUEG to mollify someone with whom CC-1 is dealing. CC-1 also jokes with GOLDSHMIDT that CC-1 is going to reduce the share price of FUEG down to $0.02. From my review of trading records I have learned that on July 25, 2012, CC-1, in CC-1's own name, sold 8,500 shares of FUEG for

$0.20 per share, and, through Marjorie Group, bought 5,000 shares of FUEG for $0.22 per share on the same day.

25. On or about July 25, 2012, at approximately 4:46 p.m., ALEXANDER GOLDSHMIDT, the defendant, placed a call on GOLDSHMIDT Phone-1 to CC-1, using CC-1 Phone-1, during which the following conversation took place, in substance and in part:

CC1: Alright, so what's the story here 'cause I have to give some answers back.

AG: As far as what?

CC1: Or is "Number One" [ALEX PUZAITZER, the defendant] taking over the whole FUE thing?

AG: FU thing. . . We'll deal with it tomorrow bro, I'm not dealing with FU today.

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that CC-1 was looking for direction from GOLDSHMIDT on the "FUE thing," or "FU thing," referring to FUEG, and CC-1 was concerned about answering to other unknown parties believed to be involved in the FUEG "pump and dump" scheme.

Phase 2 - Participants in the FUEG "Pump and Dump" Scheme Coordinate Trading Around FUEG Press Release Campaign in Late August and Early September 2012

26. On or about Friday, August 31, 2012, at approximately 1:58 p.m., ALEXANDER GOLDSHMIDT, the defendant, placed a call using GOLDSHMIDT Phone-2 to CC-2 at a telephone assigned a call number ending in 9100 ("CC-2 Phone-1"), during which the following conversation took place, in substance and in part:

AG: Ok, so we are all set for Tuesday, yes?

CC2: What?

AG: I'm just making sure we are all set for Tuesday, because they are . . . they are good.

CC2: They are good for Tuesday?

AG: Yep.

CC2: Ok.

AG: Ok?

CC2: Well, do you want it any particular price or here is good?

AG: Uhh, somewhere here is good. Somewhere here is fine, before the close it should be . . .

CC2: What?

AG: I said, before the close, if you could be a little higher it would be nice.

CC2: Ok.

AG: 40, 40, 42, something like that would be decent.

CC2: 42 is too big of a, of a, of a move.

AG: Then, watch the, let's do for, why don't you just do for . . . Whatever you think, whatever you think.

CC2: No, no, I want to explain something. If you do a big move before you do program, people don't buy the program because they see they are too late.

AG: Right.

CC2: If they see the stock was up 10 cent and up 25% the day before . . .

AG: [unintelligible]

CC2: Counterproductive.

AG: Ok, so do what uh, it needs a little volume before, the, before the close.

CC2: Ok.

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that this conversation relates to the FUEG "pump and dump" scheme. Specifically, GOLDSHMIDT is looking to conduct a fraudulent promotion designed to increase share price. I believe that CC-2 is a broker who is handling some of the trading of FUEG stock for GOLDSHMIDT and others. I know from publicly available information that CC-2 is a President at a brokerage firm with offices in New York, New York and Brooklyn, New York ("Brokerage-1"). GOLDSHMIDT's reference to being "all set for

Tuesday" referred to a promotion or "pump" planned to take place on Tuesday, September 4, 2012. I know in part from online records checks that there were a number of FUEG press releases issued to the investing public on September 4, 2012, including an article entitled, *Must Read Information on the Following Stocks (OTCOB: FUEG), . . . www.InsideBulls.com Is Issuing Updated Trend Analysis Reports on Stocks (OTCOB: FUEG)*. In that article, it stated that FUEG was "active this week." Based on my review of intercepted calls, I believe that these press releases were part of a coordinated effort by GOLDSHMIDT and the others to initiate public interest in FUEG stock. In anticipation of the September 4, 2012 FUEG press releases, CC-2 was confirming with GOLDSHMIDT that there would be a FUEG event or stock promotion so that CC-2 could start trading when CC-2 asked GOLDSHMIDT if "They are good for Tuesday [September 4, 2012]?" When GOLDSHMIDT told CC-2 that "before the close if you could be a little higher. It would be nice," I believe that GOLDSHMIDT was referring to inflating the price of FUEG stock by the close of the trading day on Friday, August 31, 2012, which was the last trading day until Tuesday, September 4 after the long Labor Day holiday weekend. GOLDSHMIDT wanted CC-2 to trade FUEG that afternoon to stoke the public's interest in FUEG at the opening of the market after the weekend. I believe that CC-2's response, "If you do a big move before you do program, people don't buy the program because they see they are too late," refers to his advice that pushing the FUEG stock price too high on August 31, 2012, prior to an upcoming main news event would be counter-productive. Based on my training and experience, the nature of GOLDSHMIDT's call with CC-2 indicates that CC-2 is aware that CC-2 is participating in a "pump and dump" scheme, because CC-2 was discussing the price and how to most effectively coordinate the purchases with the promotion.

27. On or about August 31, 2012, at approximately 2:12 p.m., ALEXANDER GOLDSHMIDT, the defendant, placed a call using GOLDSHMIDT Phone-2 to PAUL ORENA, the defendant, at the cellular telephone assigned a call number ending in 4667 ("ORENA Phone-1"),[15] during which GOLDSHMIDT relayed the substance of his call with CC-2 to ORENA. During the call, the following conversation took place in substance and in part:

AG: Ok, uh, I spoke to him [CC-2], right?

PO: Yeah.

[15] Based on information provided by CC-1, I have learned that ORENA Phone-1 is a prepaid cellular phone used by CC-1 to communicate with ORENA.

AG: So, he says to me, uh, you know, he goes, "I think, uh where it is now."

PO: Yeah.

AG: "Where it should stay," he goes, because if it, because if it goes any higher than that, people are gonna think they already missed it.

PO: I agree completely. I was gonna call you, um and um, I just, let's tighten it up a little, you know what I mean?

AG: Ok, no, that's what I said. I said, "I need to make it look good and we need a little volume before the close." So he said, "No problem."

PO: Great.

AG: He goes, but . . .

PO: Correct.

AG: I said, I said, "Let's go 42." He says, "Too high." He wouldn't do it.

PO: Yes, I agree.

AG: Ok.

PO: I agree, yeah, you know, nothing more than 40.

AG: No, no, no, so that's what I told him. I said, "Either leave it the way it is at 40." He goes, "Over 40 is too high."

PO: Perfect, he knows exactly what he is doing.

AG: [OV] [unintelligible].

PO: I agree completely, no, it's too much.

AG: I just want to let you know that, you know, I just spoke to him so that the, you know, and he said, but ah, he goes "You on track for Tuesday?" I said, "Yes."

PO: Yeah.

AG: He goes, "ok."

PO: And remember you tell him news is 3:50 today, too.

AG: Huh?

PO: Ah, news is coming out at 3:50.

AG: Yeah, I didn't tell him, want to tell him that. I don't want to get into those conversations.

PO: Yeah, that's fine.

AG: How would I know that?

PO: Yeah, exactly.

AG: You know what I'm saying?

PO: Yeah.

AG: Some things I don't know.

PO: Yeah, yeah, you know how to handle him, I don't gotta tell you.

AG: No, he's on it. He's watching it, so . . .

PO: Alright, great, perfect.

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that, in this conversation, GOLDSHMIDT and ORENA were agreeing to the plan discussed in GOLDSHMIDT's conversations with CC-2 ("him") that they would do "nothing more than 40," meaning that they would not push the stock price above 40 cents per share before the close of the stock market on August 31, 2012, into the long Labor Day holiday weekend, and that 42 cents per share would have been "too high." ORENA asked whether GOLDSHMIDT had told CC-2 that the "news [was] coming out at 3:50" that afternoon. I believe that ORENA was referring to some promotional materials about FUEG that were about to be released and that GOLDSHMIDT's response that he did not pass along this information to CC-2 because "how would [GOLDSHMIDT] know that," and that "some things I don't know," indicates that GOLDSHMIDT was selectively providing information to CC-2 to tell him as little as possible on the phone. Based on my familiarity with this investigation, training and experience concerning "pump and dump" schemes, and the fact that they knew in advance it was going to be released, I believe the FUEG promotion they discussed was being released for the purpose of inflating the

stock price. Online records checks indicate that, on August 31, 2012, at approximately 3:50 p.m., FUEG distributed a press release entitled, *Face Up Entertainment Group, Inc., a Reality Gaming Social Network Company, Announces Broad Marketing Initiative, Face Up Entertainment Group, Inc. Initiates Multi-Faceted Branding and Marketing Campaign*. Trading records show that the price of FUEG stock closed at approximately $0.36 on Friday, August 31, 2012.

28. On or about August 31, 2012, at approximately 2:16 p.m., ALEXANDER GOLDSHMIDT, the defendant, received a call on GOLDSHMIDT Phone-2 from ALEX PUZAITZER, the defendant, at a cellular telephone assigned a call number ending with 3573 ("PUZAITZER Phone-3")[16], during which the following conversation took place, in substance and in part:

AP: You said you were going to call [YITZ GROSSMAN, the defendant] right now.

AG: Yes, of course, because I spoke to him.

AP: Oh yeah?

AG: He said to leave everything as is.

AP: Just like for today?

AG: Well, he'll add a little more volume.

AP: Uh huh.

AG: He said not to touch the price. Because, I said . . . he says, "where do you want it at?" I told him to do it at 40. He said that 40 is a lot. He said, "If you want to listen to me, the people who will see that it went up 25 kopecks in a week."

AP: Uh huh.

AG: "They will think they missed the program and no one is going to enter."

AP: Oh, so I have to tell [PAUL ORENA, the defendant] about this.

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[16] Based on a review of wiretap interceptions, I recognize the voice of PUZAITZER as that being used on PUZAITZER Phone-3.

AG: I called [ORENA]. [ORENA] said, "I actually was going to call you and tell you the same thing." Maybe the kid told him the same thing.

AP: Uh huh.

AG: That's what I think. He didn't say it was the kid. He said it was him. He said, "I was just going to call you and tell you the same thing." What does he know about this shit? You understand it yourself.

AP: Oh, yes.

AG: [unintelligible]

AP: Yes.

AG: Thee. . .

AP: He wanted 50-60. I said, "but it is too much, shit, what are you crazy? Who, how can you make it like that? 50-60-70, fuck."

AG: No, that's what I'm telling you. And that one told me right away. He says, "leave it as it is."

AP: No, I was not worried about the price. I am not saying for the price. There should be there at least 150 [unintelligible].

AG: I do not know for 150, I told him to do something. He said, "I'll do it for the close." You know Sabbos time… I say, "you know what needs to be done." He says, "You are on for Tuesday for sure?" I say, "We're on for Tuesday. I got the confirmation."

AP: Uh huh.

AG: He says, "Ok then, I know what to do." I say, "Ok."

AP: Ok, cool.

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that, in this conversation, GOLDSHMIDT is relaying his conversations with CC-2 and his subsequent call with PAUL ORENA, the defendant, regarding the FUEG "pump and dump" scheme, specifically the end-of-the-day trading ("the close") in FUEG on August 31, 2012, and GOLDSHMIDT's "confirmation" to CC-2 that

there will be a FUEG promotion on Tuesday, September 4, 2012 in connection with which CC-2 would trade FUEG stock to build market momentum. I further believe that the reference to "50-60-70" refers to the share price, in cents, that PUZAITZER said that ORENA wanted to achieve, which PUZAITZER did not think possible. I believe that PUZAITZER's reference to "at least 150," referred to his desire for the volume of trading to be at least 150,000 shares.

29. On or about August 31, 2012, at approximately 3:18 p.m., ALEXANDER GOLDSHMIDT, the defendant, placed a call using GOLDSHMIDT Phone-2 to PAUL ORENA, the defendant, at ORENA Phone-1, during which the following conversation took place, in substance and in part:

PO: Good, it was just to the bid, has like, had like 15 people on the bid right now, and there, uh, there was really no one left at the offer.

AG: Ok, so you gotta watch that, you know, for now.

PO: Yeah, yeah, yeah. So. . .

AG: What's the volume?

PO: Uh, it was, last I checked it was, uh, 99,000

AG: Ok, so we're fine, ok.

PO: Yeah, 99 and there was, uh, it's uh, it was 35, 34 over 41.

AG: I got you, ok.

PO: Alright, so, yeah, the kid, I spoke to kid. He's just like, you know, "It's up too much, 'cause, you know." So he goes, uh, so that's, that was his, you know, his philosophy, but, I'm going, I'm going to [individual at Brokerage-2's] now, then I'm going to meet with my guy.

AG: Ok, he might've left because, you know, it's Friday already. Maybe, I don't know. Uh, so keep an eye on it. If anything, have him put the hundred shares lower.

PO: Yeah.

AG: You know, uh . . .

PO: That's what I am saying. I, I'll call you, I'll call you, like in the, I'm pulling up to [individual at Brokerage-2's] in five minutes, when I'm out.

AG: Whatever, just get it done. If the guy is not there, just you know, have somebody, you know.

PO: Ok.

AG: Just a lower bid that's all.

PO: I know what you're saying.

AG: And, whatchamacallit, uh, but other than that, the kid is happy, right? Everything is good?

PO: Yeah. He's just, he says, you know, he goes, you know, "An offer's taken out a 40, 41 today, 'cause it's just a little too much." So that was his only concern, that, uh, it jumped too fast in three days.

AG: Alright. Ok.

PO: Alright? You know, but he's not worried from his end, he's just worried in general how it looks, you know?

AG: No. I understand, I understand.

PO: Yeah, so, but that's it.

AG: He's on for Tuesday, we're on for Tuesday, for sure.

PO: One thousand percent.

AG: Ok.

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that, in this conversation, GOLDSHMIDT and ORENA are discussing the current trading of FUEG in the market on August 31, 2012, specifically the FUEG volume of approximately "99,000" and stock price of "34, 35" cents per share. I know from trading records that FUEG stock traded at a volume of approximately 100,267 and closed at a price of $0.36 per share on August 31, 2012. Furthermore, I believe GOLDSHMIDT is confirming that ORENA has coordinated an FUEG promotion for the following Tuesday, September 4, 2012, by asking ORENA "we're on for Tuesday, for sure," to which ORENA replies, "one thousand percent." I know from online records checks that there were approximately three

FUEG press releases issued to the investing public on Tuesday, September 4, 2012, and at least one promotional article released by "PennyStocksGuru.net" was entitled, *Must Read Information on the Following Stocks (OTCOB: FUEG), . . . www.InsideBulls.com Is Issuing Updated Trend Analysis Reports on Stocks (OTCOB: FUEG).* In that article, it stated that FUEG was "active this week."

30. On or about August 31, 2012, at approximately 5:02 p.m., ALEXANDER GOLDSHMIDT, the defendant, received a call on GOLDSHMIDT Phone-2 from CC-1, using CC-1 Phone-2. During the call, the following conversation took place in substance and in part:

CC1: [PAUL ORENA, the defendant] looks like he's cleaning it up.

AG: I haven't even looked, uh, whatchamacallit, he, he called me. He said, uh, I spoke before, he says he spoke to you and you are arranging the stock. Then I told him, I said, "calm that fucking guy [referring to YITZ GROSSMAN, the defendant] down because he keeps calling me." I said, "and you know, he's gonna get everything that I have so tell him to fucking relax."

CC1: Yeah, if he doesn't relax, tell him to go fuck himself. I'm not kidding around.

AG: . . . No, I don't want to tell him to go fuck himself, he, you know? I mean look, right? You know, uh, promise him, you know, whatever. It is what it is. What I [unintelligible], you know.

CC1: He's got, he's got all, he's got 99% of it so far.

AG: I know that, but here, here's the thing, I, when I spoke to what's his name, I spoke to [ORENA]. I told him, I said "explain to him that everything is under control." I said, "you know exactly what is going on." I said, "I can't tell him what is going on." Okay? "But you gotta somehow, you know, diffuse the situation, so tell him to fucking relax." So, he said he is gonna take care of it, so [unintelligible] that['s] where we are.

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications and context of this conversation, I believe that CC-1 and GOLDSHMIDT were discussing the fact that YITZ GROSSMAN, the defendant ("that fucking guy") was pressuring GOLDSHMIDT, CC-1 and others about returning FUEG stock that had been distributed

to controlled nominees to effect the "pump and dump" scheme, and GOLDSHMIDT wanted GROSSMAN to "calm . . . down," meaning to stop harassing them on the telephone. I believe that CC-1's statement that GROSSMAN has "got 99% of it so far," referred to GROSSMAN's significant control over most of FUEG's publicly traded stock.

28. I know from reviewing intercepted communications that the participants in the FUEG "pump and dump" scheme traded in coordination with FUEG press releases issued on September 4, 2012. From the following conversations, among others, it appears that during that day, ALEXANDER GOLDSHMIDT, the defendant, and the others lost control of the trading, such that the price of FUEG did not rise as high as they had anticipated, and as high as they needed to reap their intended profits from the unsuspecting public.

a. On or about September 4, 2012, at approximately 9:22 a.m., GOLDSHMIDT received a call on GOLDSHMIDT Phone-2 from ALEXANDER PUZAITZER, the defendant, using PUZAITZER Phone-3, during which the following conversation took place, in substance and in part:

AP: So, it's 30 pre-market, but it's going up [unintelligible]. It's already going at 41.

AG: So, alright, alright.

b. Later that morning, at approximately 9:51 a.m. GOLDSHMIDT placed a call using GOLDSHMIDT Phone-2 to PUZAITZER at PUZAITZER Phone-3, during which the following conversation took place, in substance and in part:

AG: What, is it fucked up there?

AP: No, no, he will be there all day. He is going for the whole day. He says he'll come in the afternoon so everything would creep up a bit, because he will make certain volume in the afternoon.

AG: Because this guy called me and told me it doesn't work.

AP: What do you mean it doesn't work? Hold on, ok?

AG: He called me and said that 300,000 was traded and everybody is selling. He said, "I don't know, I don't know what's going on, there are no buyers." He sees the market.

AP: Uh huh.

AG: And that's it.

AP: What do you mean, there are small trades there. There are a bunch of small ones going in, 200, 300, 500, 700.

AG: Yes, but the stock, the stock is going down, Alik.

AP: Well, the stock is going down a bit. It was knocked down when the traders-schmaders went in because he is mostly not supporting it completely. There is one on a bid and that's it. They see it, they tested, they tested, they went in from the short. There is a bunch of, there is a fucking bunch of market makers. Did you get there yet?

AG: No, I'm just now approaching the tunnel.

AP: Ok, come there and see.

c. Later that morning, at approximately 10:37 a.m., GOLDSHMIDT, using GOLDSHMIDT Phone-2, placed a call to PUZAITZER at PUZAITZER Phone-3, during which the following conversation took place, in substance and in part:

AG: . . . I said, "the trading is shitty." He says, "You guys are not coordinating, because," he says, "it seems like there is a bunch of competing orders," he says, "but meanwhile, I'm getting hit." He says, "That's why . . ."

AP: Then I'll explain to you what happened. [Brokerage-2] sold it by, on its own and rerouted it. Then they sent the email. You see, they are slick faggots. They sold 105,000. Obviously, this didn't go through [CC-2]. Do you see what I'm saying?

AG: They are the ones who sold it to him. He bought 100,000 out of these damn 300.

AP: Well, in short, they were sold, so I'm telling you, I'm explaining to you that this didn't go through him. They just were sold and not paid for. They competed with them. We just removed the order and will put the order through ["Brokerage-3"], but he just has to, the boy has to be told whether to turn this story on or turn it off, what he has to do with this.

d. Later that morning, at approximately 10:47 a.m., GOLDSHMIDT using GOLDSHMIDT Phone-2 placed a call to PUZAITZER

at PUZAITZER Phone-3, during which the following conversation took place, in substance and in part:

AP: Everything was sent to him.

AG: It was sent? There is still this ["Brokerage-4"] on offer and not going away. There's [Brokerage-4] and ["Brokerage-5"] were on offer, and [Brokerage-4] was supposed to have been our guy.

AP: Yeah, but neither of them has orders in right now, so they'll just limit his trades.

AG: I am explaining to you, [Brokerage-4] was our guy. He was helping with bids, but I don't know what he is doing on the offer side.

AP: He bought a few, now he is selling a little more, I am not sure. So, what should we be doing?

AG: I don't know, I don't know. He says that he doesn't even know what to do, because he says that the volume is not there and he doesn't know what to do.

AP: I am explaining to you, we can involve him right now. He is asking that we pull up the bid a little.

AG: Where can it be pulled up to? To pull it up, we have to buy offers. There are outstanding offers.

AP: Ok, so he should do this, we will tell him to go ahead, and we will pull it up. He is not worried about the volume. He turned it on, he turned on a permanent button, and it's doing its thing all day. He has just stopped it. He says, guys, he is not being supported, that trader, he is doing something wrong. I don't know. He says the trader is not doing good work.

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that, in these conversations on September 4, 2012, GOLDSHMIDT and PUZAITZER were discussing the coordinated effort by the participants in the FUEG "pump and dump" scheme to conduct cross trading of FUEG shares back and forth in the market among accounts they and others controlled, including accounts at Brokerages -3, -4, and -5, among others, to create the appearance of market depth and liquidity of FUEG stock to generate interest and momentum in FUEG in order to fraudulently

inflate the price of FUEG stock. Specifically at 9:22 a.m. on September 4, 2012, approximately 8 minutes prior to the opening of the stock market, GOLDSHMIDT and PUZAITZER were discussing the then current FEUG stock price prior to the open, "So, it's 30 pre-market, but it's going up [unintelligible]. It's already going at 41." Trading records reveal that FUEG traded between $0.38 and $0.23 at a volume of approximately 601,573 shares on September 4, 2012. Furthermore, trading analysis reveals that FUEG trades on September 4, 2012, reflected some orders in groups of "200, 300, 500, 700" shares, among others. I believe this call shows that GOLDSHMIDT and PUZAITZER and the others were confused about who was conducting which trades of FUEG, and became frustrated that the volume and price were not high enough to achieve the profits they anticipated.

CC-1 Expresses Concern Over Handling of FUEG Promotion Involving Spam Email Blast and Urges GOLDSHMIDT to Dump His Shares

31. On or about Saturday, September 22, 2012, at approximately 1:31 p.m., ALEXANDER GOLDSHMIDT, the defendant, received a call on GOLDSHMIDT Phone-2 from CC-1 using CC-1 Phone-2, during which the following conversation took place, in substance and in part:

CC1: . . . I don't want that thing to get even, coming close to your job.

AG: But, what if I don't sell it.

CC1: It doesn't matter, you don't want to have a single share.

AG: Ok, so we need to figure out what to do with it on Monday [September 24, 2012], right? And I don't know what to do with it on Monday. Did you tell "One" [ALEX PUZAITZER, the defendant] or not? How do you know this?

CC1: Dude, I am getting them all day. No disclosure, nothing. "Trending up, looks like something is going to happen, the market . . . the company is going very fast, read inside, Monday September 24, company Game Face F-U-E-G .27." They put a target of 2.61. "It's my new cool monster pick in the morning. The stock gets accumulated. New bounce play [unintelligible] at night. Noah Polack at yahoo.com." That's one, right? My next one, see this is a fucking retard. No disclaimer, no disclosure, no nothing. This is the shit that fucking almost put [unidentified individual]

in jail, and why he didn't come to the States for a long time.

AG: Let me ask you a question, did you tell "One" [PUZAITZER] this? Does "One" [PUZAITZER] know?

CC1: Why? "One" [PUZAITZER] doesn't have any stock.

AG: No, I know [unintelligible].

CC1: This literally gets you locked. First off, not only is it a securities violation, but it is an FTC fucking violation. They used a fucking bot to steal someone else's email address.

AG: I see.

CC1: It's a fucking FTC, SEC everything. I don't want that stock in your account.

AG: Ok, so think about Monday what to do [unintelligible].

CC1: I'll fucking deal with it on Monday.

Based on my review of information publicly available on the Internet, I am aware that several people complained publicly about receiving spam e-mails promoting FUEG on September 24, 2012. I believe that CC-1's reference to a "fucking bot" referred to the computer programs spammers use to send blast emails. Based on my training and experience, I believe that CC-1 was expressing concern that the spam email promotion of FUEG would result in increased scrutiny of FUEG trading that might lead to discovery of their involvement in the "pump and dump" scheme ("your job"). Therefore, CC-1 advises GOLDSHMIDT to distance himself from FUEG stock as soon as possible to avoid detection.

Phase 3 - Participants in the FUEG "pump and dump" Scheme Plan to Extract Profits from Market by Selling FUEG

32. Based upon my review of intercepted communications, I am aware that, on or about September 20, 2012, at approximately 4:52 p.m., ALEX PUZAITZER, the defendant, placed a call from PUZAITZER Phone-1 to EFIM AKSANOV, the defendant, at AKSANOV Phone-1, during which the following conversation took place, in substance and in part:

AP: . . . Have you spoken to [YITZ GROSSMAN, the defendant] about that... exit?

EA: I did speak to him, he told me - at 30 cents, he will start selling. And I put a guy on the phone, we've already agreed with him about 30 plus what - at 31, at 32, till - how much from 30 to 40. So if he...

AP: Uh huh.

EA: He has to sell at the minimum - at the minimum, you know, uh - at least, so he gets half back.

AP: Uh huh.

EA: You understand what this means, right?

AP: Yes. Yes.

EA: And then, if everything is fine, we'll see what we're going to do. Also, I have a couple of guys here - we spoke - maybe, you know - but - the main thing to me, like I said, is to do this thing so he leaves me the fuck alone, and to recoup what he thinks...

AP: [OV] He's already left you alone, you can ignore him, because he dropped out of the deal - that's why I did this. And tell [unintelligible]: "Listen, there's [PAUL ORENA, the defendant], you and [ORENA] whatchamacallit, someone there intervened, he gave it back, everything is now out of my control, you owe me money." say it like that, [unintelligible] and that's it. And Sasha [ALEXANDER GOLDSHMIDT, the defendant] will say the same. And he - in peace - one just need to make sure that his money is taken out, so to speak. Firstly, I have to somehow take out my money, the 25 that I put in there in the beginning. Because it's plain craziness with [GROSSMAN], I have an impression that he is screwing everyone over.

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that, in this conversation, PUZAITZER and AKSANOV are coordinating the selling of the manipulated FUEG stock. Specifically, PUZAITZER asks AKSANOV, "Have you spoken to him about that . . . exit," to which AKSANOV replies that he had spoken to "him" and was told that "at 30 cents, he will start selling." I believe that PUZAITZER was confirming with AKSANOV the exit plan of YITZ GROSSMAN, the defendant, and others in

which they would begin selling or "dumping" FUEG stock into the market to unsuspecting buyers. AKSANOV acknowledges that he did speak to "him," believed to refer to GROSSMAN, and confirmed that they would start selling at "30 cents" per share.

33. On or about September 25, 2012, at approximately 10:14 a.m., EFIM AKSANOV, the defendant, placed a call using AKSANOV Phone-1 to STEVE KOIFMAN, the defendant, at a call number ending in 6378 ("KOIFMAN Phone-1").[17] During that call, the following conversation, in substance and in part, took place.

SK: What's going on with ahhh FU [FUEG]? [UM1, a stock promoter] is ahh done today I see? Shit traded like 20,000 only.

EA: Yeah, you want to know why? Because those idiots - it was 28 cents in the morning they opened at 30 and someone bought 15,000 shares or 10,000 and it jumps to 31.[18] I don't understand these - but I told him go there fór 50 - 100 thousand shares at 29, you know, and then go to 30 - 50 [thousand] - you know go, you know every penny's, you know, [UI]. It's like dealing with knuckleheads, I swear that's why I...

SK: What's wrong with them? I don't understand literally like what's wrong with them? I don't....

EA: Steve, you want to know what's wrong with them? People are idiots, the guy said like this: unless this if this stock goes lower than 28 cents he's not selling one share. So you know what that means...

SK: See this is the problem dealing with him, this is the problem dealing with him bro [ov]

EA: Yeah, and that's the problem because if that wasn't a problem yesterday we would have made a lot of money.

SK: So you're trying to tell me we made no money yesterday, I paid this fucking $60,000 worth or whatever and made no money yesterday?

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[17] Based on subscriber information, KOIFMAN Phone-1 is subscribed in the name of KOIFMAN.

[18] Based on a review of trading data I have learned that on September 25, 2012, FEUG traded between .25 and .31, and opened at .30

EA: No he sold a 120,000 shares. Can I get....[ui] knows.

SK: After - after what needs to be paid for this thing, we're completely [ui] out.

EA: No I'm making cause no ahhh I cut a deal with him: I am only paying him 18 kopecks. And we - I told him 25, so that me and you make seven percent on top of that that [UM-1] has to give us back. Do you understand where I'm coming from?

SK: Yeah, but let's see if he even sends money for...

EA: He will send it - I told him, he's going to send money to him right now...he's ready, that's them calling me right now back anyway, let me call you back, [UM-1] is calling me, let me call you right back.

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that, in this conversation, AKSANOV and KOIFMAN were discussing the trading price and volume in FUEG that day and their frustration with a third party - UM-1 - who had not executed trades on their behalf. KOIFMAN expressed frustration that he had invested $60,000 into what is believed to be the FUEG promotion but not made money.

34. On or about September 28, 2012, at approximately 6:12 p.m., EFIM AKSANOV, the defendant, placed a call using AKSANOV Phone-1 to STEVE KOIFMAN, the defendant, at KOIFMAN Phone-1. During that call, the following conversation, in substance and in part, took place.

SK: What's the story did you talk to this fucking jerk off?

EA: Who?

SK: What do you mean who? Your fucking Jew [YITZ GROSSMAN, the defendant].

EA: Yeah, I spoke to him.

SK: And?

EA: And?

SK: Yo, bro why am I pulling teeth from you? You told me you were going to call him talk to him about numbers and this that and the other so what's going on?

EA: I did talk to him about the numbers. Numbers aren't that good Steve...out of the whole week he sold 150,000 shares. Alright? That's the fucking number bro. Out of fucking 600,000 shares. Alright? So ahhh that's what he sold ahhh, I don't know what the fuck is going on, but yesterday the only thing that I didn't understand that whatever was bought throughout the day all sold at the end, it looks like he turned that you know [UM-1] did a maneuver on that somehow someway.

SK: [UM-1] didn't do a maneuver, these guys sold stock, no one did a maneuver bro, but anyways so.

EA: But he didn't sell it. So that's the point, you know.

SK: I'm not following: what's the point? What are the numbers? What's our end?

EA: The point is [ui] he sold basically x amount 40 something dollars worth of stock. Ok? [UM-1] is getting paid whatever he is, we have a little piece there, and the balance - whatever is there - goes into a pot. Ok? And once the pot accumulates, people are going to start reimbursing whatever they're owed [ov].

SK: Why do we have to wait for the pot to get accumulated, why can't he just pay whatever he owes?

EA: Because that, that's what it is because the stock not just me and you it's him, it's me and you, it's this guy Paul [ORENA, the defendant], it's this guy Alex [PUZAITZER, the defendant], and the other fucking Alex [GOLDSDHMIDT, the defendant] because everyone already put money in. People are holding shares bro. They sit with him at his office every day, and instead of them selling the shit and you know for all the things they've been buying, he cut a deal with them that everybody is in one pot and whatever the expenses are gets paid out of that one pot and then the balance grows until everyone has enough money to pull their money out. What am I going to say, for every all of them agreed and I'm going to say 'no, me and Steve don't agree'? He's going to say: "Ok, guys" - he's going to say: "guys, then go fuck yourselves."

SK: What do you mean, 'go fuck yourselves'? You're the guy that's fucking making this shit happen! Jeff I don't understand bro!

EA: Yitz [GROSSMAN]...Steve...he doesn't...what's happening and how it's playing out - you don't understand that these people that are sitting in his office...between me and you, they didn't give him everything on the side, they're quietly selling and telling him all this bullshit. That's what I believe is going on at the end of the day they're telling him to stop it, that they don't want this, that this is going to end up being a headache, that they have their people ready to go in. They're telling him on purpose, for the shit to go down, for them to re-buy to cover all the shit that they've been selling right now. I'm not a stupid guy....

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that this conversation relates to the FUEG stock manipulation in which AKSANOV and KOIFMAN are involved with GROSSMAN, PUZAITZER, GOLDSDMIDT and ORENA. KOIFMAN is expressing frustration with GROSSMAN, with whom AKSANOV has the contact and relationship, due to KOIFMAN's belief that AKSANOV is handling most of the responsibility - "making the shit happen" - behind the FUEG market manipulation.

35. On or about February 26, 2013, at approximately 3:44 p.m., ALEX PUZAITZER ("AP") received an incoming call on a call number ending in 3516 ("PUZAITZER Phone-4")[19] from MICHAEL VAX ("MV") using a call number ending in 7969 ("VAX Phone-1").[20] During that call, the following conversation, in substance and in part, took place. VAX discussed a stock sale that was not going very well. VAX stated that his stocks were "brought down to 12 cents" and he thinks that someone is doing this on purpose. VAX stated that "probably this is this fucking [unnamed broker-dealer]. They have no real explanation for what is going on in the market." PUZAITZER stated that it looks like some people want "to bring [the] market down." VAX stated that these people don't care about the market they are after money only - "if they could make 13 thousand they are happy." VAX is

[19] Based on my review of CC-1 Phone-2, the number for PUZAITZER Phone-4 is a labeled as "1" in CC-1 Phone-2.

[20] Based on intercepted calls, VAX has been identified or identified himself when using VAX Phone-1.

angry and upset and will try to fix this situation. Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that this conversation relates to the market manipulation of the stock of FUEG. Here VAX is upset that the price has gone down (brought down to 12 cents")[21] based on actions he was not aware of and that have compromised his ability to sell the stock at a higher price.

CC-1 FUEG Trading Records for Marjorie Group

36. Based on my review of trading records for Marjorie Group, I am aware that CC-1, through one of CC-1's brokerage accounts maintained through Marjorie Group, engaged in the following transactions in FUEG stock:

DATE	TRANSACTION	NUMBER OF SHARES	SHARE PRICE
5/1/12	Transfer In	2,000,000	N/A
5/1/12	Transfer In	448,254	N/A
7/6/12	Buy	5,000	$0.19
7/6/12	Buy	5,000	$0.18
7/6/12	Buy	5,000	$0.19
7/9/12	Buy	14,312	$0.1877
7/12/12	Buy	20,000	$0.2325
7/18/12	Buy	2,500	$0.272
7/19/12	Buy	10,500	$0.28
7/20/12	Buy	15,000	$0.26
7/23/12	Buy	7,500	$0.25334
7/25/12	Buy	5,000	$0.22
8/16/12	Transfer Out	2,000,000	N/A
8/23/12	Transfer Out	538,066	N/A

37. Based on my review of trading records for FUEG shares, I am aware that CC-1, in CC-1's own name, sold 8,500 shares of FUEG for $0.20 per share on July 25, 2012.

[21] Based on a review of trading records I have learned that FUEG traded between .12 and .20 on February 26, 2013, and closing at .18.

38. Based on my review of trading records for a brokerage account of Dolton, I am aware that ALEXANDER GOLDSHMIDT, the defendant, through Dolton, engaged in the following transactions in FUEG stock:

DATE	TRANSACTION	NUMBER OF SHARES	SHARE PRICE
8/16/12	Transfer In (from Marjorie Group)	2,000,000	N/A
8/23/12	Transfer In (from Marjorie Group)	538,066	N/A
8/23/12	Transfer Out	538,066	N/A

The Extortion of CC-1 by the Defendants

39. CC-1, as set forth below, is the victim of an extortion conspiracy being perpetrated by ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA, YITZ GROSSMAN, EFIM AKSANOV, and STEVE KOIFMAN, the defendants, who are seeking the return of FUEG shares, in connection with a failed FUEG stock promotion, and a planned stock promotion in FUEG which did not take place. GOLDSHMIDT, PUZAITZER, VAX, ORENA, GROSSMAN, AKSANOV, KOIFMAN and VAX, as set forth below, have threated harm to CC-1, CC-1's family, CC-1's business and reputation, and the business and reputation of CC-1's father, a physician.

40. During debriefings of CC-1, I have learned that:

a. In or about February or March 2012, CC-1 received a telephone call from EFIM AKSANOV, the defendant, during which call AKSANOV advised that AKSANOV was representing the interests of YITZ GROSSMAN, the defendant, and was traveling to New York to meet with CC-1 regarding Face Up Entertainment Group, which at that time traded under the stock symbol IKCC. CC-1 advised ALEX PUZAITZER and ALEXANDER GOLDSHMIDT, the defendants, about the call; GOLDSHMIDT told CC-1 that he knows AKSANOV well and gave CC-1 approval to meet with AKSANOV. CC-1 subsequently met with AKSANOV and GOLDSHMIDT at CC-1's office in New York, New York. During that meeting, AKSANOV advised CC-1 that GROSSMAN wanted CC-1 to return 1,000,000 shares of IKCC to PUZAITZER. CC-1 reported that CC-1 only had 440,000 IKCC shares left; AKSANOV stated that CC-1 would have to come up with the balance of the shares.

b. In or about the summer of 2012, GOLDSHMIDT stated, in sum and substance, to CC-1 that STEVE KOIFMAN, the defendant, was a "big guy" who had beaten up people in the past, and had been [redacted]. CC-1 understood KOIFMAN to be AKSANOV's partner.

c. In or about the summer of 2012, GOLDSHMIDT, PUZAITZER, AKSANOV and KOIFMAN met with CC-1 in New York, New York and AKSANOV and KOIFMAN demanded $350,000, return of FUEG shares, and that CC-1 conduct trading in FUEG. These demands were made in the presence of GOLDSHMIDT and PUZAITZER. Specifically, AKSANOV threated CC-1 stating that AKSANOV would "put slugs into" the chest of CC-1 unless CC-1 met AKSANOV's demands. AKSANOV further stated that if CC-1 did not comply with AKSANOV's demands, AKSANOV and KOIFMAN were going to "call Moscow." After the meeting, PUZAITZER advised CC-1 that CC-1 did not want AKSANOV calling Moscow, that it would "not be a good thing" if that call were made. GOLDSHMIDT stated to CC-1 that CC-1 was lucky that KOIFMAN did not punch CC-1.

41. On or about July 27, 2012, at approximately 6:35 p.m., ALEXANDER GOLDSHMIDT, the defendant, received a call on GOLDSHMIDT Phone-1 from EFIM AKSANOV, the defendant, using AKSANOV Phone-1. During that call, the following conversation, in sum and substance, took place in which AKSANOV complained that CC-1 had not yet come up with any money as requested.

EA: How do we, uh, figure out this situation with [CC-1]? Because it's kinda fucked up that STEVE [KOIFMAN, the defendant] was sitting there with me and the kid [CC-1] said that he [CC-1] sent this much money, it never came in, he [CC-1] said he was going to do something. The kid [KOIFMAN] feels like he [CC-1] lied to him [KOIFMAN] in his face and he's . . . it's one thing if the kid [CC-1] came through with the 50, [CC-1] is working on this, [CC-1] is trying to do that, it's, uh, you know, it's one thing, you know where it comes out . . . where everyone is even. You know what I'm trying to say, Sash? Everybody wants to be on that same page. So he [KOIFMAN] feels that this kid [CC-1], you know he wasted a trip, he [CC-1] came down there. [CC-1] told him [KOIFMAN] something, [CC-1] purely lied to [KOIFMAN] in his face, in the diner and, you know

AG: Let him, let him [CC-1] pay us back and then let him [KOIFMAN] fuckin' crack him [CC-1], don't, don't crack him before we get the money, bro. Don't do anything before we get the money.

EA: Ok.

42. On or about July 30, 2012, at approximately 1:14 p.m., ALEXANDER GOLDSHMIDT, the defendant, placed an outgoing call on GOLDSHMIDT Phone-1, to EFIM AKSANOV, the defendant, at AKSANOV Phone-1. During that call, the following conversation, in sum and substance, took place. AKSANOV stated that another person, based on other intercepted calls, believed to be STEVE KOIFMAN, the defendant, wanted to fly in and see CC-1. GOLDSHMIDT asked whether they could resolve things before "he" flew in. AKSANOV responded that nothing is resolved because CC-1 "did not give a dollar."

43. On or about September 21, 2012, at approximately 4:32 p.m., EFIM AKSANOV, the defendant, using AKSANOV Phone-1, placed a call to STEVE KOIFMAN, the defendant at KOIFMAN Phone-1. During that call, the following conversation, in substance and in part, took place.

SK: Whoah, whoah, whoah, I'm talking about when I was in New York bro, what are you saying, I was in New York, we went to the diner with these fucking retards the next day you went to Brooklyn with your wife or something you went to Brooklyn, ok by yourself, and you met up with AP [ALEXANDER GOLDSHMIDT, the defendant] and all of a sudden you fucking gave him some leeway, you told them we wanted this shit to fucking come back by Friday whatever the case was and you did and you cut some new deal with them and you say no, no they're going to need to do something on Monday, we'll give them one more chance, blah, blah, stop it. This was when I was in New York. Don't fucking [ui] c'mon [ui] whatever.

EA: You see them, we gave them another chance and it didn't happen well in two weeks we gotta come there [ov] we gotta Come, there we gotta come there.

SK: The bottom line is they figured ahh they're giving me another chance after you talked [ui] the kind of shit you talk and then you give them another chance and you fucker go fuck yourself.

EA: So listen we're going to go there in two weeks and break his [CC-1] head open what can I say.

SK: That's fine, let's go, let's go.

EA: There's no other choice here.

SK: I'm ready to go tomorrow, I'm ready to go tomorrow. I'm not joking I'm ready to go tomorrow. I'm in such a...I'm in such a dire straits bro, I mean it's just like a ridiculous already it's crazy

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that this conversation relates to the meeting held in the summer of 2102 in New York - "the diner" - between CC-1 and AKSANOV, KOIFMAN, PUZAITZER, and ALEXANDER GOLDSHMIDT, the defendants. I further believe that in this call, KOIFMAN was expressing frustration that CC-1 has not acted as promised and KOIFMAN and AKSANOV are now ready to "break [CC-1's] head."

44. On or about December 28, 2012, at approximately 2:54 p.m., ALEX PUZAITZER, the defendant, received a call on PUZAITZER Phone-4 from PAUL ORENA, the defendant, using ORENA Phone-1. During that call, the following conversation, in substance and in part, took place.

PO: When is this kid [CC-1] back, cause I gotta see him, cause I got some more, more information on him.

AP: [ov] He's coming back on Sunday.

PO: Ok, so I think I'm going to go up, if he's in the office Monday, just want to make sure he's up there, I'm going to go I gotta straighten him out because he's trying to manipulate you know I know what he what he said to [UM-2] because [UM-2] ran to my brother to basically apologize that he fucked up and this and that he told him all this shit from [CC-1] and what's going on so [CC-1] you played him, tried to manipulate, but know I'm going just straighten the kid out so, I'm going to go up you and you know he's going to have to deliver what he agreed to with me, so I'm not going to stand for any bullshit from this fucking kid.

AP: Yeah, absolutely.

PO: You know what I'll just smack him around the fucking office worst case.

AP: One, one thing I know as I told you before that whatever you have whatever we could get Two [ALEXANDER GOLDSHMIDT, the defendant] and I [ov].

PO: Comes to us, yeah, it's us, but why should he, why should he get more you know what I mean, he's he's ahhh you know I've had enough of his shit you know if he wants to go to the cops on me [ov] after I smack him [ov].

AP: He wants to use our credit, and to tell you the truth and the amount of credit we have is $230,000 right?

PO: Yeah.

AP: So I don't know what it will bring, but.

PO: Yeah.

AP: But [ui] money has to be taken from the top because if everybody goes out at our expense the money has to be taken out.

PO: Yeah.

45. On or about January 10, 2013 at approximately 4:28 p.m. ALEX PUZAITZER (AP), the defendant, placed a call on PUZAITZER Phone-4 to PAUL ORENA (PO), the defendant, on ORENA Phone-1. During that call, the following conversation, in substance and in part, took place:

AP: You know discussing other shit also that is going on, [CC-1], I keep yelling at [CC-1]

PO: Yeah .

AP: It doesn't do any good.

PO: I sat out while you were away, it last Thursday, I sat outside his [CC-1's] office for like a half hour, I had some time to kill before another meeting, think I would get him smoking a cigarette he must have extended his trip , that's what [Individual-1] told me. So ah, I came back a day or two after.

AP: Yeah he came back last Thursday because he just

PO: Yeah

AP: Tuesday

PO: Yeah I think I was there Wednesday or something whatever day it was I spoke to [Individual-1], he said no no no, [CC-1] extended his trip [CC-1] is coming back the day. So I was trying to see if he was in the office but ah, other than that that's really it. You know, like I said, I did some really other good things too I wanted to bring you up to speed with.

Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that, in this conversation, PUZAITZER and ORENA were discussing the fact that ORENA planned on waiting outside the office of CC-1 on or about December 31, 2012, hoping to see CC-1, and then waited outside the office of CC-1 in or around January 4, 2013. I believe that ORENA was doing so in an attempted effort to intimidate CC-1.

46. On or about February 25, 2013, at approximately 7:01 p.m., ALEX PUZAITZER, the defendant, using PUZAITZER Phone-4 placed a call to ALEXANDER GOLDSHMIDT, the defendant, at a call number ending in 1956 ("GOLDSHMIDT Phone-3")[22]. During that call, the following conversation, in substance and in part, took place:

AP: I think [CC-1] has to get a tiny slap in the face.

AG: [Laughs] I can do it in a nice way. We have to decide what day we meet with him and then we'll have to spare the entire day on that.

During this portion of the call, PUZAITZER and GOLDSHMIDT further agreed to talk about "it" the following day, February 26, 2013. GOLDSHMIDT promised to bring "all the witnesses" for the meeting. PUZAITZER offered to make it a surprise for "him", CC-1. GOLDSHMIDT stated that he still did not understand where his initial investment - "2200" - went. GOLDSHMIDT stated that he intended to ask CC-1 to show them the proof of all transactions - the "spreadsheet." GOLDSHMIDT and PUZAITZER agreed that that CC-1 is a thief and decided to get in touch the

[22] Review of information contained in CC-1 Phone-2 reveals that CC-1 Phone-2 has the number for GOLDSHMIDT Phone-3 listed as "2", a reference to GOLDSHMIDT.

following day. Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that, in this conversation, GOLDSHMIDT and PUZAITZER were expressing their frustration with CC-1, wanting to see records of trading, and that they planned to surprise CC-1 at a meeting with other individuals CC-1 was not told would be present.

The call continued:

AP: That retard [CC-1] is not calling me today at all.

AG: Retard? Why would he call you? What would he say to you?

AP: There is nothing more to say, he [CC-1] doesn't have the spreadsheet. He doesn't have the spreadsheet, he doesn't have anything to say anyway, he is making up a story about his sister being in labor, and so on. Vasya, he has to - he needs to be slapped around a little.

AG: [laughs]

AP: You get it? Because I don't know - as they say, it needs to be [IA], definitely when I fucking see him.

AG: [laughs]

AP: You get it?

AG: No, I - I will do it to him beautifully. We - you - and - you - we just need to figure out when we're meeting him...

AP: Mmm.

AG: Yeah. And... we need to free up the whole day for this. The whole day.

AP: Free up what?

AG: We need to be free all that day.

AP: Uh huh?

AG: The whole day.

47. On or about February 26, 2013, at approximately 10:14 a.m., ALEX PUZAITZER, the defendant, using PUZAITZER Phone-4 received a call from PAUL ORENA, the defendant, using ORENA Phone-1. During that call, the following conversation, in substance and in part, took place. ORENA relayed a conversation another person (UM-1) had with CC-1. CC-1 called UM-1 the day prior and said CC-1 had to sit with "the Russians" for two hours yesterday. CC-1 stated to UM-1 that they ["the Russians"] were "abusing" him and "shaking" him down for "this deal." CC-1 stated that they went to his apartment and "took his cell phone away." ORENA stated that "why we really we figure out a game plan we gotta sit down and take [the] right approach with this kid [CC-1]." ORENA stated that CC-1 may end up killing himself. PUZAITZER disagreed and stated that he thought CC-1 would attempt to "find a way out and [CC-1]'s not going to pay." ORENA and PUZAITZER then discussed others calling a meeting with CC-1 at which PUZAITZER and others would show up. ORENA stated that he was seeing YITZ GROSSMAN, the defendant, at 1:00 p.m. that day. Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that, in this conversation, PUZAITZER and ORENA were discussing CC-1 being threatened by others - "the Russians" - and that CC-1 would "figure a way out." ORENA and PUZAITZER also planned to have a meeting with CC-1 to which they would bring others unbeknownst to CC-1, which I believe was being done to intimidate CC-1.

48. On or about March 5, 2013, at approximately 9:34 a.m., ALEX PUZAITZER, the defendant, received a call on PUZAITZER Phone-4 from ALEXANDER GOLDSHMIDT, the defendant, using GOLDSHMIDT Phone-3. During that call, the following conversation, in substance and in part, took place. GOLDSHMIDT and PUZAITZER discussed how they planned to confront CC-1 later that day. PUZAITZER stated that he was planning to tell CC-1, "You see, this way it will be completely... what you take into your hands. So you have a fucking choice: either you have a very down-and-out, miserable life or you must now find the solution somehow. No one is going to touch you, but you will be a fucking pauper." GOLDSHMIDT stated that he was still waiting for an envelope that CC-1 said was in the mail. PUZAITZER stated that they should confront CC-1 later today about everything that was allegedly sent and never reached anybody. PUZAITZER stated "this all needs to be explained [to CC-1]: 'All this shit is no good, there will be on more conversations, we're not asking you, we're telling you. And we're telling you that everything that we've invested with you, all the companies - you don't get a say - credits, IKCC, all that shit.'" GOLDSHMIDT stated that he has a

bill for CC-1 for $1,000,000. PUZAITZER stated, "Right, including Yitz [GROSSMAN, the defendant]." PUZAITZER stated that he also plans to introduce Misha [MICHAEL VAX, the defendant] as CC-1's new contact, planning to tell CC-1 "here's Misha [VAX]- here's Misha, your new partner, in all your entrepreneurial efforts . . . communicate with him." Based on my training and experience, familiarity with this investigation, and review of other intercepted communications, I believe that, in this conversation, PUZAITZER and GOLDSHMIDT were discussing their plans to meet with CC-1 later that day at which they planned to get $1,000,000 owed to themselves and GROSSMAN. I further believe that VAX was being brought to the meeting to exert influence over CC-1.

49. On or about March 5, 2013, at approximately 4:05 p.m., law enforcement agents conducted surveillance at the Setai Hotel, located in New York. From inside the hotel, one agent observed five men engaged in a conversation related to stocks. The agent recognized CC-1, and ALEX PUZAITZER, and ALEXANDER GOLDSHMIDT, the defendants. The agent recorded a portion of this meeting. The agent described an individual, later identified as MICHAEL VAX, the defendant, who the agent heard asking CC-1 "do you know who I am? Do you know who I am?"

50. Based on a debriefing of CC-1 regarding the March 5, 2013 meeting, I have learned the following:

a. CC-1 met with PAUL ORENA, ALEX PUZAITZER, ALEXANDER GOLDSHMIDT and MICHAEL VAX, the defendants, at the Setai Hotel in New York, New York.

b. ORENA, PUZAITZER, GOLDSHMIDT and VAX advised CC-1 to "return the shares," which CC-1 understood to be the approximately 374,000 FUEG shares CC-1 owned.

c. CC-1 stated that these shares related to a failed promotion of FUEG stock, and another planned promotion that did not occur.

d. PUZAITZER stated that CC-1's "life was going to take its course" and that CC-1 had to worry about his "two little children."

e. ORENA, PUZAITZER, GOLDSHMIDT and VAX made clear that CC-1 would deal with VAX going forward.

f. CC-1 has stated that CC-1 is afraid of MICHAEL VAX, the defendant.

51. On or about March 5, 2013 at approximately 6:09 p.m., ALEX PUZAITZER, the defendant, while using PUZAITZER PHONE-4 to speak to ALEXANDER GOLDSHMIDT, the defendant, received a call on another telephone, one side of which was overheard. During that call, the following conversation, in substance and in part, took place. PUZAITZER advised CC-1 (referring to CC-1 by first name) to admit that he screwed up and stated that PUZAITZER should not even be speaking with CC-1. PUZAITZER stated "Given that you are in this mess and your head is going to explode and a lot of people would like to fucking burn you and kill you and whatever." PUZAITZER advised that there is a way for CC-1 to get out of this "situation" with the help of PUZAITZER and MICHAEL VAX, the defendant. PUZAITZER stated that Paul [ORENA, the defendant] will "understand" too but that everyone needs to be compensated. PUZAITZER advised CC-1 to "lay it all out" for VAX and if CC-1 is honest, VAX will help.

52. Based on a debriefing of CC-1, I learned that on or about March 6, 2013, CC-1 met with PAUL ORENA and MICHAEL VAX, the defendants, at CC-1's office in New York, New York. VAX and ORENA demanded 374,000 FUEG shares. During that meeting, VAX and ORENA demanded that CC-1 pay $100,000 in addition to returning the shares, and stated that if CC-1 did so, all CC-1's "problems would go away." VAX demanded a list of all of CC-1's current deals so that VAX could review them and tell CC-1 which deals CC-1 could skim profit from to enable CC-1 to pay the money demanded.

53. On or about March 18, 2013, at approximately 8:00 a.m., CC-1 met with MICHAEL VAX and PAUL ORENA, the defendants, at a diner located on West 38th Street in New York, New York. Prior to that meeting, CC-1 was equipped with a recording device. Based on that recording, I have learned that the following conversation, in substance and in part, took place. VAX stated to CC-1 "you're going to give me 374 [shares] today," and if not, CC-1 would "deal with them" himself, and VAX would go to Yitz [GROSSMAN, the defendant]. VAX stated that if CC-1 wanted to "deal with them this way," CC-1 would be "arrested in a couple of days. [VAX had] been there before." ORENA then conveyed that another individual had made an appointment to see CC-1's father. CC-1 asked ORENA to cancel that meeting because CC-1's father was "off limits." ORENA stated that "these guys are fucking real," and "easier for [ORENA] to control," but "a guy like Yitz [GROSSMAN] is a lot harder for ORENA to control

because [YITZ] listens for a day or two." ORENA then stated that "One" - ALEX PUZAITZER, the defendant - had made the appointment with CC-1's father. Based on my training and experience, familiarity with this investigation, debriefing of CC-1, and review of intercepted communications, I believe that, in this conversation, VAX was exerting pressure on CC-1 by stating that if CC-1 did not do what VAX asked, CC-1 would have to deal with more dangerous individuals - "them." ORENA also intimated that GROSSMAN was unlikely to listen to ORENA and VAX on CC-1's behalf for much longer. I further believe that ORENA and VAX were making clear the GROSSMAN was directing their actions in seeking the shares and money from CC-1. CC-1's father is a doctor.

54. During an intercepted call on or about March 13, 2013, at approximately 6:09 p.m., ALEX PUZAITZER, the defendant, using PUZAITZER Phone-4, discussed with PAUL ORENA, the defendant, the fact that PUZAITZER made an appointment at the office of CC-1's father. The following conversation, in substance and in part, took place. PUZAITZER was relaying to ORENA what should be said to CC-1.

AP: ...so know you have an issue with One [PUZAITZER], and besides the point now listen to this, One [PUZAITZER] wants to go see your father. As a matter of a fact he made an appointment.

PO: [laughter]. Yeah.

AP: He made an appointment.

PO: Yeah.

AP: You can check with the secretary.

PO: Hmmm

AP: He made an appointment to go and see you father, he's fuming. He wants to have a friendly conversation, friendly conversation with your dad and then he wants to have a friendly conversation with your wife.

PO: Yeah, and I think that's smart and what I said to Yitz [GROSSMAN, the defendant] just so I don't forget, is I told him I said listen I said is I hope you understand and appreciate that we were here for no other intention other than to make things right, the whole group, meaning me,

Mike [VAX], and Alex, ok, meaning Two [GOLDSHMIDT], 'cause you're, he [CC-1] doesn't know, know you're really involved in the day to day.

AP: Right.

PO: Ummm, I said, so if you and go do your own thing because you seem to not listen to well...hmmm, I said you have to protect us as well. He [GROSSMAN] goes, 'it would be my pleasure, I wish you guys would let me do it.' He goes, 'I would love to protect everybody.'

AP: Hmmm.

PO: So, I said listen it's about getting money back, that we have a loss and going over everything and have transparency and no one is looking to make money on you, no one is looking to do anything other than collect what this kid stole and make no one got hurt for money, I said that's really what it boils down to, so he [GROSSMAN] said 'I will do anything if these guys ask me to do to protect.' He goes, 'I don't want to see this kid [CC-1] get away with one extra dollar.' He says to me, 'he's a Madoff....jr.'

55. On or about March 19, 2013, at approximately 10:12 a.m., CC-1 received a call on a call number ending in 3517 ("CC-1 Phone-4")[23] from MICHAEL VAX, the defendant, on a call number ending in 4500 ("VAX Phone-2").[24] That call was recorded. VAX stated that he had to go see YITZ GROSSMAN, the defendant, before meeting CC-1. VAX further that "we'll meet before, before your departure. It's important and that's why I went to see Yitz before I see you."

56. On or about March 20, 2013, at approximately 10:00 a.m., CC-1 met with MICHAEL VAX, the defendant, at the Algonquin Hotel, in New York, New York. Prior to that meeting, CC-1 was equipped with a recording device. Based on that recording, I have learned that the following conversation, in substance and in part, took place. VAX stated that others were going to see CC-1's father and tell him that CC-1 was a "thief" and that CC-1's father can "lose his license." VAX further stated that "Alex" would "have to testify against [CC-1]. Otherwise [ALEX]

[23] CC-1 has reported to law enforcement that CC-1 uses CC-1 Phone-4.

[24] VAX Phone-2 is subscribed to "Marina Vax," with "MICHAEL" listed as the contact on the account.

is in a conspiracy to commit fraud." VAX continued that "you're going to be on bail. You're not going to be able, if you get on bail, you're not going to be able to move. You're going to have a hundred people come to the court, testify against you," "people don't like you too much." CC-1 asked VAX "did you hear that they are gonna do something harmful to me?", to which VAX responded "yes," that they would hurt CC-1 "legally." VAX further explained that as to CC-1's father, they were going to damage his medical practice. VAX stated that "Alex and Alex [GOLDSHMIDT and PUZAITZER, the defendants] think that they, that you [CC-1] owe them." VAX stated that others involved in the stock deal would testify against CC-1 and then if the loss was "over a million dollars total, mind you, the minimum is 60 months." VAX explained that based on his own experience in serving prison time[25] that CC-1's relationship with his family would suffer. VAX promised CC-1 that he would "deal on [CC-1's] Dad. And [] deal on Yitz [GROSSMAN]."

57. On or about March 20, 2013, at approximately 1:08 p.m., CC-1 placed a call from CC-1 Phone-2 to PAUL ORENA, the defendant, at ORENA Phone-1. That call was recorded. During that call, the following conversation, in substance and in part took place. ORENA stated that as to visiting CC-1's parents, ORENA "told everybody to hold off." ORENA stated that VAX had gone to see YITZ GROSSMAN, the defendant, because VAX was "literally, [] really trying to help [CC-1], and that GROSSMAN was "listening to" VAX. ORENA stated that "the Yitz issue is the main issue," that "Yitz is the type of guy who wants to have justice, in whatever way shape or form." When CC-1 complained about deadlines being imposed on CC-1, ORENA stated "but the problem is, it's not Mike [VAX]'s pressure, its Yitz's pressure to Mike. I sat with them both yesterday and Yitz basically told him, 'If I don't see any results... then i have to go forward.. I have all the pieces together, I want to fry and sauté every one of them, including 2 [ALEXANDER GOLDSHMIDT, the defendant].' Mike is just buying time to deliver something to this guy so he has a month."

[25] Based on a review of criminal history reports, I learned that on or about April 20, 1995, MICHAEL VAX, the defendant, was convicted of Conspiracy to Engage in Racketeering, and sentenced to a term of 41 months' imprisonment.

WHEREFORE, deponent asks that a warrant be issued for the arrest of ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA, YITZ GROSSMAN, EFIM AKSANOV, and STEVE KOIFMAN, the defendants, and that they be imprisoned, or bailed, as the case may be.

THOMAS ZUKAUSKAS
Special Agent
Federal Bureau of Investigation

Sworn to before me this
28 day of March, 2013.

S/ Henry Pitman

THE HONORABLE HENRY B. PITMAN
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK

EXHIBIT B

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA	:	SUPERSEDING INDICTMENT
-v.-	:	S2 13 Cr. 410 (NRB)
ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA, YITZ GROSSMAN, EFIM AKSANOV, and STEVE KOIFMAN,	:	
Defendants.	:	

COUNT ONE

(Conspiracy to Commit Securities Fraud)

The Grand Jury charges:

1. From at least in or about 2012, up to and including on or about March 27, 2013, in the Southern District of New York and elsewhere, ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA, YITZ GROSSMAN, EFIM AKSANOV, and STEVE KOIFMAN, the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, securities fraud in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

2. It was a part and an object of the conspiracy that ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA,

YITZ GROSSMAN, EFIM AKSANOV, and STEVE KOIFMAN, the defendants, and others known and unknown, willfully and knowingly, directly and indirectly, by the use of means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in contravention of Title 17, Code of Federal Regulations, Sections 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 the 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 purchasers and sellers, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

Overt Acts

3. In furtherance of the conspiracy and to effect the illegal object thereof, ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA, YITZ GROSSMAN, EFIM AKSANOV, and STEVE KOIFMAN, the defendants, and others known and unknown,

committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. On or about July 19, 2012, at approximately 8:00 p.m., a co-conspirator not named as a defendant herein ("CC-1"), while in New York, New York, placed a call to AALEXANDER GOLDSHMIDT, the defendant, during which call GOLDSHMIDT and CC-1 discussed the unlawful promotion of a stock.

b. On or about August 31, 2012, at approximately 3:18 p.m., GOLDSHMIDT placed a call to PAUL ORENA, the defendant, during which call GOLDSHMIDT and ORENA discussed trading occurring as part of an unlawful stock promotion.

c. On or about September 12, 2012, at approximately 2:52 p.m., YITZ GROSSMAN, the defendant, placed a call to EFIM AKSANOV, the defendant, during which call GROSSMAN and AKSANOV discussed an unlawful stock market manipulation.

d. On or about September 20, 2012, at approximately 4:52 p.m., ALEX PUZAITZER, the defendant, placed a call to AKSANOV, during which call PUZAITZER and AKSANOV discussed an unlawful stock market manipulation.

e. On or about February 26, 2013, at approximately 3:44 p.m., PUZAITZER received a call from MICHAEL VAX, the defendant, during which they discussed an unlawful market manipulation scheme.

f. On or about September 25, 2012, at approximately 10:14 a.m., AKSANOV placed a call to STEVE KOIFMAN, the defendant, during which they discussed trading patterns as part of an unlawful market manipulation scheme.

(Title 18, United States Code, Section 371.)

COUNT TWO

(Conspiracy to Commit Extortion)

The Grand Jury further charges:

4. From at least in or about February 2012, up to and including on or about March 27, 2013, in the Southern District of New York and elsewhere, ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA, EFIM AKSANOV, and STEVE KOIFMAN, the defendants, and others known and unknown, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), by obtaining money and property from and with the consent of another person, to wit, the individual identified as CC-1 in Count One of this Indictment, which consent would have been and was induced by the wrongful use of actual and threatened force, violence, and fear, and thereby would and did obstruct, delay, and affect commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit,

GOLDSHMIDT, PUZAITZER, VAX, ORENA, AKSANOV, and KOIFMAN attempted to collect money and shares of publicly traded stock from the individual identified as CC-1 in Count One of this Indictment through the threat of force.

(Title 18, United States Code, Section 1951.)

FORFEITURE ALLEGATION

5. As the result of committing one or more of the conspiracy to commit securities fraud and conspiracy to commit extortion offenses alleged in Counts One and Two of this Indictment, ALEXANDER GOLDSHMIDT, ALEX PUZAITZER, MICHAEL VAX, PAUL ORENA, YITZ GROSSMAN, EFIM AKSANOV, and STEVE KOIFMAN, the defendants, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C § 2461, all property, real and personal, that constitutes or is derived, directly and indirectly, from gross proceeds traceable to the commission of said offenses.

Substitute Asset Provision

6. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third person;

(c) has been placed beyond the jurisdiction of the Court;

(d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981, and Title 28, United States Code, Section 2461.)

FOREPERSON

PREET BHARARA
United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

ALEXANDER GOLDSHMIDT,
ALEX PUZAITZER,
MICHAEL VAX,
PAUL ORENA,
YITZ GROSSMAN,
EFIM AKSANOV, and
STEVE KOIFMAN,

Defendants.

INDICTMENT

S2 13 Cr. 410 (NRB)

(18 U.S.C. §§ 371, 1951;
15 U.S.C. §§ 78j(b) & 78ff).

PREET BHARARA
United States Attorney.

A TRUE BILL

Foreperson.

8-15-13
MB

Filed (S2) superseding indictment
Ellis, USMJ

EXHIBIT C

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

		SUPERSEDING
UNITED STATES OF AMERICA	:	INFORMATION
- v -	:	S8 13 Cr. 410 (NRB)
ALEXANDER GOLDSHMIDT,	:	
Defendant.	:	

COUNT ONE

(Conspiracy to Commit Securities Fraud)

The United States Attorney charges:

1. From at least in or about 2010, up to and including at least in or about 2013, in the Southern District of New York and elsewhere, ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

2. It was a part and an object of the conspiracy that ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown, willfully and knowingly, directly and indirectly, by the use of means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and

employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in contravention of Title 17, Code of Federal Regulations, Sections 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 the 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 purchasers and sellers, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

Overt Act

3. In furtherance of the conspiracy and to effect the illegal object thereof, ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown, committed the following overt act, among others, in the Southern District of New York and elsewhere:

a. On or about July 19, 2012, at approximately 8:00 p.m., a co-conspirator not named as a defendant herein ("CC-1"), placed a call to ALEXANDER GOLDSHMIDT, the defendant, during which CC-1 discussed the unlawful promotion of a stock.

(Title 18, United States Code, Section 371.)

COUNT TWO

(Conspiracy to Commit Securities Fraud)

The United States Attorney further charges:

4. From at least in or about 2003, up to and including at least in or about 2009, in the Southern District of New York and elsewhere, ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, securities fraud in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

5. It was a part and an object of the conspiracy that ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown, willfully and knowingly, directly and indirectly, by the use of means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in contravention of Title 17, Code of Federal Regulations, Sections 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 the 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 purchasers and sellers, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

Overt Act

6. In furtherance of the conspiracy and to effect the illegal object thereof, ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown, committed the following overt act, among others, in the Southern District of New York and elsewhere:

a. In or about 2008, ALEXANDER GOLDSHMIDT, the defendant, met with co-conspirators not named as defendants herein, at a location in New York, New York, to discuss the purchase of a shell company to facilitate the stock manipulation of Premier Energy (PNRC).

(Title 18, United States Code, Section 371.)

COUNT THREE

(Conspiracy to Commit Securities Fraud)

The United States Attorney further charges:

7. From at least in or about 1996, up to and including at least in or about 2000, in the Southern District of New York and elsewhere, ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and

agree together and with each other to commit offenses against the United States, to wit, securities fraud in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

8. It was a part and an object of the conspiracy that ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown, willfully and knowingly, directly and indirectly, by the use of means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in contravention of Title 17, Code of Federal Regulations, Sections 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 the 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 purchasers and sellers, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

Overt Act

9. In furtherance of the conspiracy and to effect the illegal object thereof, ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown, committed the following overt act, among others, in the Southern District of New York and elsewhere:

a. In or about 1996, ALEXANDER GOLDSHMIDT, the defendant, recruited cold callers in connection with the promotion of small cap security TYM Securities and the cold callers did not inform prospective buyers that the cold callers were being compensated to recommend the stock.

(Title 18, United States Code, Section 371.)

COUNT FOUR

(Securities Fraud)

The United States Attorney further charges:

10. From at least in or about 2012 up to and including at least in or about 2013, in the Southern District of New York and elsewhere, ALEXANDER GOLDSHMIDT, the defendant, willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce and of the mails, and of the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ 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 facts and omitting to state material facts necessary in order to make the statements made, in the 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 persons, to wit, GOLDSHMIDT engaged in fraudulent trading designed to hide the true ownership of Face Up Entertainment Group, Inc., trading under the symbol "FUEG."

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

COUNT FIVE

(Securities Fraud)

The United States Attorney further charges:

11. From at least in or about 2008 up to and including at least in or about 2010, in the Southern District of New York and elsewhere, ALEXANDER GOLDSHMIDT, the defendant, willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce and of the mails, and of the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ 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 facts and omitting to state material facts necessary in order to make the statements made, in the 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 persons, to wit, GOLDSHMIDT sold approximately three million shares of fraudulently inflated stock of Premier Energy, Inc., trading under the symbol "PNRC."

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

COUNT SIX

(Conspiracy to Commit Extortion)

The United States Attorney further charges:

12. From at least in or about February 2012, up to and including at least on or about March 27, 2013, in the Southern District of New York and elsewhere, ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown, unlawfully and knowingly combined, conspired, confederated, and agreed together and with each other to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), by obtaining money and property from and with the consent of another person

("Individual-1"), which consent would have been and was induced by the wrongful use of actual and threatened force, violence, and fear, and thereby would and did obstruct, delay, and affect commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, GOLDSHMIDT and others attempted to collect money and shares of publicly traded stock from Individual-1 through the threat of force.

(Title 18, United States Code, Section 1951.)

COUNT SEVEN

(Conspiracy to Commit Money Laundering)

The United States Attorney further charges:

13. From at least in or about 1999 up to and including at least in or about 2013, in the Southern District of New York and elsewhere, ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown, willfully and knowingly combined, conspired, confederated and agreed together and with each other to violate Title 18, United States Code, Sections 1956(a)(1)(B)(i), (a)(2)(A) and (a)(2)(B)(i), and 1957, to wit, GOLDSMIDT agreed with others to launder the proceeds of securities fraud through foreign bank accounts and holding companies.

14. It was a part and an object of the conspiracy that ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown, knowing that the property involved in financial transactions represented the proceeds of some form of unlawful activity, willfully and knowingly would and did conduct and attempt to conduct financial transactions which in fact involved the proceeds of specified unlawful activity, to wit, securities fraud in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5, knowing that such financial transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

15. It was further a part and an object of the conspiracy that ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown, willfully and knowingly would and did transport, transmit, and transfer, and attempt to transport, transmit, and transfer a monetary instrument and funds from a place in the United States to and through a place outside the United States and to a place in the United States from and through a place outside the United States with the intent to promote the carrying on of a

specified unlawful activity, to wit, securities fraud in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5, all in violation of Title 18, United States Code, Section 1956(a)(2)(A).

16. It was further a part and an object of the conspiracy that ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown, willfully and knowingly would and did transport, transmit, and transfer, and attempt to transport, transmit, and transfer a monetary instrument and funds from a place in the United States to and through a place outside the United States and to a place in the United States from and through a place outside the United States to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, to wit, securities fraud in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5, all in violation of Title 18, United States Code, Section 1956(a)(2)(B)(i).

17. It was further a part and an object of the conspiracy that ALEXANDER GOLDSHMIDT, the defendant, and others known and unknown, in an offense involving and affecting interstate and foreign commerce, would and did knowingly engage in and attempt

to engage in monetary transactions, as that term is defined in Title 18, United States Code, Section 1957(f)(1), in criminally derived property that was of a value greater than $10,000, to wit, a wire transfer in excess of $10,000 from accounts in Switzerland to an account in the United States, such property having been derived from a specified unlawful activity, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5, all in violation of Title 18, United States Code, Section 1957.

(Title 18, United States Code, Section 1956(h)).

FORFEITURE ALLEGATIONS

18. As the result of committing the securities fraud and conspiracy to commit securities fraud offenses alleged in Counts One through Five of this Information, and the conspiracy to commit extortion offense alleged in Count Six of this Information, ALEXANDER GOLDSHMIDT, the defendant, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C § 2461, any property, real and personal, that constitutes or is derived, directly and indirectly, from proceeds traceable to the commission of such offenses.

19. As the result of committing the conspiracy to commit money laundering offense alleged in Count Seven of this Information, ALEXANDER GOLDSHMIDT, the defendant, shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(1), any property, real and personal, involved in such offense, and any property traceable to such property.

Substitute Asset Provision

20. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third person;

(c) has been placed beyond the jurisdiction of the Court;

(d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), and Title 28, United States Code,

Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Sections 981 and 982, Title 21, United States Code, Section 853, and Title 28, United States Code, Section 2461.)

_____

PREET BHARARA
United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

ALEXANDER GOLDSHMIDT,

Defendant.

SUPERSEDING INFORMATION

S8 13 Cr. 410 (NRB)

(18 U.S.C. § 2, 371, 1951, 1956, 1957; 15 U.S.C. §§ 78j(b), 78ff; 17 C.F.R. § 240.10b-5).

PREET BHARARA
United States Attorney.

EXHIBIT D

UNITED STATES DISTRICT COURT

Southern District of New York

UNITED STATES OF AMERICA
v.
Alexander Goldshmidt

JUDGMENT IN A CRIMINAL CASE

Case Number: S8 13 Cr. 410-01 (NRB)

USM Number: 68415-054

Gary Farrell
Defendant's Attorney

THE DEFENDANT:

☑ pleaded guilty to count(s) All counts

☐ pleaded nolo contendere to count(s) which was accepted by the court.

☐ was found guilty on count(s) after a plea of not guilty.

The defendant is adjudicated guilty of these offenses:

Title & Section	Nature of Offense	Offense Ended	Count
18 U.S.C. § 371	Conspiracy to Commit Securities Fraud	4/4/2013	1, 2, 3
15 U.S.C. § 78j(b) & 78ff	Securities Fraud	4/4/2013	4, 5
17 CFR § 240.10b-5			

The defendant is sentenced as provided in pages 2 through 8 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

☐ The defendant has been found not guilty on count(s)

☐ Count(s) ☐ is ☐ are dismissed on the motion of the United States.

It is ordered that the defendant must notify the United States attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States attorney of material changes in economic circumstances.

2/28/2019
Date of Imposition of Judgment

Signature of Judge

Naomi Reice Buchwald, U.S.D.J.
Name and Title of Judge

March 5, 2019
Date

DEFENDANT: Alexander Goldshmidt
CASE NUMBER: S8 13 Cr. 410-01 (NRB)

ADDITIONAL COUNTS OF CONVICTION

Title & Section	Nature of Offense	Offense Ended	Count
18 U.S.C. § 1951	Conspiracy to Commit Extortion	4/4/2013	6
U.S.C. § 1956(h) AND 1956(a)(1)(B)(i))	Conspiracy to Commit Money Laundering	4/4/2013	7

IMPRISONMENT

The defendant is hereby committed to the custody of the Federal Bureau of Prisons to be imprisoned for a total term of:

Time served.

☐ The court makes the following recommendations to the Bureau of Prisons:

☐ The defendant is remanded to the custody of the United States Marshal.

☐ The defendant shall surrender to the United States Marshal for this district:

☐ at _____ ☐ a.m. ☐ p.m. on _____ .

☐ as notified by the United States Marshal.

☐ The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:

☐ before 2 p.m. on _____ .

☐ as notified by the United States Marshal.

☐ as notified by the Probation or Pretrial Services Office.

RETURN

I have executed this judgment as follows:

Defendant delivered on _____ to _____

at _____ , with a certified copy of this judgment.

_____
UNITED STATES MARSHAL

By _____
DEPUTY UNITED STATES MARSHAL

DEFENDANT: Alexander Goldshmidt
CASE NUMBER: S8 13 Cr. 410-01 (NRB)

SUPERVISED RELEASE

Upon release from imprisonment, you will be on supervised release for a term of :

1 year on each count, to run concurrently.

MANDATORY CONDITIONS

1. You must not commit another federal, state or local crime.
2. You must not unlawfully possess a controlled substance.
3. You must refrain from any unlawful use of a controlled substance. You must submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the court.
   - ☑ The above drug testing condition is suspended, based on the court's determination that you pose a low risk of future substance abuse. *(check if applicable)*
4. ☐ You must make restitution in accordance with 18 U.S.C. §§ 3663 and 3663A or any other statute authorizing a sentence of restitution. *(check if applicable)*
5. ☑ You must cooperate in the collection of DNA as directed by the probation officer. *(check if applicable)*
6. ☐ You must comply with the requirements of the Sex Offender Registration and Notification Act (34 U.S.C. § 20901, *et seq.*) as directed by the probation officer, the Bureau of Prisons, or any state sex offender registration agency in the location where you reside, work, are a student, or were convicted of a qualifying offense. *(check if applicable)*
7. ☐ You must participate in an approved program for domestic violence. *(check if applicable)*

You must comply with the standard conditions that have been adopted by this court as well as with any other conditions on the attached page.

DEFENDANT: Alexander Goldshmidt
CASE NUMBER: S8 13 Cr. 410-01 (NRB)

STANDARD CONDITIONS OF SUPERVISION

As part of your supervised release, you must comply with the following standard conditions of supervision. These conditions are imposed because they establish the basic expectations for your behavior while on supervision and identify the minimum tools needed by probation officers to keep informed, report to the court about, and bring about improvements in your conduct and condition.

1. You must report to the probation office in the federal judicial district where you are authorized to reside within 72 hours of your release from imprisonment, unless the probation officer instructs you to report to a different probation office or within a different time frame.
2. After initially reporting to the probation office, you will receive instructions from the court or the probation officer about how and when you must report to the probation officer, and you must report to the probation officer as instructed.
3. You must not knowingly leave the federal judicial district where you are authorized to reside without first getting permission from the court or the probation officer.
4. You must answer truthfully the questions asked by your probation officer.
5. You must live at a place approved by the probation officer. If you plan to change where you live or anything about your living arrangements (such as the people you live with), you must notify the probation officer at least 10 days before the change. If notifying the probation officer in advance is not possible due to unanticipated circumstances, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
6. You must allow the probation officer to visit you at any time at your home or elsewhere, and you must permit the probation officer to take any items prohibited by the conditions of your supervision that he or she observes in plain view.
7. You must work full time (at least 30 hours per week) at a lawful type of employment, unless the probation officer excuses you from doing so. If you do not have full-time employment you must try to find full-time employment, unless the probation officer excuses you from doing so. If you plan to change where you work or anything about your work (such as your position or your job responsibilities), you must notify the probation officer at least 10 days before the change. If notifying the probation officer at least 10 days in advance is not possible due to unanticipated circumstances, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
8. You must not communicate or interact with someone you know is engaged in criminal activity. If you know someone has been convicted of a felony, you must not knowingly communicate or interact with that person without first getting the permission of the probation officer.
9. If you are arrested or questioned by a law enforcement officer, you must notify the probation officer within 72 hours.
10. You must not own, possess, or have access to a firearm, ammunition, destructive device, or dangerous weapon (i.e., anything that was designed, or was modified for, the specific purpose of causing bodily injury or death to another person such as nunchakus or tasers).
11. You must not act or make any agreement with a law enforcement agency to act as a confidential human source or informant without first getting the permission of the court.
12. You must follow the instructions of the probation officer related to the conditions of supervision.

U.S. Probation Office Use Only

A U.S. probation officer has instructed me on the conditions specified by the court and has provided me with a written copy of this judgment containing these conditions. For further information regarding these conditions, see *Overview of Probation and Supervised Release Conditions*, available at: www.uscourts.gov.

Defendant's Signature _____ Date _____

DEFENDANT: Alexander Goldshmidt
CASE NUMBER: S8 13 Cr. 410-01 (NRB)

ADDITIONAL SUPERVISED RELEASE TERMS

You must provide the probation officer with access to any requested financial information.

You must not incur new credit charges or open additional lines of credit without the approval of the probation officer unless you are in compliance with the installment payment schedule.

You must provide the Government with assistance in an investigation or prosecution, if requested.

If you are sentenced to any period of supervision, it is recommended that you be supervised by the district of residence.

DEFENDANT: Alexander Goldshmidt
CASE NUMBER: S8 13 Cr. 410-01 (NRB)

CRIMINAL MONETARY PENALTIES

The defendant must pay the total criminal monetary penalties under the schedule of payments on Sheet 6.

	Assessment	JVTA Assessment*	Fine	Restitution
TOTALS	$ 700.00	$	$	$

☐ The determination of restitution is deferred until _____. An *Amended Judgment in a Criminal Case (AO 245C)* will be entered after such determination.

☐ The defendant must make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

Name of Payee	Total Loss**	Restitution Ordered	Priority or Percentage

TOTALS $ 0.00 $ 0.00

☐ Restitution amount ordered pursuant to plea agreement $ _____

☐ The defendant must pay interest on restitution and a fine of more than $2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 6 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).

☐ The court determined that the defendant does not have the ability to pay interest and it is ordered that:

☐ the interest requirement is waived for the ☐ fine ☐ restitution.

☐ the interest requirement for the ☐ fine ☐ restitution is modified as follows:

* Justice for Victims of Trafficking Act of 2015, Pub. L. No. 114-22.
** Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT: Alexander Goldshmidt
CASE NUMBER: S8 13 Cr. 410-01 (NRB)

SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties is due as follows:

A ☐ Lump sum payment of $ _____ due immediately, balance due

☐ not later than _____ , or
☐ in accordance with ☐ C, ☐ D, ☐ E, or ☐ F below; or

B ☐ Payment to begin immediately (may be combined with ☐ C, ☐ D, or ☐ F below); or

C ☐ Payment in equal _____ *(e.g , weekly, monthly, quarterly)* installments of $ _____ over a period of _____ *(e.g , months or years)*, to commence _____ *(e.g , 30 or 60 days)* after the date of this judgment; or

D ☐ Payment in equal _____ *(e.g., weekly, monthly, quarterly)* installments of $ _____ over a period of _____ *(e.g , months or years)*, to commence _____ *(e.g., 30 or 60 days)* after release from imprisonment to a term of supervision; or

E ☐ Payment during the term of supervised release will commence within _____ *(e.g., 30 or 60 days)* after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or

F ☐ Special instructions regarding the payment of criminal monetary penalties:

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during the period of imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

☐ Joint and Several

Defendant and Co-Defendant Names and Case Numbers *(including defendant number)*, Total Amount, Joint and Several Amount, and corresponding payee, if appropriate.

☐ The defendant shall pay the cost of prosecution.

☐ The defendant shall pay the following court cost(s):

☑ The defendant shall forfeit the defendant's interest in the following property to the United States:
Money judgment in the amount of $1,768,032.53, representing proceeds traceable to the commission of the offenses charged in Counts 1 through 7.

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) JVTA assessment, (8) penalties, and (9) costs, including cost of prosecution and court costs.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA	:	
- v. -	:	CONSENT PRELIMINARY ORDER OF FORFEITURE/
	:	MONEY JUDGMENT
ALEXANDER GOLDSHMIDT	:	S8 13 Cr. 410 (NRB)
Defendant.	:	

WHEREAS, on or about October 9, 2015, ALEXANDER GOLDSHMIDT, (the "defendant") was charged, among others, in a seven-count Superseding Information, S8 13 Cr. 410 (NRB) (the "Information") with conspiracy to commit securities fraud, in violation of Title 18, United States Code, Section 371 (Counts One through Three); securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff; Title 17, Code of Federal Regulations, Section 240.10b 5; and Title 18, United States Code, Section 2 (Counts Four and Five); conspiracy to commit extortion, in violation of Title 18, United States Code, Section 1951 (Count Six); and conspiracy to commit money laundering, in violation of Title 18, United States Code, Section 1956(h) (Count Seven);

WHEREAS, the Information included a forfeiture allegation as to Counts One through Six of the Information, seeking forfeiture to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, of any property, real and personal, that constitutes or is derived, directly

and indirectly, from proceeds traceable to the commission of the offenses charged in Counts One through Six of the Information;

WHEREAS, the Information included a forfeiture allegation as to Count Seven of the Information, seeking forfeiture to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), of any property, real and personal, involved in the offense charged in Count Seven of the Information, and any property traceable to such property;

WHEREAS, on or about October 9, 2015, the defendant pled guilty to Counts One through Seven of the Information, pursuant to an agreement with the Government, wherein the defendant admitted to the forfeiture allegations with respect to Counts One through Seven of the Information and agreed to forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461, of all property, real and personal, that constitutes or is derived, directly and indirectly, from gross proceeds traceable to the commission of the offenses charged in Counts One through Six of the Information, and pursuant to Tile 18, United States Code, Section 982(a)(1), all property, real and personal, involved in the offense charged in Count Seven of the Information, and any property traceable to such property;

WHEREAS, the defendant consents to the entry of a money judgment in the amount of $1,768,032.53 in United States currency, which represents proceeds traceable to the commission of the offenses charged

in Counts One through Six of the Information that the defendant personally obtained, and property involved in the commission of the offense charged in Count Seven of the Information; and

WHEREAS, the defendant admits that, as a result of acts and/or omissions of the defendant, proceeds traceable to the offenses charged in Counts One through Seven of the Information that the defendant personally obtained cannot be located upon the exercise of due diligence;

IT IS HEREBY STIPULATED AND AGREED, by and between the United States of America, by its attorney Geoffrey S. Berman, United States Attorney, Assistant United States Attorney, Abigail S. Kurland of counsel, and the defendant, and his counsel, Gary Farrell, Esq., that:

1. As a result of the offenses charged in Counts One through Seven of the Information, to which the defendant pled guilty, a money judgment in the amount of $1,768,032.53 in United States currency (the "Money Judgment"), representing proceeds traceable to the commission of the offenses charged in Counts One through Seven of the Information that the defendant personally obtained, shall be entered against the defendant.

2. Pursuant to Rule 32.2(b)(4) of the Federal Rules of Criminal Procedure, this Consent Preliminary Order of Forfeiture/Money Judgment is final as to the defendant, ALEXANDER GOLDSHMIDT, and shall be deemed part of the sentence of the defendant, and shall be included in the judgment of conviction therewith.

3. All payments on the outstanding Money Judgment shall be made by postal money order, bank or certified check, made payable, in this instance to the United States Marshals Service, and delivered by mail to the United States Attorney's Office, Southern District of New York, Attn: Money Laundering and Asset Forfeiture Unit, One St. Andrew's Plaza, New York, New York 10007 and shall indicate the defendant's name and case number.

4. The United States Marshals Service shall be authorized to deposit the payments on the Money Judgment in the Assets Forfeiture Fund, and the United States shall have clear title to such forfeited property.

5. Pursuant to Title 21, United States Code, Section 853(p), the United States is authorized to seek forfeiture of substitute assets of the defendant up to the uncollected amount of the Money Judgment.

6. Pursuant to Rule 32.2(b)(3) of the Federal Rules of Criminal Procedure, the United States Attorney's Office is authorized to conduct any discovery needed to identify, locate or dispose of forfeitable property, including depositions, interrogatories, requests for production of documents and the issuance of subpoenas.

7. The Court shall retain jurisdiction to enforce this Consent Preliminary Order of Forfeiture/Money Judgment, and to amend it as necessary, pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure.

8. The Clerk of the Court shall forward three certified copies of this Consent Preliminary Order of Forfeiture/Money Judgment to Assistant United States Attorney Alexander J. Wilson, Co-Chief of the Money Laundering and Transnational Criminal Enterprises Unit, United States Attorney's Office, One St. Andrew's Plaza, New York, New York 10007.

9. The signature page of this Consent Preliminary Order of Forfeiture/Money Judgment may be executed in one or more counterparts, each of which will be deemed an original but all of which together will

constitute one and the same instrument.

AGREED AND CONSENTED TO:

GEOFFERY S. BERMAN
United States Attorney for the
Southern District of New York

By: _____ 02/27/19
Abigail S. Kurland DATE
Assistant United States Attorney
(212) 637-2955

ALEXANDER GOLDSHMIDT

By: _____
Alexander Goldshmidt DATE

By: _____ 2/28/19
Gary Farrell, Esq. DATE
Attorney for Defendant
26 Court Street, Suite 601
Brooklyn, NY 11242
(718) 488-7600

SO ORDERED:

_____ 2/28/19
THE HONORABLE NAOMI REICE BUCHWALD DATE
UNITED STATES DISTRICT JUDGE

EXHIBIT E

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

Commission file number: 000-54415

FACE UP ENTERTAINMENT GROUP, INC.

(Exact name of registrant as specified in its charter)

Florida	**27-1551007**
(State of incorporation)	(I.R.S. Employer Identification No.)

20 East Sunrise Highway Suite 202, Valley Stream, New York 11581
(Address of principal executive offices)

(516) 303- 8100
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act:
None

Securities registered pursuant to Section 12(g) of the Exchange Act:
Common Stock, $0.0001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
(Do not check if a smaller reporting company)			

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of June 30, 2012. $ 3,551,250 based upon $0.15 per share.

As of April 12, 2013, 62,642,666 shares of the issuer's common stock were issued and outstanding.

Documents Incorporated By Reference: None

OS Received 05/16/2022

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PART I

Item 1. Business.

As used in this Annual Report on Form 10-K (this "Report"), references to the "Company," the "Registrant," "we," "our" or "us" refer to Face Up Entertainment Group, Inc., unless the context otherwise indicates .

Forward-Looking Statements

This Report contains forward-looking statements. For this purpose, any statements contained in this Report that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking information includes statements relating to future actions, prospective products, future performance or results of current or anticipated products, sales and marketing efforts, costs and expenses, interest rates, outcome of contingencies, financial condition, results of operations, liquidity, business strategies, cost savings, objectives of management, and other matters. You can identify forward-looking statements by those that are not historical in nature, particularly those that use terminology such as "may," "will," "should," "expects," "anticipates," "contemplates," "estimates," "believes," "plans," "projected," "predicts," "potential," or "continue" or the negative of these similar terms. The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking information to encourage companies to provide prospective information about themselves without fear of litigation so long as that information is identified as forward-looking and is accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in the information.

These forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions that we cannot predict. In evaluating these forward-looking statements, you should consider various factors, including the following: (a) those risks and uncertainties related to general economic conditions, (b) whether we are able to manage our planned growth efficiently and operate profitable operations, (c) whether we are able to generate sufficient revenues or obtain financing to sustain and grow our operations, (d) whether we are able to successfully fulfill our primary requirements for cash, which are explained below under "Liquidity and Capital Resources". We assume no obligation to update forward-looking statements, except as otherwise required under the applicable federal securities laws.

Corporate Background

Game Face Gaming, Inc., a Florida corporation (the "Company") was incorporated on December 24, 2009 under the name Intake Communications, Inc. From inception up until February 10, 2011, the Company intended to provide software to companies to help them market and sell their music and entertainment content to consumers. While the Company had identified product requirements, product development had not started and the Company had not commenced business operations other than organizational, start-up, capital formation activities, filing its registration statement and meeting its obligations as an SEC reporting company.

On January 6, 2011, the Board of Directors and majority shareholder of the Company approved an amendment to the Company's Articles of Incorporation (the "Amendment") to (i) affect a 13 for 1 forward stock split of the Company's issued and outstanding common stock in the form of a dividend, and (i) change the Company's name from Intake Communications, Inc. to Game Face Gaming, Inc. The Amendment was filed on January 7, 2011 with the Secretary of State of the State of Florida and became effective as at the close of business on January 25, 2011. The forward stock split was distributed to all shareholders of record on January 24, 2011. No cash was paid or distributed as a result of the forward stock split and no fractional shares were issued. All fractional shares which would have otherwise been required to be issued as a result of the stock split were rounded up to the nearest whole share.

On February 10, 2011, Ron Warren, the principal shareholder and sole officer and director of the Company, entered into a Stock Purchase Agreement which provided for the sale of his 11,333,333 shares of common stock of the Company (the "Control Shares") to Punim Chadoshos, LLC, a New York limited liability corporation (the "Buyer"). The consideration paid for the Control Shares, which at the time of such sale represented 40.57% of the issued and outstanding share capital of the Company on a fully-diluted basis, was $50,000. The Buyer, which is owned by a trust, used funds which it borrowed to purchase the Shares.

Simultaneously with such purchase and sale by the Buyer, Mr. Warren resigned from all his positions with the Company and Felix Elinson and Irving Bader were appointed to the Board of Directors of the Company, and Mr. Elinson was appointed President and Mr. Bader the Secretary. In addition, Mr. Warren canceled 104,666,667 shares of the Company previously owned by him and no longer owns any shares in the Company.

On February 22, 2011, the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with Lemberg Consulting, Inc., a New York corporation (the "Seller") pursuant to which the Company acquired certain assets of the Seller in consideration for the issuance of 22,666,667 shares of its common stock. The assets purchased consist of a provisional patent and other intellectual property related to operating multi-platform, multiplayer non-wagering, non-games of chance, such as chess, poker, and backgammon. As a result of the transaction, the Company now owns the domain name www.FaceUpGaming.com.

The Asset Purchase Agreement contained customary representations and warranties from each of the Company and the Seller. The Company did not assume any liabilities in connection with the acquisition, other than the contractual payments due to Icreon Communications Ltd., a company located in India which provides development outsourcing as well as other platform related enhancement and support work. Icreon is to be paid as follows - (i) $25,000 when the platform completes Alpha testing; (ii) $27,500 after beta; and (iii) the remaining $27,500 after user acceptance testing. Icreon pursuant to the terms of this agreement has been paid in full. During the year ended December 31, 2011, the Company paid Icreon an additional $3,892 for other work performed.

In connection with the asset acquisition on February 22, 2011, Mr. Elinson became our Chief Executive Officer.

On March 1, 2011, the Company entered into a Poker License Agreement with Atlas Software USA Inc., a New Jersey corporation ("Atlas") pursuant to which the Company granted Atlas the right to install and use Game Face Gaming software program for its own website and business. The Company retained all right, title and interest to its software. In consideration for the license, Atlas paid the Company $55,000, and will pay the Company (i) $27,500 upon acceptance of all design work, customization and the initiation of alpha testing that will support a minimum of 1,000 users; and (ii) $27,500 upon resolution of issues derived during the alpha testing and the completion of a beta test. It was anticipated that the alpha testing will be completed by April 15th and the completion of the beta by June 15th If payment is not made in accordance with the terms of the Agreement, the Company has the right to impose a 1% penalty per month on any overdue amount, and if not paid following 30 days notice, the Company may cancel the Agreement.

This Agreement was modified as of April 15, 2011 to extend the payments due by Atlas so that $27,500 is due 60 days after the completion of beta testing and the code moved to production servers of an online poker room membership model and the final payment in the amount of $27,500 will be due 60 days later. The Company anticipates to provide Atlas with a redesigned membership model platform as compared to a rake model by June 2013.

On March 3, 2011, the Company entered into a similar license agreement with Prodigious Capital Group LLC on the same terms and conditions as the agreement with Atlas, other than the payment of $50,000 to the Company upon execution and delivery of the agreement and $25,000 due and payable upon acceptance of all design work, customization and the initiation of alpha testing that will support a minimum of 1,000 users which is expected July 1st; and (ii) $25,000 upon resolution of issues derived during the alpha testing and the completion of a beta test, which is expected September 1st. This license is limited to the "Texas Hold-em" version of the software of the Company and no other games or poker variations.

This Agreement was modified as of April 15, 2011 to extend the payments due by Prodigious so that $27,500 will become immediately due 60 days after the completion of beta testing and the code moved to production server/s. A final payment in the amount of $27,500 will be due 60 days later. The Company anticipates to provide Atlas with a redesigned membership model platform as compared to a rake model by June 2013.

Business Overview

Since the change of control and the consummation of the transactions contemplated by the Asset Purchase Agreement, we are now in the business of operating a reality gaming social network. We offer a non-wagering internet poker website and by incorporating proprietary technologies that provides players with streaming video, audio and messaging capabilities. We believe that these enhancements will dramatically enhance the players' online social gaming experiences. Management is not aware of any online games sites which offer players the ability to see one another and speak live during game play.

We are committed to responsible game-play and are **not** a gambling site - we want to encourage people to play competitively to win prizes without requiring them to risk losing money. The only cost to players is a monthly membership fee. Because we do not offer gambling, players cannot lose money, but still provide an exciting and entertaining experience. Our members pay us a monthly fee, which gives them a certain amount of points. These points are then used to enter tournaments and/or play games on the site. Each game has its own entry fee in terms of points. Additional points are not purchased; instead they are won based on a member's standing in various tournaments played on our site.

We will require additional capital to develop and expand our gaming platform to a full launch. We estimate that within the next 12 months we will need approximately $3,600,000 in net operating funds to operate our subscription based site and market the site to obtain members and generate revenues from members. We anticipate that such funds, were they to be available to the Company, would be utilized as follows: 1- Accounts Payable $ 400,000; 2- Notes Payable $1,000,000; 3- Operations $800,000; 4- Marketing $1,100,000; 5- Development- $300,000.

There can be no assurance that additional capital will be available to us. We currently have no agreements, arrangements or understandings with any person to obtain such amount of funds through bank loans, lines of credit or any other sources. Since we have no other such arrangements or plans currently in effect, our inability to raise funds for the above purposes will have a severe negative impact on our ability to remain a viable company.

Our Technology

We currently own provisional patent application number 61/423,751, titled "reality gaming social network".

Our software is designed in ASP.Net 2 and Flash, and the database is built in MS SQL and Flash Media Server. Utilizing this approach, we hope to provide video streaming and voice quality capabilities to more than 1 million players at one time. Because our infrastructure exists on cloud based technology, our platform enables rapid and immediate response to higher demand.

Cloud computing is by far the most economical way to scale up capacity, because as the need presents itself all we need to do is open up a new server and access the required server. This method not only enables us to determine the exact configuration and bandwidth which we need to use, but then we only have to pay for what we need and use.

We are currently using cloud computing provided by Rackspace.com on a monthly basis Rackspace offers data centers which simultaneously handle the resource requests from multiple clients. With everything in the data centers, we do not need to have our own information technology setup related directly to the constant upkeep of servers. We currently pay $3200-$3600 per month depending on bandwidth usage for this service. Our gaming systems have been designed to meet the most demanding security standards. We use the same technology currently employed by Amazon and Dell to secure their e-commerce sites' client information. All sensitive data will be securely transmitted and stored in encrypted databases with Rackspace.com.

We also believe that the use of ASP.Net in the front-end makes our system fully secure and encrypted from hackers because the software is running from the server instead of being downloaded to a player's computer. This design makes the system more secure and provides less chances of the system slowing down and/or crashing.

Products

Our first game offering is poker. Poker was selected as the Company's inaugural game product because our platform and technology (live, interactive video and chat) will enable players to see and speak to each other in real-time. Our technology will allow play not merely based on the cards being held in hand but also using the skill required to see and read the opponent's face; the proverbial 'poker face'.

We offer people the opportunity to participate in tournaments, which are the ultimate poker players' thrill. A tournament is a poker game in which each player starts with an equal amount of chips. All of the players in the tournament continue to play until one player has amassed all of the chips. Each tournament has a chip-buy-in. The buy-in is put into the prize pool; the fee is kept by the Company. The size of the prize pool depends on the tournament structure and is paid out in its entirety to the winner.

To start the tournament, each player is dealt a card. The player with the highest card starts the game as the dealer. Each player's goal is to amass as many chips as possible. Players who lose all of their chips are out of the tournament. As the tournament continues, more and more players are eliminated until only the tournament winner remains.

Members will be given a tournament rating that is a measure of how successful they are in our tournaments. The tournament rating is a score that is based on a player's multi-table tournament performance and is constantly changing as the player plays more multi-table tournaments. Tournament ratings allow a player to see how he is doing and track his progress as he becomes a better player. We also hope to run special tournaments in which a player can play against players with similar tournament ratings. This will allow players the opportunity to play against other players of similar skill level.

The numerical value of a player's tournament rating is determined by a complex formula that takes into account primarily where the player is placed in a given multi table tournament and how many total people were in the tournament. The player's tournament rating then determines his color level, which starts at the Red level and progress to Green and finally to Black -- the highest color level. The more multi table tournaments he plays, the size of the tournaments and how he places in these tournaments will determine whether the player's score and color level move up or down. In general, the better the player's performance, the higher his numerical tournament rating score.

If we are successful and can raise sufficient funds, we hope to offer other types of tournaments, including:

Shootouts **:** A shootout is a special kind of multi-table tournament. Traditionally, when a player plays in a multi-table tournament, players are moved from table to table to balance the number of players at each table. Eventually, the fortunate last nine players end up at the " *final table* ". In a shootout, no such table balancing is done. A player remains at his original table until only one player is left standing. If he wins at that table, he advances to another table and repeats the process against other players who have each won at previous respective tables.

Double Shootout : In a ***Double Shootout*** , a player needs to win two tables to win the event, although often there is some money for everybody who makes the second table. Each starting table is played to its conclusion; the final table is formed of the winners of the first round matches.

Triple Shootout: In a ***Triple Shootout*** , a player must win three tables to win the entire event (again, there may well be some prize money distributed along the way). For example, assuming a standard (9 players per table) triple shootout is full, 729 players will be placed, 9 per table, at 81 tables within the tournament. Each table will play until there is one player remaining with all of the chips from that table. The 81 players remaining will then be moved to 9 tables for Round 2. As in Round 1, each table will play until one player has all of the chips from that table. Finally, the 9 remaining players will advance to the final table, where the champion of the tournament will be determined.

This process could be extended to quadruple shootouts and on up. Also, the tables don't necessarily have to start at nine players each. For instance, it is possible to run a triple shootout with four-player tables (a total of 64 players in each event).

Satellite : A satellite is a tournament in which the prize is an entry into a larger tournament. It can be less expensive to enter a satellite than it would be to enter the main tournament directly. Multi-table satellites are scheduled as regular tournaments, and the sign-up details and play are identical.

Freerolls **:** A "freeroll" is another type of tournament in which entry is completely free. There is no buy-in and no entry fee, but there are cash prizes available to win. We hope to hold many of these events on a daily basis.

Sit & Go : A "Sit & Go" is a tournament that is not regularly scheduled; it simply begins when all the seats are filled. We hope to offer several kinds of Sit & Go tournaments, including single table, multi table, and heads up events.

We hope to quickly expand the network beyond poker to include global staples in gaming such as backgammon, chess and checkers.

Market

Management has studied the state of multi-platform, multiplayer non-wagering, non-games. We feel that the gaming industry presents an ever increasing market and excellent opportunities for growth. The Company hopes to market the first online gaming product which will deliver video, audio and texting functionality along with the ability to allow users to create their own private tables and host their own private tournaments.

It is hoped that our proprietary technology will allow for interactive, face-to-face competition, which we believe is the only medium which allows for the true test of a poker player's skill. Without the possibility of being able to see and affect your opponent psychologically, the game might as well not be played.

Our Strategy

Management hopes that the Company will be able to generate revenues from the following sources: (1) monthly membership fees; (2) advertisements; (3) tournament plays; (4) social network community; and (5) e-Commerce.

Monthly Membership Fees

Players on our game site will be grouped into two communities, paying members and free-members. Membership packages will consist of monthly payments, the price being dependent on the package the person selects. Our free--member community will accumulate “Fun Points”, while players in our paying member community will accumulate play chips leading to prizes and other giveaways.

A player in our free member community will need to accumulate points in order to have chance to play for smaller prizes. The player would be able to do this by winning these points playing in tournaments with other players or private tables. The tournaments will have various jackpots depending on qualifiers and points needed to enter any particular tournament.

Our paying member community will be able to win play chips enabling them entry into tournaments with bigger prizes and giveaways. For a monthly fee, players will receive the Company's monthly newsletter written by gaming professionals and will be given the opportunity to access:

- Entry into tournaments with monthly prizes;
- A proprietary tournament rating leader board based on actual play;
- Live chats customer service;
- Ability to create private tables:
- No ads, no interruptions game play: and
- Access into our structured proprietary league structured tournaments.

We plan to attract members to sign up utilizing different incentive and marketing programs.

Advertisement – We anticipate developing a strong following in the "Play for Fun" portion of the website in the early days following our beta testing. We hope this provides us with an opportunity to generate advertisement dollars.

Tournament Plays – This component of the online gaming industry is by far one of the most popular and lucrative venues. We believe that the launch of " *Tournament Play "* will drastically increase the number of user's who register on a monthly basis. We also hope that this will lead to even greater advertisement revenues.

Social Network Community – Up until now the social aspect of online poker has been relatively small when compared to other niche based communities. The existing format of online poker forces players to play as many hands as possible without any interaction among the players since players are unable to speak or directly view their opponents, there is no reasonable opportunity for them to interact with each other than on the hands played.

With the advent of our technology players will be able to see, communicate, and otherwise interact with other players in our online community. Our technology provides a new dimension of interaction which we hope will lead towards the development of social groups. We believe that this concept will help make us the most diverse and popular online poker social networks which we hope will lead to a larger player base, as compared to a standalone poker room, ultimately leading to greater revenues.

e-Commerce – In the natural course of development, we hope that merchants will find the online social community fertile ground to offer gambling related products and services. We will provide our e-commerce partners with the ability to market and sell their products directly through payment processing software. We will take a small percentage from each transaction we process adding to our list of revenue streams.

Employees

The Company has only one full-time employee as well as its officers and directors and a consultant, who will devote as much time as the Board of Directors determines is necessary to carry out the affairs of the Company.

Item 1A. Risk Factors

Smaller reporting companies are not required to provide the information required by this Item 1A.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

The Company does not own any real estate or other properties. The Company's office is located at 20 East Sunrise Highway, Suite 202, Valley Stream, New York 11581, in office space provided by Yitz Grossman, who was formerly a consultant of the Company, at no charge. It is currently sufficient for our operations.- Company will find and will look but has not found or even looked yet- will do so in the coming weeks

Item 3. Legal Proceedings.

There are no pending legal proceedings to which the Company is a party or in which any director, officer or affiliate of the Company, any owner of record or beneficially of more than 5% of any class of voting securities of the Company, or security holder is a party adverse to the Company or has a material interest adverse to the Company. The Company’s property is not the subject of any pending legal proceedings.

Notwithstanding the foregoing, on April 4, 2013 the United States Attorney and the Federal Bureau of Investigation announced charges against seven individuals for their roles in a conspiracy to commit securities fraud and the extortion of a con-conspirator. The complaint alleges that the defendants worked to fraudulently inflate the prices and trading volumes of publicly traded stock of small companies, including our company. One of the defendants was a consultant to the Company since February 2011 and has resigned effective April 10, 2013.

Item 4. Mine Safety Disclosures.

Not applicable

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock is quoted on the OTC Bulletin Board ("OTCBB") under the symbol "IKCC". Trading of our common stock commenced on August 2,2011. Prior to that date, there was no market for our common stock. The following table sets forth the high and low sales prices as reported on the OTCBB. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions.

FISCAL YEAR 2011	**HIGH**	**LOW**
Third Quarter	$ 0.50	$ 0.10
Fourth Quarter	$ 0.43	$ 0.06

FISCAL YEAR 2012	**HIGH**	**LOW**
First Quarter	$ 0.20	$ .05
Second Quarter	$ .27	$ .13
Third Quarter	$ .3850	$ .17
Fourth Quarter	$ .42	$ .2175

The last reported sales price of our common stock on the OTCBB on April 3, 2013, was $.14.

Holders

As of April 3, 2013, there were 45 holders of record of our common stock.

Dividends

We have never declared or paid any cash dividends on our common stock nor do we anticipate paying any in the foreseeable future. Furthermore, we expect to retain any future earnings to finance our operations and expansion. The payment of cash dividends in the future will be at the discretion of our Board of Directors and will depend upon our earnings levels, capital requirements, any restrictive loan covenants and other factors the Board considers relevant.

Equity Compensation Plans

We do not have any equity compensation plans.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

As of February 20, 2013, the Company issued 150,000 shares of its common stock to DCO Capital Group LLC. The issuance was in consideration for the extension of $75,000 loans made by DCO Capital to the Company until May 1, 2013.

As of February 9, 2013, the Company issued 100,000 shares of its common stock to Corporate Debt Consultants LLC. The issuance was in consideration for the extension of a $50,000 loan made by Corporate Debt to the Company until May 1, 2013.

As of January 10, 2013, the Company issued 346,000 shares of its common stock to DCO Capital Group. The issuance was in consideration for the extension of a $173,000 loan made by DCO Capital to the Company until May 1, 2013.

As of December 6, 2012, the Company issued 200,000 shares of its common stock to Yitz Grossman. The issuance was in consideration for the extension of a $100,000 loan made by Mr. Grossman to the Company originally due November 6, 2012 until May 1, 2013.

As of December 1, 2012, the Company issued the following shares of common stock to the following persons – 25,000 shares to Beth Englard; 100,000 shares to L. Frankel Irrv Childrens Trust; 500,000 shares to Small Cap Consultants, Inc.; 382,000 shares to BSF II, LLC; 150,000 shares to BFSF, LLC; 50,000 shares to Corporate Debt Consultants LLC; 54,000 shares to DCO Capital Group LLC.

On August 22, 2012, the Company issued 350,000 shares of its common stock to DCO Capital Group, LLC a Delaware limited liability company.

On June 15, 2012, in connection with the execution of certain modification agreements with each of Beth Englard and the L Frankel Irrv Childrens Trust, the Company issued 100,000 shares of its common stock to each such lender as consideration for agreeing to extend the maturity dates of outstanding promissory notes in the principal amount of $25,000 with Englard and $50,000 with the Trust, from June 15, 2012 to September 15, 2012.

On June 15, 2012, in connection with the execution of a certain modification agreement with Small Cap Consultants, Inc., the Company issued an aggregate of 500,000 shares of its common stock to Small Cap as consideration for extending the maturity dates of outstanding principal notes to Small Cap to the earlier of September 15, 2012 or the Company receiving $500,000 in financing.

On February 27, 2012, the Company issued 1,000,000 shares of its common stock to Corporate Debt Consultants, LLC, a New York limited liability company concurrent with a loan made by Corporate Debt Consultants to the Company. Corporate Debt was granted piggyback registration rights and demand registration rights upon a financing of at least $2,000,000 by the Company with respect to said shares.

On November 1, 2011, the Company issued 250,000 shares of its common stock to Small Cap Consultants, concurrent with a loan made by Small Cap Consultants to the Company.

On August 18, 2011, the Company issued 250,000 shares of its common stock to Small Cap Consultants concurrent with a loan made by Small Cap Consultants to the Company.

On June 23, 2011, the Company issued shares of common stock to the following persons in consideration for consulting services provided or to be provided by such persons to the Company: BSF II, 500,000 shares; Bonnie Leinhos 50,000 shares; Xstream Assets, LLC 2,000,000 shares; Nalesta Consulting Inc. 2,500,000 shares; and Steve Morgan 25,000 shares. These securities were issued in reliance on the exemption under Section 4(2) of the Act; the recipients are accredited investors; are not affiliates of the Company and had access to all of the information which would be required to be included in a registration statement and the transaction did not involve a public offering.

All of the foregoing issuances were made in reliance upon an exemption from registration provided under Section 4(2) of the Securities Act of 1933, as amended.

Purchases of Equity Securities by the Small Business Issuer and Affiliated Purchasers

For the period ended December 31, 2012, we have not repurchased any shares of our common stock.

Item 6. Selected Financial Data.

Smaller reporting companies are not required to provide the information required by this Item 6.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Certain statements contained in this prospectus, including statements regarding the anticipated development and expansion of our business, our intent, belief or current expectations, primarily with respect to the future operating performance of Game Face Gaming, Inc. All forward-looking statements speak only as of the date on which they are made. We undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they are made.

Plan of Operation

We are in the business of operating a reality gaming social network. We plan to offer a non wagering internet gaming website by incorporating proprietary technologies that will provide players with streaming video, audio and messaging capabilities. We believe that these enhancements will dramatically enhance the players' online gaming experiences. These games include poker, chess, backgammon and others. We believe that these enhancements will dramatically enhance players' online gaming experiences. Management is not aware of any online games sites which offer players the ability to see one another and speak live during game play.

We will require additional capital to develop and expand our gaming platform from beta testing to a full launch. We estimate that within the next 12 months we will need approximately $3,600,000 to fund its expenses over the next twelve months. On a monthly basis, if the Company had these funds it would utilize, among other uses, approximately $125,000 for advertising and marketing, $100,000 for salaries and office expenses and $60,000 for software development. There can be no assurance that additional capital will be available to the Company. The Company currently has no agreements, arrangements or understandings with any person to obtain funds through bank loans, lines of credit or any other sources.

Current cash on hand is insufficient for all of the Company's commitments for the next 12 months. We anticipate that the additional funding that we require will be in the form of equity financing from the sale of our common stock. However, we cannot provide investors with any assurance that we will be able to raise sufficient funding from the sale of our common stock to fund additional development and expansion of our gaming platform from beta testing to a full launch. We cannot be certain that the required additional financing will be available or available on terms favorable to us. If additional funds are raised by the issuance of our equity securities, such as through the issuance and exercise of warrants, then existing stockholders will experience dilution of their ownership interest. We do not currently have any arrangements in place for any future equity financing.

If additional funds are raised by the issuance of debt or other equity instruments, we may be subject to certain limitations in our operations, and issuance of such securities may have rights senior to those of the then existing holders of common stock. If adequate funds are not available or not available on acceptable terms, we may be unable to fund expansion, develop or enhance services or respond to competitive pressures or continue to operate.

We do not anticipate any equipment purchases in the twelve months ending December 31, 2013.

Results of Operations

Years Ended December 31, 2012 and 2011

We had $3,348 in cash and cash equivalent as of December 31, 2012, and have experienced losses since inception. We recognized $113,301in income in 2012 from Site membership sales . Expenses during the year ended December 31, 2012 were $1,301,894 for a net loss of $3,440,537 compared to expenses of $743,844 for a net loss of $971,772 for the year ended December 31, 2011. Expenses for the year ended December 31, 2012 were primarily the result of from Operations, development and Marketing and general and administrative expenses, while expenses for the year ended December 31, 2011 consisted primarily of general and administrative expenses ($609,607), professional fees ($79,512) and advertising expenses ($52,368) due to expenditures necessary as the Company prepares to launch its first product offering. We have incurred a cumulative net loss of $4,438,725 for the period December 24, 2009 (inception) to December 31, 2012.

Liquidity and Capital Resources

Our balance sheet as of December 31, 2012 reflects that the Company has $3,384 in cash and cash equivalents. In addition, the Company had a working capital deficiency of $ 3,317,925 at December 31, 2012.

As of December 31, 2012 we had a total of $1,666,000 owed to nine entities and individuals, of which $416,000 are due upon demand and $1,250,000 are due on May 1, 2013 with the exception of one Note in the amount of $25,000 which was due on March 15, 2013 and is currently in default. Of the $1,666,000 outstanding as of December 31, 2012, $466,000 is owed to affiliates of the company.

During the first quarter of 2013, the Company borrowed $97,000 of additional funds nonaffiliated lenders. On January 24, 2013 the Company canceled three of the notes totaling $125,000 and issued a note in the amount of $134,414 to an unrelated party. The Note issued included $9,414 of accrued interest due to holders of the cancelled Notes. The note payable has a conversion factor whereby the note holder may convert the principal amount and accrued unpaid interest into common stock equal to a price which is a 32.5% discount from the lowest "VWAP in the 3 days prior to the day that the holder requests conversion.

In addition to the outstanding Notes, as of April 14, 2013, we also currently owe $311,000 in cash and non cash prizes to our site members. the break down of that amount is as follows, As of Dec 31, 2012 the amount of the cash prizes owed was $151,000 and a $80,000 in non cash prizes, equaling a total of $231,000 owed on 12-31-12. For the period of 1-1-2013 to April 14, 2013 we owe an additional $45,000 in cash prizes and $35,000 in no cash prizes.

Going Concern Consideration

The Company is a development stage company. For the period December 24, 2009 (date of inception) through December 31, 2011, the Company has had a net loss of $$4,438,725. Our independent auditor has expressed substantial doubt about our ability to continue as a going concern and believes that our ability is dependent on our ability to begin operations and to achieve profitability. See Note 6 of our financial statements.

The Company believes that it will need approximately $3,600,000 to fund its expenses over the next twelve months. On a monthly basis, if the Company had these funds it would utilize, among other uses, approximately $125,000 for advertising and marketing, $100,000 for salaries and office expenses and $60,000 for software development. There can be no assurance that additional capital will be available to the Company. The Company currently has no agreements, arrangements or understandings with any person to obtain funds through bank loans, lines of credit or any other sources.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, results of operations or liquidity.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Smaller reporting companies are not required to provide the information required by this item.

Item 8. Financial Statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Face Up Entertainment Group, Inc. (fka Game Face Gaming, Inc.)

We have audited the accompanying balance sheet of Face Up Entertainment Group, Inc. (fka Game Face Gaming, Inc.) (a development stage company) (the "Company") as of December 31, 2012 and 2011 and the related statements of operations, stockholders' equity/(deficit), and cash flows for each of the years in the two-year period ended December 31, 2012, and for the period since December 24, 2009 (inception) through December 31, 2012. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Face Up Entertainment Group, Inc. (fka Game Face Gaming, Inc.) (a development stage company) as of December 31, 2012 and 2011 and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2012, and for the period since December 24, 2009 (inception) through December 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed further in Note 6, the Company has been in the development stage since its inception (December 24, 2009) and continues to incur significant losses. The Company's viability is dependent upon its ability to obtain future financing and the success of its future operations. These factors raise substantial doubt as to the Company's ability to continue as a going concern. Management's plan in regard to these matters is also described in Note 6. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Lake & Associates CPA's LLC
Lake & Associates CPA's LLC
Schaumburg, Illinois
April 15, 2013

Face Up Entertainment Group, Inc.
(f/k/a Game Face Gaming, Inc.)
(A Development Stage Company)
Consolidated Balance Sheets

ASSETS

	December 31, 2012 (Unaudited)	December 31, 2011 (Audited)
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,348	$ 18,325
Prepaid expenses and other current assets	1,438	1,621
TOTAL CURRENT ASSETS	4,786	19,946
PROPERTY AND EQUIPMENT (Net)	204,670	35,070
OTHER ASSETS		
Intangible asset	100,000	100,000
TOTAL OTHER ASSETS	100,000	100,000
TOTAL ASSETS	$ 309,456	$ 155,016

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES:		
Accounts payable	344,217	10,450
Accrued expenses and other current liabilities	14,724	15,458
Derivative liabilities	1,213,280	178,070
Notes payable-convertible	1,666,000	656,000
Accrued interest on notes payable--convertible	84,490	12,396
TOTAL CURRENT LIABILITIES	3,322,711	872,374
STOCKHOLDERS' EQUITY (DEFICIT):		
Capital stock - authorized: 250,000,000 common shares, $0.0001 par value 61,582,000 and 56,175,000 shares issued and outstanding at December 31, 2012 and December 31, 2011, respectively	6,159	5,618
Additional paid in capital	1,419,311	275,212
Deficit accumulated during the development stage	(4,438,725)	(998,188)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(3,013,255)	(717,358)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 309,456	$ 155,016

Face Up Entertainment Group, Inc. and Subsidiary
(f/k/a Game Face Gaming, Inc.)
(A Development Stage Company)
Consolidated Statements of Operations

	For the Year Ended December 31, 2012	For the Year Ended December 31, 2011	For the Period December 24, 2009 (Inception) to December 31, 2012
REVENUES:			
Net revenue	$ 113,301	$ 105,000	$ 218,301
EXPENSES:			
Depreciation expense	3,143	2,357	5,500
General & administrative expenses	1,298,751	741,487	2,066,654
Total expenses	1,301,894	743,844	2,072,154
Operating Loss	(1,188,593)	(638,844)	(1,853,853)
OTHER INCOME (EXPENSE):			
Interest expense	(1,216,734)	(157,274)	(1,374,008)
Derivate liability	(1,035,210)	(178,070)	(1,213,280)
Interest income			
Other income - cancellation of debt	-	2,416	2,416
Total other income (expense)	(2,251,944)	(332,928)	(2,584,872)
Income (Loss) before Provision for Income Taxes	(3,440,537)	(971,772)	(4,438,725)
Provision for Income Taxes	-	-	-
Net Loss	**$ (3,440,537)**	**$ (971,772)**	**$ (4,438,725)**
PER SHARE DATA:			
Basic and diluted loss per common share	$ (0.06)	$ (0.02)	
Weighted Average Common shares outstanding	58,145,150	61,856,370	

Face Up Entertainment Group, Inc. and Subsidiary
(f/k/a Game Face Gaming, Inc.)
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)

	Common Stock		Additional Paid-in	Stock Subscriptions	Deficit Accumulated During the Development	
	Shares	Amount	Capital	Receivable	Stage	Total
Inception - December 24, 2009	-	$ -	$ -	$ -	$ -	$ -
Common shares issued to Founder for cash at $0.001 per share (par value $0.00001) on December 24, 2009	117,000,000	11,700	(2,700)	(3,000)	-	6,000
Loss for the period from inception on December 24, 2009 to December 31, 2009	-	-	-	-	(3,579)	(3,579)
Balance - December 31, 2009	117,000,000	11,700	(2,700)	(3,000)	(3,579)	2,421
Payment of Subscription Receivable				3,000		3,000
Common shares issued to Investors for cash at $0.01 per share (par value $0.00001) on May 26, 2010	15,600,000	1,560	10,440			12,000
Loss for the year ended December 31, 2010					(22,837)	(22,837)
Balance - December 31, 2010	132,600,000	13,260	7,740	-	(26,416)	(5,416)
Common shares cancelled by the Corporation on February 10, 2011	(104,666,667)	(10,467)	10,467			-
Common shares issued at $0.0044 per share (par value $0.0001) for the contribution of intangible assets on February 22, 2011	22,666,667	2,267	97,733			100,000
Common shares issued to Consultants for services at $0.0044 per share (par value $0.0001) on June 23, 2011	5,075,000	508	21,822			22,330
Common shares issued for finance costs at $0.25 per share (par value $0.0001) on August 17, 2011	250,000	25	62,475			62,500
Common shares issued for finance costs $0.30 per share (par value $0.0001) on October 31, 2011	250,000	25	74,975			75,000
Loss for the year ended December 31, 2011					(971,772)	(971,772)
Balance - December 31, 2011	56,175,000	5,618	275,212	-	(998,188)	(717,358)
Common shares issued for finance costs $0.16 per share (par value $0.0001) on February 27, 2012	1,000,000	100	159,900			160,000
Common shares issued for finance costs $0.17 per share (par value $0.0001) on May 29, 2012	500,000	50	84,950			85,000
Common shares issued for finance costs $0.27 per share (par value $0.0001) on June						

15, 2012	700,000	70	97,930			98,000
Common shares issued for finance costs $0.18 per share (par value $0.0001) on August 9, 2012	250,000	25	44,975			45,000
Common shares issued for finance costs $0.18 per share (par value $0.0001) on August 22, 2012	350,000	35	62,965			63,000
Common shares issued for finance costs $0.20 per share (par value $0.0001) on November 29, 2012	454,000	46	90,755			90,800
Common shares issued for finance costs $0.28 per share (par value $0.0001) on December 1, 2012	2,153,000	215	602,625			602,840
Loss for the twelve months ended December 31, 2012					(3,440,537)	(3,440,537)
Balance - December 31, 2012	61,582,000	$ 6,159	$ 1,419,311	$ -	$ (4,438,725)	$ (3,013,255)

Face Up Entertainment Group, Inc. and Subsidiary
(f/k/a Game Face Gaming, Inc.)
(A Development Stage Company)
Consolidated Statements of Cash Flows

	For the Year Ended Dcember 31, 2012	For the Year Ended December 31, 2011	For the Period December 24, 2009 (Inception) to December 31, 2012
OPERATING ACTIVITIES:			
Net loss	$ (3,440,537)	$ (971,772)	$ (4,438,725)
Depreciation	3,143	2,357	5,500
Common stock issued for services	-	22,330	22,330
Common stock issued for financing costs	1,144,640	137,500	1,282,140
Changes in Assets and Liabilities:			
(Increase) decrease in current assets:			
Prepaid Expenses and other current assets	183	(1,621)	(1,438)
Increase (decrease) in current liabilities:			
Accounts payable	333,767	7,450	344,217
Derivative liabilities	1,035,210	178,070	1,213,280
Accrued interest on convertible debt	72,094	12,396	84,490
Accrued expenses and other current liabilities	(734)	15,458	14,724
Net cash used in operating activities	(852,234)	(597,832)	(1,473,482)
INVESTMENT ACTIVITIES:			
Computer hardware purchased	-	(9,427)	(9,427)
Source code purchased	(172,743)	(28,000)	(200,743)
Net cash provided by investment activities	(172,743)	(37,427)	(210,170)
FINANCING ACTIVITIES:			
Common stock issued		-	21,000
Issuance of notes payable	1,010,000	851,000	1,861,000
Repayments of notes payable	-	(195,000)	(195,000)
Loan from officer	-	(3,000)	-
Net cash provided by financing activities	1,010,000	653,000	1,687,000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(14,977)	17,741	3,348
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	18,325	584	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 3,348	$ 18,325	$ 3,348
Supplemental Cash Flow Disclosures:			
Cash paid for:			
Interest expense	$ -	$ 7,380	$ 7,380
Income taxes	$ -	$ -	$ -
Non-cash transactions:			
Stock Issued for intangible asset	$ -	$ 100,000	$ 100,000

FACE UP ENTERTAINMENT GROUP, INC. AND SUBSIDIARY
(F/K/A GAME FACE GAMING, INC.)
(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - GENERAL ORGANIZATION AND BUSINESS

Face Up Entertainment Group, Inc. (f/k/a Game Face Gaming, Inc.) the Company is a development stage company, incorporated in the State of Florida on December 24, 2009 to provide software to companies to help them market and sell their music and entertainment content to consumers. On April 24, 2012 the Company changed its name from Game Face Gaming, Inc. (F/K/A Intake Communications, Inc.) to Face Up Entertainment Group, Inc.

Since February 2011, the Company has been engaged in developing the internet's first Reality Gaming Social Network. The Company seeks to penetrate the market in the business of operating a non-wagering Internet social media and gaming company. The Internet Gaming platform incorporates proprietary technologies that will provide users with streaming video, audio and messaging capabilities enhancing both the users experience and the gaming experience.

Face Up Entertainment Group's proprietary platform will be used in creating a vast global gaming network consisting of games from every region of the globe, supporting native languages as well as cross language functionality. Once these games make their way onto our platform they will be accessible on almost all devices currently used to access the internet. In addition to popular and well known games that are already being played on line by tens of millions of people around the world, Game Face will be launching its own in- house developed games.

NOTE 2 - SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The Company is currently a development stage enterprise reporting under the provisions of FASB ASC 915, Development Stage Entity. The financial statements have been prepared on the accrual basis of accounting in conformity accounting principles generally accepted in the United States of America.

Principles of Consolidation
The consolidated financial statements include the accounts of Face Up Entertainment Group, Inc. (F/K/A Game Face Gaming, Inc.) and its wholly owned subsidiary Socii Management, LLC. All material intercompany balances and transactions have been eliminated from in consolidation.

Cash and Cash Equivalents
For purposes of the cash flow statements, the company considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents. At December 31, 2012 the company did not have any balances that exceeded FDIC insurance limits.

Property and Equipment
Property and equipment is stated at cost. Depreciation and amortization expense is computed using principally accelerated methods over the estimated useful life of the related assets ranging from 3 to 7 years. When assets are sold or retired, their costs and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of operations.

The Company recognizes an impairment loss on property and equipment when evidence, such as the sum of expected future cash flows (undiscounted and without interest charges), indicates that future operations will not produce sufficient revenue to cover the related future costs, including depreciation, and when the carrying amount of the asset cannot be realized through sale. Measurement of the impairment loss is based on the fair value of the assets.

Long-Lived Assets
Long-lived assets such as intangible assets other than goodwill, furniture, equipment and leasehold improvements are evaluated for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of asset groups to be held and used is measured by a comparison of the carrying amount of an asset group to estimated undiscounted future cash flows expected to be generated by the asset group. If the carrying amount exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of an asset group exceeds the fair value of the asset group. The Company evaluated its long-lived assets and no impairment charges were recorded for any of the periods presented.

Earnings (Loss) per Share
The Company adopted FASB ASC 260, Earnings per Share. Basic earnings (loss) per share is calculated by dividing the Company's net income available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share is calculated by dividing the Company's net income (loss) available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted as of the first of the year for any potentially dilutive debt or equity. There were no diluted or potentially diluted shares outstanding for all periods presented.

Software Development Costs
The Company accounts for costs incurred to develop computer software for internal use in accordance with FASB ASC 350-40 “Internal-Use Software” . As required by ASC 350-40, the Company capitalizes the costs incurred during the application development stage, which include costs to design the software configuration and interfaces, coding, installation, and testing. Costs incurred during the preliminary project along with post-implementation stages of internal use computer software are expensed as incurred. Capitalized development costs are amortized over a period of one to three years. Costs incurred to maintain existing product offerings are expensed as incurred. The capitalization and ongoing assessment of recoverability of development costs requires considerable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility, and estimated economic life.

Dividends
The Company has not adopted a policy regarding payments of dividends. No dividends have been paid during the period presented and no payments are foreseen in the near future.

Income Taxes
The Company adopted FASB ASC 740, Income Taxes, at its inception. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carry forwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. No deferred tax assets or liabilities were recognized as of December 31, 2012.

Uncertain Tax Positions
The Company adopted the provisions of *Accounting for Uncertainty in Income Taxes ("Uncertain Tax Positions")* of the ASC. *Uncertain Tax Positions* prescribes recognition thresholds that must be met before a tax position is recognized in the financial statements and provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Under "*Uncertain Tax Positions* ", an entity may only recognize or continue to recognize tax positions that meet a ""more-than-likely-than-not" threshold. All related interest and penalties would be expensed as incurred. The Company has evaluated its tax position for the period ended December 31, 2012 and such evaluation did not require a material adjustment to the financial statements.

Advertising and Marketing
The Company expenses advertising and marketing as incurred. For the year ended December 31, 2012 and 2011, advertising expense totaled $331,159 and $52,368 respectively.

Stock Based Compensation
The Company accounts for all stock based payments in accordance with ASC Topic 718, which requires the Company to measure all employee stock-based compensation awards using a fair value method and record the related expense in the financial statements. The Company utilizes the Black-Scholes model to estimate the value of options granted.

Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments
The carrying amounts of the Company's accounts payable, accrued expenses and notes payable approximate fair value due to the relatively short period to maturity for these instruments.

Concentration of Credit Risk
The Company's financial instruments that are exposed to the concentrations of credit risk consist primarily of cash and cash equivalents. The Company's places its cash with high quality institutions. At times, such investments may be in excess of the FDIC insurance limit. Cash and cash equivalents held in a bank may exceed federally insured limits at year end and at various points during the year.

The Company routinely assesses the financial strength of its customers and, as a consequence, believes that its trade accounts receivable credit risk exposure is limited.

Revenue Recognition
The company has adopted the following revenue recognition guidelines.

Sale of subscriptions
Revenue from sale of subscriptions is recognized when the following conditions are satisfied:
* The user properly registered with the website of the Company, and provided the Company with a valid proof of identity and address. Furthermore the Company had set up a valid user account for the user;
* The amount of revenue can be measured reliably;
* The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Whitepaper Solution income
Revenue from sale of Whitepaper Solutions is recognized when the following conditions are met:
* The contract for the solutions clearly specifies the price and payment options with the transfer of ownership;
* The Company is reasonably expected to complete the project in the time frame that the contract sets forth;
* As the milestones set forth in the contract are met, the Company will recognize revenue as set forth in the contract;
* As set forth in the contract the amount of revenue can be measured reliably;
* There is a reasonable belief that buyer is expected to pay the whole amount as the milestones are met.

Effect of recently issued accounting standards
The company has adopted all recently issued accounting pronouncements. The Adoption of the accounting pronouncements, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

NOTE 3 - INCOME TAXES

Deferred tax attributes resulting from differences between financial accounting methods and tax basis of assets and liabilities at December 31, 2012 are as follows (rounded to the nearest hundred):

	December 31, 2012
Noncurrent Assets:	
Net operating loss carry-forwards	$ 583,000
Valuation Allowance	$ (583,000)
Net Deferred Tax Asset	$ $0

At December 31, 2012, the Company had estimated net loss carry forwards of approximately $1,943,000 which expire between 2029 through 2031. Utilization of these net operating loss card forwards may be limited in accordance with IRC Section 382 in the event of certain shifts in ownership.

The reconciliation of federal statutory income tax rate to our effective income tax rate is as follows:

December 31, 2012	**Amount**	**Percent**
Book income at Federal Statutory Rate	$ (315,000)	25%
State Taxes, net of Federal Benefit	$ (63,000)	5%
Change in Valuation Allowances	$ 378,000	(30%)
	$ 0	0%

NOTE 4 - STOCKHOLDERS' EQUITY

Common Stock
On December 24, 2009, the Company issued 117,000,000 of its $0.0001 par value common stock at $0.001 per share for $6,000 cash and $3,000 in a subscription receivable to the founder of the Company. The issuance of the shares was made to the sole officer and director of the Company and an individual who is a sophisticated and accredited investor, therefore, the issuance was exempt from registration of the Securities Act of 1933 by reason of Section 4 (2) of that Act.

On May 26, 2010 the Company issued 15,600,000 common shares to investors in accordance with Form S-1 for cash in the amount of $12,000.

On January 6, 2011, the Board of Directors and majority shareholder of the Company approved an amendment to the Company's Articles of Incorporation (the "Amendment") to (i) affect a 13 for 1 forward stock split of the Company's issued and outstanding common stock in the form of a dividend. Accordingly there were 10,200,000 pre-split common shares and following the forward split there were 132,600,000 common shares issued and outstanding. All share amounts, including those stated above, have been adjusted to reflect the forward split. On February 10, 2011, Ron Warren, the principal shareholder and sole officer and director of the Company cancelled 104,666,667 of his own shares and on February 22, 2011 the Company issued an additional 22,666,667 shares in an intangible asset purchase.

On February 22, 2011 the Company issued 22,666,667 common shares at $0.0001 par value and $0.0044 face value to Lemberg Consulting for their intellectual property and pending patents in the amount of $100,000.

On June 23, 2011 the Company issued 5,075,000 common shares at $0.0001 par value and $0.0044 face value to various "founding fathers" of the company for services rendered to the company in lieu of cash.

On August 17, 2011 the Company issued 250,000 common shares at $0.0001 par value and $0.25 face value as an inducement for the $100,000 note payable issued on that date. The value of the 250,000 common shares issued totaled $62,500.

On October 31, 2011 the Company issued 250,000 common shares at $0.0001 par value and $0.30 face value as an inducement for the $100,000 note payable issued on that date. The value of the 250,000 common shares issued totaled $75,000.

On February 29, 2012 the Company issued 1,000,000 common shares at $0.0001 par value and $0.16 face value as an inducement for the $500,000 line of credit entered by the Company on that date. The value of the 1,000,000 common shares issued totaled $160,000.

On May 29, 2012 the Company issued 500,000 common shares at $0.0001 par value and $0.17 face value as an inducement for the $200,000 line of credit entered by the Company on that date. The value of the 500,000 common shares issued totaled $85,000.

On June 15, 2012 the Company issued 700,000 common shares at $0.0001 par value and $0.14 face value as an inducement for an extension of time of the due date on the convertible debt outstanding by the Company on that date. The value of the 700,000 common shares issued totaled $98,000.

On August 9, 2012 the Company issued 250,000 common shares at $0.0001 par value and $0.18 face value as an inducement for the $100,000 line of credit entered by the Company on that date. The value of the 250,000 common shares issued totaled $45,000.

On August 22, 2012 the Company issued 350,000 common shares at $0.0001 par value and $0.18 face value as an inducement for the $100,000 line of credit entered by the Company on that date. The value of the 350,000 common shares issued totaled $63,000.

On November 29, 2012 the Company issued 454,000 common shares at $0.0001 par value and $0.20 face value as an inducement for the extension of time of the due date on both the convertible and non-convertible debt outstanding by the Company on that date. The value of the 454,000 common shares issued totaled $90,800.

On December 1, 2012 the Company issued 2,153,000 common shares at $0.0001 par value and $0.28 face value as an inducement for the extension of time of the due dat e on both the convertible and non-convertible debt outstanding by the Company on that date. The value of the 2,153,000 common shares issued totaled $602,840

As of December 31, 2012 there are 250,000,000 Common Shares at $0.0001 par value authorized with 61,582,000 shares issued and outstanding.

NOTE 5 - RELATED PARTY TRANSACTIONS

The officers and directors of the Company are involved in business activities outside of the company and may, in the future, become involved in other business opportunities that become available. They may face a conflict in selecting between the Company and other business interests. The Company has not formulated a policy for the resolution of such conflicts.

The Company has demand notes payable outstanding totaling $516,000 to related parties; these outstanding notes bear interest between 3% to 6% per annum (See Note 9).

NOTE 6 - GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. For the period December 24, 2009 (date of inception) through December 31, 2012 the Company has had a net loss of $4,438,725. As of December 31, 2012, the Company has not emerged from the development stage. In view of these matters, recoverability of any asset amounts shown in the accompanying financial statements is dependent upon the Company's ability to begin operations and to achieve a level of profitability. Since inception, the Company has financed its activities from the sale of equity securities, and obtaining loans. The Company intends on financing its future development activities and its working capital needs largely from notes, loans and the sale of public equity securities, until such time that funds provided by operations, if ever, are sufficient to fund working capital requirements.

NOTE 7 - PROPERTY AND EQUIPMENT

	December 31, 2012
Computer hardware	$ 9,427
Source code	200,742
	210,169
Less accumulated depreciation and amortization	(5,499)
Property and Equipment (net)	$ 204,670
Depreciation and amortization expense	$ 3,143

During the year ended December 31, 2012 the company acquired $172,743 of source code for cash.

NOTE 8 - INTANGIBLE ASSETS

On February 22, 2011, the Company acquired from Lemberg Consulting an intangible asset worth $100,000 in a non-cash transaction for 22,666,667 shares of the Company. The company purchased future contracts and pending patents for a gaming system that incorporates voice and video into the gaming experience.

NOTE 9 - CONVERTIBLE DEBT

As of December 31, 2012 the bridge notes payable totaled $1,666,000. The bridge notes payable were offered by the company during 2011 and 2012. The bridge notes payable consist of $325,000 of convertible debt and $1,341,000 of demand notes bearing interest at rates varying from 3.00% to 6.50% per annum. A total of $516,000 of the demand notes were issued to related parties (See Note 5)

The convertible debt payable was issued by the Company as follows:

On February 22, 2011 the Company issued convertible debt totaling $175,000, bearing a rate of 8% simple interest per annum. On December 14, 2011, $100,000 was repaid plus accrued interest of $6,466.The remaining Convertible debt of $75,000 in addition to accrued unpaid interest shall be due and payable on December 1, 2012. The principal amount and all unpaid interest accrued on this debt maybe converted by the greater of $0.25 per share or 50% of the average closing bid price of the Common stock on the OTC Bulletin Board, for the 10 trading days ending 5 days before the conversion date. On April 14, 2012, the maturity date was extended to June 15, 2012 and the conversion factor was adjusted to $0.05 per share. On June 15, 2012, the maturity date was extended to September 15, 2012. As an inducement for the extension the Company issued the convertible note holders 200,000 share of common stock. On September 14, 2012 the maturity date was extended to December 1, 2012..

On June 22, 2011 the Company issued a convertible debt totaling $20,000, bearing a rate of 8.0% simple interest per annum. During December 2011, the principle was repaid in the amount of $20,000 plus $758 of accrued interest.

On August 17, 2011, the Company issued a convertible debt in amount of $100,000. The convertible debt bears a rate of 6.5% simple interest per annum. The principal and accrued unpaid interest shall be due and payable on December 1, 2012. As further inducement for the lender to advance the loan, the company granted the convertible debt holder the amount of 250,000 shares Common Stock. The principal amount and all unpaid interest accrued on this debt maybe converted by the greater of $0.05 per share or 50% of the average closing bid price of the Common stock on the OTC Bulletin Board, for the 10 trading days ending 5 days before the conversion date. On April 14, 2012, the maturity date was extended to June 15, 2012 and the conversion factor was adjusted to $0.05 per share. On June 15, 2012, the maturity date was extended to September 15, 2012. As an inducement for the extension the Company issued the convertible note holder 200,000 share of common stock. On September 14, 2012 the maturity date was extended to December 1, 2012.

On September 22, 2011, the Company issued demand debt in amount of $50,000. The debt bears a rate of 6.5% simple interest per annum. The principal and accrued unpaid interest shall be due and payable on December 1, 2012. On April 15, 2012, the maturity rate was extended to June 15, 2012. As inducement for the lender to extend the note, the demand debt was converted to convertible debt whereby the principal amount and all unpaid interest accrued on this debt maybe converted to common shares at a price of $0.05 per share. On June 15, 2012, the maturity date was extended to September 15, 2012. As an inducement for the extension the Company issued the convertible note holder 100,000 share of common stock. On September 14, 2012 the maturity date was extended to December 1, 2012.

On October 31, 2011, the Company issued a convertible debt in amount of $100,000. The convertible debt bears a rate of 6.5% simple interest per annum. The principal and accrued unpaid interest shall be due and payable on December 1, 2012. As further inducement for the lender to advance the loan, the company granted the convertible debt holder the amount of 250,000 shares Common Stock. The principal amount and all unpaid interest accrued on this debt maybe converted by the greater of $0.05 per share or 50% of the average closing bid price of the Common stock on the OTC Bulletin Board, for the 10 trading days ending 5 days before the conversion date. On April 14, 2012, the maturity date was extended to June 15, 2012 and the conversion factor was adjusted to $0.05 per share. On June 15, 2012, the maturity date was extended to September 15, 2012. As an inducement for the extension the Company issued the convertible note holder 200,000 share of common stock. On September 14, 2012 the maturity date was extended to December 1, 2012.

On August 9, 2012 the Company secured additional financing through the issuance of a Note Purchase Agreement, the total not to exceed $100,000. Each note will bear interest at 5% per annum and is payable within six months from the date of issuance or earlier from proceeds of a private offering or through a registration statement. As part of the agreement the Company granted the lender 250,000 shares of the Company's common stock. On August 9, 2012, the Company borrowed $50,000. The Company has $50,000 available on this financing agreement.

On August 22, 2012 the Company secured additional financing through the issuance of a Note Purchase Agreement, the total not to exceed $100,000. Each note will bear interest at 5% per annum and is payable within six months from the date of issuance or earlier from proceeds of a private offering or through a registration statement. As part of the agreement the Company granted the lender 350,000 shares of the Company's common stock. On August 22, 2012, the Company borrowed $50,000. On September 12, 2012, the Company borrowed $25,000.The Company has $25,000 available on this financing agreement.

The following table illustrates the carrying value of the demand notes payable and convertible debt:

	December 31, 2012
Convertible Notes	$ 325,000
Notes with a six month maturity	825,000
Demand Notes to Related Parties	516,000
Discount on Convertible Note	(0)
Convertible Note, Net	1,666,000
Less: Current portion of convertible debt	(1,666,000)
Long term portion of convertible debt	$ -

The following tables illustrate the fair value adjustments that were recorded related to the derivative financial instruments associated with the convertible debenture financings:

	For the year ended December 31, 2012			
Derivative income (expense):	**Fair Value January 1, 2011**	**Fair Value Adjustments**	**Redemptions**	**Total**
Convertible debt	$ (178,070)	$ (1,035,210)	$ -	$ (1,213,280)
	$ (178,070)	$ (1,035,210)	$ -	$ (1,213,280)

The following table illustrates the components of derivative liabilities:

Balance at December 31, 2011	$ 178,070
Change in fair value of derivative liability due to beneficial conversion feature	1,035,210
Debt redemption	-
Balance at December 31, 2012	$ 1,213,280

NOTE 10 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through the date which the financial statements were issued.

On January 24, 2013 the Company canceled three of the notes totaling $125,000 to related parties and issued a note for $134,414 to an unrelated party. The note issued included $9,414 of accrued interest due to the related parties. The note payable has a conversion factor whereby the note holder may convert the principal amount and accrued unpaid interest into common stock equal to a price which is a 32.5% discount from the lowest “VWAP in the 3 days prior to the day that the holder requests conversion.

Subsequent to the balance sheet date the company issued 450,000 common shares as an inducement for the extension of time of the due date on the non-convertible debt outstanding by the company.

On January 11, 2013 the Company borrowed $50,000 through the issuance of a Note Purchase Agreement. The note bears interest at 3% per annum and is payable on May 11, 2013.

On February 22, 2013, the Company issued 162,500 of its $0.0001 par value common stock at $0.001 per share for $13,000 cash.

On March 15, 2013, the Company issued 257,143 of its $0.0001 par value common stock at $0.001 per share for $18,000 cash.

On March 19, 2013, the Company issued 200,000 of its $0.0001 par value common stock at $0.001 per share for $16,000 cash.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

There were no disagreements with accountants on accounting and financial disclosure of a type described in Item 304 (a)(1)(iv) or any reportable event as described in Item 304 (a)(1)(v) of Regulation S-K.

Item 9A. Controls and Procedures

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations.

Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended, as of December 31, 2012. Based on this evaluation, our principal executive officer and principal financial officer concluded that, based on the material weaknesses discussed below, our disclosure controls and procedures were not effective to ensure that information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act were recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Act Commission’s rules and forms and that our disclosure controls are not effectively designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As of December 31, 2012 management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and SEC guidance on conducting such assessments. Based on that evaluation, they concluded that, during the period covered by this report, such internal controls and procedures were not effective to detect inappropriate application of US GAAP rules as more fully described below. This was due to deficiencies that existed in the design or operation of our internal controls over financial reporting that adversely affected our internal controls and that may be considered to be material weaknesses.

The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were: (1) lack of a functioning audit committee due to a lack of a majority of independent members and a lack of a majority of outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; (2) inadequate segregation of duties consistent with control objectives; and (3) ineffective controls over period end financial disclosure and reporting processes. The aforementioned material weaknesses were identified by our Officers in connection with the review of our financial statements as of December 31, 2012.

Management believes any of the matters noted above could result in a material misstatement in our financial statements in future periods.

MANAGEMENT'S REMEDIATION INITIATIVES

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we have initiated, or plan to initiate, the following series of measures:

We will create a position to segregate duties consistent with control objectives and will increase our personnel resources and technical accounting expertise within the accounting function when funds are available to us. And. we plan to appoint one or more outside directors to our board of directors who shall be appointed to an audit committee resulting in a full functioning audit committee who will undertake the oversight in the establishment and monitoring of required internal controls and procedures such as reviewing and approving estimates and assumptions made by management post funding.

Management believes that the appointment of one or more outside directors, who shall be appointed to a fully functioning audit committee, will remedy the lack of a functioning audit committee and a lack of a majority of outside directors on our Board.

We anticipate that these initiatives will be at least partially, if not fully, implemented with the next 12 months. Although we had planned to test our updated controls and remediate our deficiencies by November 30, 2012, we did not achieve this goal as a result of, among other reasons, a lack of funding and the absence of a new board member.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There was no change in our internal controls over financial reporting that occurred during the period covered by this report, which has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Directors and Executive Officers

Directors and Executive Officers

Set forth below are the names, ages and present principal occupations or employment, and material occupations, positions, offices or employments for the past five years of our current directors and executive officers.

Name	Age	Position
Felix Elinson	44	President, Chief Executive Officer, CFO and Director
Irving Bader	73	Secretary and Director

Felix Elinson has been our President and Chief Executive Officer and a director since February 11, 2011. Mr. Elinson brings to the Company a wide array of experience with marketing, on-line expertise, a proficiency in on-line games and had vast experiences that are helpful to the Company. Since February 2008, Mr. Elinson has served as a Strategic Partner in Mega M LLC, a registered merchant services, credit card processing company in New York. From August 2003 to January 2008, Mr. Elinson served as the Chief Executive Officer of Fresh Start Management Consulting Corp. where he was involved in various types of international commodity trading transactions. From August 2000 to July 2003, Mr. Elinson worked as an independent consultant. From May 1993 to July 2000, Mr. Elinson worked for futures and commodity firms as a Senior Sales Manager and trader such as Tran World Metals (cotton division, 1993-1997) and ICG (International Commodity Trading Group, Futures Division, 1998-2000).

Irving Bader has been Secretary and a director of the Company since February 11, 2011. Mr. Bader brings many years of management, organizational and marketing skills to the Company. From 1973 to present, Mr. Bader has been the owner and a director of the Seneca Lake Camp, an organization engaged in providing summer outdoor sporting activities for children ages 7 to 18. From 2002 to present, Mr. Bader has been the director and anchor for the Jewish Sport Network and from 2005 to present he has been the director of Athletics and an Associate Professor of Physical Education at Touro College. Mr. Bader is also the author of “A Pre-School P.E. Curriculum-An Adaptive Approach and “Motor Education for Retarded and Other Handicapped Children".

There are no familial relationships among any of our officers or directors, although Mr. Bader is the father in law of Yitz Grossman. None of our directors or officers has been affiliated with any company that has filed for bankruptcy within the last ten years. We are not aware of any proceedings to which any of our officers or directors, or any associate of any such officer or director, is a party adverse to us or any of our or has a material interest adverse to us or any of our subsidiaries.

Each director of the Company serves for a term of one year or until such director’s successor is duly elected and is qualified. Each officer serves, at the pleasure of the board of directors, for a term of one year and until such officer’s successor is duly elected and is qualified.

Code of Ethics; Financial Expert

We currently have a Code of Ethics applicable to our principal executive, financial and accounting officers. We currently do not have a "financial expert" on the board or an audit committee or nominating committee.

Potential Conflicts of Interest

Since we do not have an audit or compensation committee comprised of independent directors, the functions that would have been performed by such committees are performed by our directors. Thus, there is a potential conflict of interest in that our directors and officers have the authority to determine issues concerning management compensation and audit issues that may affect management decisions. We are not aware of any other conflicts of interest with any of our executives or directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires executive officers and directors of the Company and persons who own more than 10% of a registered class of the Company's equity securities to file reports of ownership and changes in their ownership with the Securities and Exchange Commission, and forward copies of such filings to the Company. Based solely on our review of copies of such reports and representations from our executive officers and directors, we believe that our executive officers and directors complied with all Section 16(a) filing requirements during the fiscal year ended December 31, 2012.

Involvement in Certain Legal Proceedings

There are no legal proceedings that have occurred within the past ten years concerning our directors, or control persons which involved a criminal conviction, a criminal proceeding, an administrative or civil proceeding limiting one's participation in the securities or banking industries, or a finding of securities or commodities law violations.

Notwithstanding the foregoing, on April 4, 2013 the United States Attorney and the Federal Bureau of Investigation announced charges against seven individuals for their roles in a conspiracy to commit securities fraud and the extortion of a con-conspirator. The complaint alleges that the defendants worked to fraudulently inflate the prices and trading volumes of publicly traded stock of small companies, including our company. One of the defendants was an unpaid consultant to the Company since February 2011 and resigned effective April 10, 2013.

Item 11. Executive Compensation.

Summary Compensation

The table below sets forth information concerning compensation paid, earned or accrued by our chief executive officer and each of our executive officers (each a "Named Executive Officer") for the last two fiscal years. No other executive officer earned compensation in excess of $100,000 during our 2012 fiscal year.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($) (10) (11)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Felix Elinson	2012	54,000	0	0	0	0	0	0	54,000
President and	2011				0	0	0	0	
Chief Executive Officer		54,000	0	0					54,000
Irving Bader	2012	0	0	0	0	0	0	0	0
Secretary	2011	0	0	0	0	0	0	0	0

In connection with our asset acquisition on February 22, 2011, we entered into an employment agreement with Felix Elinson, pursuant to which Mr. Elinson became employed as our Chief Executive Officer. As Chief Executive Officer, Mr. Elinson is responsible for developing our business strategies, policies and operations, as well as such duties consistent with his position as the principal executive offer of the Company. In consideration for his services, Mr. Elinson is in agreement to be compensated with a monthly salary of $7,200, payable paid bi-monthly on the first and fifteenth business day of each month (No pay has been made since August 2012). Commencing upon the earlier to occur of the consummation of an equity financing of $1,000,000 or the first full month in which we have 15,000 paying subscribers, his compensation will increase to $12,000 per month. Mr. Elinson has agreed not to compete with the Company during the term of his employment and for a period of one and a half years thereafter. Mr. Elinson also agreed not to disclose confidential information. Although the agreement is on a month to month basis, we may terminate Mr. Elinson for cause at any time immediately upon written notice and should he be terminated, he is entitled to compensation accrued through the date of termination.

Since our incorporation on December 24, 2009, no stock options or stock appreciation rights were granted to our directors or executive officers and our directors or executive officers have not exercised any stock options or stock appreciation rights, and do not hold any unexercised stock options. We have no long-term incentive plans.

Outstanding Equity Awards

Our directors or executive officers do not hold any unexercised options, stock that had not vested, or equity incentive plan awards.

Compensation of Directors

Since our incorporation on December 24, 2009, no compensation has been paid to our directors in consideration for their services rendered in their capacities as directors.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table lists, as of April 14, 2013, the number of shares of our common stock that are beneficially owned by (i) each person or entity known to us to be the beneficial owner of more than 5% of our common stock; (ii) each executive officer and director of our company; and (iii) all executive officers and directors as a group. Information relating to beneficial ownership of Common Stock by our principal shareholders and management is based upon information furnished by each person using "beneficial ownership" concepts under the rules of the Securities and Exchange Commission. Under these rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or direct the voting of the security, or investment power, which includes the power to vote or direct the voting of the security. The person is also deemed to be a beneficial owner of any security of which that person has a right to acquire beneficial ownership within 60 days. Under the Securities and Exchange Commission rules, more than one person may be deemed to be a beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which he or she may not have any pecuniary beneficial interest. Except as noted below, each person has sole voting and investment power.

The percentages below are calculated based on 62,642,666 shares of our common stock issued and outstanding as of April 9, 2013. Unless otherwise indicated, the address of each person listed is c/o Game Face Gaming, Inc., 20 East Sunrise Highway, Valley Stream, NY 11581.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Felix Elinson (1) 2928 West 5th Street Brooklyn, NY 11224	11,333,333	18.09%
Irving Bader (2)	11,333,333	18.09%
Punim Chadoshos, LLC	11,333,334	18.09%
Elina Leonova (3) 333 East 23rd Street New York, NY 10010	11,333,333	18.09%
Directors and officers as a group (2 persons)	22,666,666	36.18%

(1) Mr. Elinson is President and Chief Executive Officer and a director of the Company.
(2) Mr. Bader is Secretary and a director of the Company, and is the trustee of the CPT 2011 Trust which owns all of the membership interests of Punim Chadoshos, LLC, a New York limited liability company.
(3) Mrs. Leonova is the wife of Alex Lemberg, a consultant to the Company.

Punim Chadoshos, LLC has granted a proxy to Alex Lemberg to vote its shares effective upon the Company paying in full and satisfying all its obligations pursuant to the $300,000 private placement offering.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

On February 22, 2011 we issued 22,666,667 to Lemberg Consulting Inc. in consideration of the intellectual rights relating to operating multi-platform, multiplayer non-wagering, non-games of chance. On February 28, 2011, Lemberg Consulting transferred 11,333,334 of said shares to Elina Leonova, the wife of Alex Lemberg, a consultant to the Company, and 11,333,333 shares to Felix Elinson, our President and Chief Executive Officer and a director.

On February 22, 2011, Punim Chadoshos, LLC a shareholder holding 19.82% of our issued and outstanding stock, executed a non-competition/confidentiality agreement with the Company. Punim Chadoshos has granted a proxy to Alex Lemberg to vote its shares effective upon the Company paying in full and satisfying all its obligations pursuant to the $300,000 private placement offering.

Alex Lemberg, a consultant to the Company, is married to Elina Leonova, who holds 19.82% of our issued and outstanding stock. Punim Chadoshos has granted Mr. Lemberg a proxy to vote its shares effective upon the Company paying and satisfying in full all its obligations pursuant to its $300,000 convertible notes private placement offering.

On October 25, 2011, we issued a Demand Note in the principal amount of $25,000 to BSF, LLC. Lisa Grossman, wife of our consultant, Yitz Grossman, is a managing member of BSF, LLC.

On each of November 30, 2011, December 12, 2011 and December 14, 2011, the Company issued a Demand Note in the principal amount of $25,000, $75,000 and $106,000, respectively, to each of Arevim, Inc., BFSF, LLC and BSF II, LLC respectively. The Demand Notes bear interest at 6% per annum and can be prepaid by the Company without penalty. If the Demand Notes and accrued interest thereon are not paid within 10 days of demand, the interest rate will increase to 12% retroactive to the date of issuance of the Demand Note. All principal and accrued interest on the Demand Notes are convertible into shares of the Company's common stock at the election of the holder at a conversion price per share equal to the lower of (i) $0.10 and (ii) the closing bid price on the date of conversion. If the Company fails to timely pay the Demand Note and accrued interest, it will be required to issue to the holder 20,000 shares, (for the first 30 days), 50,000 shares (for day 31 through 60) and 1,000,000 shares thereafter of its common stock per day. Lisa Grossman, is a managing member of BFSF, LLC and BSF II, LLC. She is the wife of Yitz Grossman, a consultant to the Company, and president of Arevim and a managing member of BFSF, LLC.

On January 18, 2012, the Company issued the BSF II Note in the principal amount of $85,000 to BSF II LLC. The BSF II Note is payable upon demand at any time after February 15, 2012. The BSF II Note bears interest at 6% per annum and can be prepaid by the Company without premium or penalty. Lisa Grossman, is a managing member of BSF II, LLC. She is the wife of Yitz Grossman, a consultant to the Company.

On February 22, 2011, we entered into a Consulting Agreement with Yitz Grossman pursuant to which he was retained as a consultant to advise us on corporate development and introduce the Company to some of his contacts which may have an interest in investing in the Company. The term of the Agreement is for a period of three years and will automatically be extended for an additional three years should we raise at least $3,000,000 gross capital. We agreed to compensate Mr. Grossman with the monthly sum of $10,000 to be paid bi-monthly on the first and fifteenth business day of each month, said payments to commence upon the earlier of the consummation of an equity financing of $2,000,000 or the first full month in which we have 15,000 paying subscribers. Mr. Grossman has also agreed not to compete with the Company during the term of his consultancy and for a period of one and a half years thereafter. Mr. Grossman has also agreed to not to disclosed confidential information. We have the right to terminate him for cause at any time immediately upon written notice and should he be terminated, he is entitled to compensation accrued through the date of termination. In connection with charges brought on April 4, 2013 by the United States Attorney and the Federal Bureau of Investigation against seven individuals for their roles in a conspiracy to commit securities fraud and the extortion, Mr. Grossman resigned, effective April 10, 2013.

Between December 2012 and March 2013, the company, in connection with Loan Extensions to its Note holders, issued a total of 3,057,000 shares. In connection therewith, all but one of the Note holders, agreed to extend their loans until May 1, 2013. One Note in the amount of $25,000 was extended until March 15, 2013. That loan has not been paid.

Director Independence

We are not subject to listing requirements of any national securities exchange or national securities association and, as a result, we are not at this time required to have our board comprised of a majority of "independent directors." We do not believe that any of our directors currently meet the definition of "independent" as promulgated by the rules and regulations of the American Stock Exchange.

Item 14. Principal Accounting Fees and Services.

Our principal independent accountant is Lake and Associates CPAs. Their pre-approved fees billed to the Company are set forth below:

	Fiscal Year Ended December 31, 2012	Fiscal Year Ended December 31, 2011
Audit Fees	$ 18,450	$ 16,250
Audit Related Fees	$ 0	$ 0
Tax Fees	$ 0	$ 0
All Other Fees	$ 0	$ 0

As of December 31, 2012, the Company did not have a formal documented pre-approval policy for the fees of the principal accountant. The Company does not have an audit committee. The percentage of hours expended on the principal accountant's engagement to audit our financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was 0%.

PART IV

Item 15. Exhibits. Financial Statement Schedules.

Exhibit	Document
3.1	Certificate of Incorporation of Registrant (filed as Exhibit 3.3 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on February 2, 2010 and incorporated herein by reference)
3.2	By-Laws of Registrant (filed as Exhibit 3.2 the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on February 2, 2010 and incorporated herein by reference)
3.3	Form of Articles of Amendment to the Articles of Incorporation as filed with the Secretary of State of Florida on January 7, 2011 (filed as Exhibit 3.3 to Current Report on Form 8-K filed with the Securities and Exchange Commission on January 25, 2011 and incorporated herein by reference)
4.1	Form of Convertible Promissory Note (filed as Exhibit 4.2 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 4, 2011 and incorporated herein by reference)
4.2	Form of Form of Modification and Extension Agreement, dated October 22, 2011 (filed as Exhibit 4.3 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
4.3	Form of Form of Modification and Extension Agreement, dated January 14, 2011(filed as Exhibit 4.4 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
4.4	Amendment to Note dated October 31, 2011, dated December 14, 2011(filed as Exhibit 4.5 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
4..5	Second Amendment to Note dated August 17, 2011, dated December 14, 2011(filed as Exhibit 4.6 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
4.6	Second Amendment to Note dated October 31, 2011, dated January 14, 2012(filed as Exhibit 4.7 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
4.7	Third Amendment to Note dated August 17, 2011, dated January 14, 2012(filed as Exhibit 4.8 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
4.8	Form of Demand Promissory Note (filed as Exhibit 4.9 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)

4.9	Demand Promissory Note, dated January 18, 2012 issued to BSF II LLC (filed as Exhibit 4.10 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
4.10	Promissory Note, dated February 27, 2012, issued to Corporate Debt Consultants LLC (filed as Exhibit 4.11to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
10.1	Asset Purchase Agreement dated February 22, 2011 between Game Face Gaming, Inc. and Lemberg Consulting Inc. (filed a Exhibit 10.1 to Current Report filed with the Securities and Exchange Commission on February 28, 2011 and incorporated herein by reference)
10.2	Employment Agreement dated February 22, 2011 between Game Face Gaming, Inc. and Felix Elinson (filed a Exhibit 10.2 to Current Report filed with the Securities and Exchange Commission on February 28, 2011 and incorporated herein by reference)
10.3	Consulting Agreement dated February 22, 2011 between Game Face Gaming, Inc. and Yitz Grossman (filed a Exhibit 10.3 to Current Report filed with the Securities and Exchange Commission on February 28, 2011 and incorporated herein by reference)
10.4	Consulting Agreement dated February 22, 2011 between Game Face Gaming, Inc., Lemberg Consulting, Inc. and Alex Lemberg (filed a Exhibit 10.4 to Current Report filed with the Securities and Exchange Commission on February 28, 2011 and incorporated herein by reference)
10.5	Non-Competition Agreement dated February 22, 2011 between Game Face Gaming, Inc. and Punim Chadoshos, LLC. (filed a Exhibit 10.5 to Current Report filed with the Securities and Exchange Commission on February 28, 2011 and incorporated herein by reference)
10.6	Proxy executed by Punim Chadoshos, LLC. (filed a Exhibit 10.6 to Current Report filed with the Securities and Exchange Commission on February 28, 2011 and incorporated herein by reference)
10.7	Contract Agreement dated November 19, 2009 between Icreon Communications (P) Ltd. and Lemberg Consulting Inc. (filed a Exhibit 10.8 to Current Report filed with the Securities and Exchange Commission on February 28, 2011 and incorporated herein by reference)
10.8	Form of Convertible Note Purchase Agreement (filed a Exhibit 10.8 to Current Report filed with the Securities and Exchange Commission on March 4, 2011 and incorporated herein by reference)
10.9	Poker License Agreement dated March 1, 2011 between Game Face Gaming, Inc. and Atlas Software USA Inc. (filed a Exhibit 10.9 to Current Report filed with the Securities and Exchange Commission on March 4, 2011 and incorporated herein by reference)
10.9.1	Modification and Extension Agreement dates ad of April 15, 2011 between Game Face Gaming, Inc. and Atlas Software USA Inc.
10.10	Poker License Agreement dated March 3, 2011 between Game Face Gaming, Inc. and Prodigious Capital Group LLC. (filed a Exhibit 10.10 to Current Report filed with the Securities and Exchange Commission on March 4, 2011 and incorporated herein by reference)
10.10.1	Modification and Extension Agreement dates ad of April 15, 2011 between Game Face Gaming, Inc. and Prodigious Capital Group LLC

10.11	Subscription Documents and Procedures (filed as Exhibit 99.1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on February 2, 2010 and incorporated herein by reference)
10.12	Note Purchase Agreement, dated February 27, 2012 between the Company and Corporate Debt Consultants LLC (filed as Exhibit 10.12to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
10.13	Amendment to Note Purchase Agreement, dated February 27, 2012 between the Company and Corporate Debt Consultants LLC (filed as Exhibit 10.13 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
10.14	Letter Agreement, dated February 27, 2012, between the Company and Corporate Debt Consultants LLC (filed as Exhibit 10.14 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
10.15	Addendum to Note Purchase Agreement, dated February 27, 2012, between the Company and Corporate Debt Consultants LLC (filed as Exhibit 10.15 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
14.1	Code of Ethics ((filed as Exhibit 14.1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on February 2, 2010 and incorporated herein by reference)
31	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002 (filed herewith)
32	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)
101.INS **	XBRL Instance Document
101.SCH **	XBRL Taxonomy Extension Schema Document
101.CAL **	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF **	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB **	XBRL Taxonomy Extension Label Linkbase Document
101.PRE **	XBRL Taxonomy Extension Presentation Linkbase Document

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 , the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FACE UP ENTERTAINMENT GROUP, INC.

Dated: April 16, 2013

By: */s/ Felix Elinson*
Felix Elinson
President, Chief Executive Officer, and Director
(Principal Executive, Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: April 16, 2013

By: */s/ Felix Elinson*
Felix Elinson
President, Chief Executive Officer, and Director
(Principal Executive, Financial and Accounting Officer)

Dated: April 16, 2013

By: */s/ Irving Bader*
Irving Bader
Secretary and Director

OS Received 05/16/2022

EXHIBIT 31

CERTIFICATION OF
PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER PURSUANT TO
SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002

I, Felix Elinson , certify that:

1. I have reviewed the annual report on Form 10-K of Face Up Entertainment Group, Inc.(the "registrant") for the year ended December 31, 2012;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s), and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s), and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 16, 2013

By: */s/ Felix Elinson*
Name: Felix Elinson
Title: President, Chief Executive Officer and Director (Principal Executive, Financial and Accounting Officer)

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Felix Elinson , the President, Chief Executive Officer, and Director of Face Up Entertainment Group, Inc. (the "Registrant"), certifies, under the standards set forth and solely for the purposes of 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge, the Annual Report on Form 10-K of the Registrant for the year ended December 31, 2012 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in that Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: April 16, 2013

By: /s/ Felix Elinson

Name: Felix Elinson
Title: President, Chief Executive Officer, and Director (Principal Executive, Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2011**

Commission file number: **000-54415**

FACE UP ENTERTAINMENT GROUP, INC.

(Exact name of registrant as specified in its charter)

Florida	**27-1551007**
(State of incorporation)	(I.R.S. Employer Identification No.)

20 East Sunrise Highway Suite 202, Valley Stream, New York 11581
(Address of principal executive offices)

(516) 303- 8100
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act:
None

Securities registered pursuant to Section 12(g) of the Exchange Act:
Common Stock, $0.0001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒
(Do not check if a smaller reporting company)	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

There was no market value of the common equity as of June 30, 2011, the last business day of the registrant's most recently complete second fiscal quarter.

As of December 14, 2012, 58,975,000 shares of the issuer's common stock were issued and outstanding.

Documents Incorporated By Reference: None

OS Received 05/16/2022

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EXPLANATORY NOTE

This Amendment No. 1 (the "Form 10-K/A") to the Annual Report on Form 10-K amends in its entirety the Form 10-K of Face Up Entertainment Group, Inc. f/k/a Game Face Gaming, Inc. (the "Company") for the fiscal year ended December 31, 2011, originally filed with the U.S. Securities and Exchange Commission on March 20, 2012 (the "Original Form 10-K"). The purpose of this Amendment is to replace in its entirety Item 9A. Controls and Procedures. Except for said Item, the Amendment does not modify or update the disclosures presented in, or exhibits to, the Original Form 10-K in any way. This Form 10-K/A has not been updated to reflect events that occurred after March 20, 2011, the filing date of the Form 10-K. Accordingly, this Form 10-K/A should be read in conjunction with our filings made with the SEC subsequent to the filing of the Annual Report, including any amendments to those filings. This Form 10-K/A includes Exhibits 31 and 32, new certifications by the company's principal executive officer and principal financial officer as required by Rule 12b-15.

PART I

Item 1. Business.

As used in this Annual Report on Form 10-K (this "Report"), references to the "Company," the "Registrant," "we," "our" or "us" refer to Game Face Gaming, Inc., unless the context otherwise indicates .

Forward-Looking Statements

This Report contains forward-looking statements. For this purpose, any statements contained in this Report that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking information includes statements relating to future actions, prospective products, future performance or results of current or anticipated products, sales and marketing efforts, costs and expenses, interest rates, outcome of contingencies, financial condition, results of operations, liquidity, business strategies, cost savings, objectives of management, and other matters. You can identify forward-looking statements by those that are not historical in nature, particularly those that use terminology such as "may," "will," "should," "expects," "anticipates," "contemplates," "estimates," "believes," "plans," "projected," "predicts," "potential," or "continue" or the negative of these similar terms. The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking information to encourage companies to provide prospective information about themselves without fear of litigation so long as that information is identified as forward-looking and is accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in the information.

These forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions that we cannot predict. In evaluating these forward-looking statements, you should consider various factors, including the following: (a) those risks and uncertainties related to general economic conditions, (b) whether we are able to manage our planned growth efficiently and operate profitable operations, (c) whether we are able to generate sufficient revenues or obtain financing to sustain and grow our operations, (d) whether we are able to successfully fulfill our primary requirements for cash, which are explained below under "Liquidity and Capital Resources". We assume no obligation to update forward-looking statements, except as otherwise required under the applicable federal securities laws.

Corporate Background

Game Face Gaming, Inc., a Florida corporation (the "Company") was incorporated on December 24, 2009 under the name Intake Communications, Inc. From inception up until February 10, 2011, the Company intended to provide software to companies to help them market and sell their music and entertainment content to consumers. While the Company had identified product requirements, product development had not started and the Company had not commenced business operations other than organizational, start-up, capital formation activities, filing its registration statement and meeting its obligations as an SEC reporting company.

On January 6, 2011, the Board of Directors and majority shareholder of the Company approved an amendment to the Company's Articles of Incorporation (the "Amendment") to (i) affect a 13 for 1 forward stock split of the Company's issued and outstanding common stock in the form of a dividend, and (i) change the Company's name from Intake Communications, Inc. to Game Face Gaming, Inc. The Amendment was filed on January 7, 2011 with the Secretary of State of the State of Florida and became effective as at the close of business on January 25, 2011. The forward stock split was distributed to all shareholders of record on January 24, 2011. No cash was paid or distributed as a result of the forward stock split and no fractional shares were issued. All fractional shares which would have otherwise been required to be issued as a result of the stock split were rounded up to the nearest whole share.

On February 10, 2011, Ron Warren, the principal shareholder and sole officer and director of the Company, entered into a Stock Purchase Agreement which provided for the sale of his 11,333,333 shares of common stock of the Company (the "Control Shares") to Punim Chadoshos, LLC, a New York limited liability corporation (the "Buyer"). The consideration paid for the Control Shares, which at the time of such sale represented 40.57% of the issued and outstanding share capital of the Company on a fully-diluted basis, was $50,000. The Buyer, which is owned by a trust, used funds which it borrowed to purchase the Shares.

Simultaneously with such purchase and sale by the Buyer, Mr. Warren resigned from all his positions with the Company and Felix Elinson and Irving Bader were appointed to the Board of Directors of the Company, and Mr. Elinson was appointed President and Mr. Bader the Secretary. In addition, Mr. Warren canceled 104,666,667 shares of the Company previously owned by him and no longer owns any shares in the Company.

On February 22, 2011, the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with Lemberg Consulting, Inc., a New York corporation (the "Seller") pursuant to which the Company acquired certain assets of the Seller in consideration for the issuance of 22,666,667 shares of its common stock. The assets purchased consist of a provisional patent and other intellectual property related to operating multi-platform, multiplayer non-wagering, non-games of chance, such as chess, poker, and backgammon. As a result of the transaction, the Company now owns the domain name www.FaceUpGaming.com.

The Asset Purchase Agreement contained customary representations and warranties from each of the Company and the Seller. The Company did not assume any liabilities in connection with the acquisition, other than the contractual payments due to Icreon Communications Ltd., a company located in India which provides development outsourcing as well as other platform related enhancement and support work. Icreon is to be paid as follows - (i) $25,000 when the platform completes Alpha testing; (ii) $27,500 after beta; and (iii) the remaining $27,500 after user acceptance testing. Icreon pursuant to the terms of this agreement has been paid in full. During the year ended December 31, 2011, the Company paid Icreon an additional $3,892 for other work performed.

In connection with the asset acquisition on February 22, 2011, Mr. Elinson became our Chief Executive Officer.

On March 1, 2011, the Company entered into a Poker License Agreement with Atlas Software USA Inc., a New Jersey corporation ("Atlas") pursuant to which the Company granted Atlas the right to install and use Game Face Gaming software program for its own website and business. The Company retained all right, title and interest to its software. In consideration for the license, Atlas paid the Company $55,000, and will pay the Company (i) $27,500 upon acceptance of all design work, customization and the initiation of alpha testing that will support a minimum of 1,000 users; and (ii) $27,500 upon resolution of issues derived during the alpha testing and the completion of a beta test. It was anticipated that the alpha testing will be completed by April 15th and the completion of the beta by June 15th If payment is not made in accordance with the terms of the Agreement, the Company has the right to impose a 1% penalty per month on any overdue amount, and if not paid following 30 days notice, the Company may cancel the Agreement.

This Agreement was modified as of April 15, 2011 to extend the payments due by Atlas so that $27,500 is due 60 days after the completion of beta testing and the code moved to production servers of an online poker room membership model and the final payment in the amount of $27,500 will be due 60 days later. The Company also has the right to provide Atlas with a redesigned membership model platform as compared to a rake model by April 2013.

On March 3, 2011, the Company entered into a similar license agreement with Prodigious Capital Group LLC on the same terms and conditions as the agreement with Atlas, other than the payment of $50,000 to the Company upon execution and delivery of the agreement and $25,000 due and payable upon acceptance of all design work, customization and the initiation of alpha testing that will support a minimum of 1,000 users which is expected July 1st; and (ii) $25,000 upon resolution of issues derived during the alpha testing and the completion of a beta test, which is expected September 1st. This license is limited to the "Texas Hold-em" version of the software of the Company and no other games or poker variations.

This Agreement was modified as of April 15, 2011 to extend the payments due by Prodigious so that $27,500 will become immediately due 60 days after the completion of beta testing and the code moved to production server/s. A final payment in the amount of $27,500 will be due 60 days later. The Company also has the right to provide Atlas with a redesigned membership model platform as compared to a rake model by April 2013.

Business Overview

Since the change of control and the consummation of the transactions contemplated by the Asset Purchase Agreement, we are now in the business of operating a reality gaming social network. We plan to offer a non wagering internet gaming website by incorporating proprietary technologies that will provide players with streaming video, audio and messaging capabilities. We believe that these enhancements will dramatically enhance the players' online gaming experiences. These games include poker, chess, backgammon and others. Management is not aware of any online games sites which offer players the ability to see one another and speak live during game play.

We are committed to responsible game-play and are **not** a gambling site - we want to encourage people to play competitively to win prizes without requiring them to risk losing money. The only cost to players will be a monthly membership fee. Because we do not offer gambling, players cannot lose money, but still provide an exciting and entertaining experience. It is our belief that this is legal for U.S. residents because our members pay a monthly fee to play the games we will offer. It is contemplated that our members will pay us a monthly fee, which gives them a certain amount of points. These points are then used to enter tournaments and/or play games on the site. Each game will have its own entry fee in terms of points. Additional points are not purchased; instead they are won based on a member's standing in various tournaments played on our site.

We will require additional capital to develop and expand our gaming platform from beta testing to a full launch. We estimate that within the next 12 months we will need approximately $1,000,000 to make our site live, market the site to obtain members and generate revenues from members.

There can be no assurance that additional capital will be available to us. We currently have no agreements, arrangements or understandings with any person to obtain such amount of funds through bank loans, lines of credit or any other sources. Since we have no other such arrangements or plans currently in effect, our inability to raise funds for the above purposes will have a severe negative impact on our ability to remain a viable company.

Our Technology

We currently own provisional patent application number 61/423,751, titled "reality gaming social network", integrating the activity of playing games with the ability to interact with real users in real-time. We expect to update the provisional patent as we add games to our platform.

Our software is designed in ASP.Net 2 and Flash, and the database is built in MS SQL and Flash Media Server. Utilizing this approach, we hope to provide video streaming and voice quality capabilities to more than 1 million players at one time. Because our infrastructure exists on cloud based technology, our platform enables rapid and immediate response to higher demand.

Cloud computing is by far the most economical way to scale up capacity, because as the need presents itself all we need to do is open up a new server and access the required server. This method not only enables us to determine the exact configuration and bandwidth which we need to use, but then we only have to pay for what we need and use.

We are currently using cloud computing provided by Rackspace.com on a monthly basis. Rackspace offers data centers which simultaneously handle the resource requests from multiple clients. With everything in the data centers, we do not need to have our own information technology setup related directly to the constant upkeep of servers. We currently pay $700 per month for this service. Our gaming systems have been designed to meet the most demanding security standards. We use the same technology currently employed by Amazon and Dell to secure their e-commerce sites' client information. All sensitive data will be securely transmitted and stored in encrypted databases with Rackspace.com.

We also believe that the use of ASP.Net in the front-end makes our system fully secure and encrypted from hackers because the software is running from the server instead of being downloaded to a player's computer. This design makes the system more secure and provides less chances of the system slowing down and/or crashing.

Products

Our first game offering will be poker. Poker was selected as the Company's inaugural game product because our platform and technology (live, interactive video and chat) will enable players to see and speak to each other in real-time. Our technology will allow play not merely based on the cards being held in hand but also using the skill required to see and read the opponent's face; the proverbial 'poker face'.

We hope to offer people the opportunity to participate in tournaments, which are the ultimate poker players' thrill. A tournament is a poker game in which each player starts with an equal amount of chips. All of the players in the tournament continue to play until one player has amassed all of the chips. Each tournament has a buy-in as well as a fee. The buy-in is put into the prize pool; the fee is kept by the Company. The size of the prize pool depends on the number of people playing in the tournament and is paid out in its entirety to the winner.

To start the tournament, each player is dealt a card. The player with the highest card starts the game as the dealer. Each player's goal is to amass as many chips as possible. Players who lose all of their chips are out of the tournament. As the tournament continues, more and more players are eliminated until only the tournament winner remains.

Members will be given a tournament rating that is a measure of how successful they are in our tournaments. The tournament rating is a score that is based on a player's multi-table tournament performance and is constantly changing as the player plays more multi-table tournaments. Tournament ratings allow a player to see how he is doing and track his progress as he becomes a better player. We also hope to run special tournaments in which a player can play against players with similar tournament ratings. This will allow players the opportunity to play against other players of similar skill level.

The numerical value of a player's tournament rating is determined by a complex formula that takes into account primarily where the player is placed in a given multi table tournament and how many total people were in the tournament. The player's tournament rating then determines his color level, which starts at the Red level and progress to Green and finally to Black -- the highest color level. The more multi table tournaments he plays, the size of the tournaments and how he places in these tournaments will determine whether the player's score and color level move up or down. In general, the better the player's performance, the higher his numerical tournament rating score.

The Company hopes to offer other types of tournaments, including:

Shootouts **:** A shootout is a special kind of multi-table tournament. Traditionally, when a player plays in a multi-table tournament, players are moved from table to table to balance the number of players at each table. Eventually, the fortunate last nine players end up at the " *final table* ". In a shootout, no such table balancing is done. A player remains at his original table until only one player is left standing. If he wins at that table, he advances to another table and repeats the process against other players who have each won at previous respective tables.

Double Shootout : In a ***Double Shootout*** , a player needs to win two tables to win the event, although often there is some money for everybody who makes the second table. Each starting table is played to its conclusion; the final table is formed of the winners of the first round matches.

Triple Shootout: In a ***Triple Shootout*** , a player must win three tables to win the entire event (again, there may well be some prize money distributed along the way). For example, assuming a standard (9 players per table) triple shootout is full, 729 players will be placed, 9 per table, at 81 tables within the tournament. Each table will play until there is one player remaining with all of the chips from that table. The 81 players remaining will then be moved to 9 tables for Round 2. As in Round 1, each table will play until one player has all of the chips from that table. Finally, the 9 remaining players will advance to the final table, where the champion of the tournament will be determined.

This process could be extended to quadruple shootouts and on up. Also, the tables don't necessarily have to start at nine players each. For instance, it is possible to run a triple shootout with four-player tables (a total of 64 players in each event).

Satellite : A satellite is a tournament in which the prize is an entry into a larger tournament. It can be less expensive to enter a satellite than it would be to enter the main tournament directly. Multi-table satellites are scheduled as regular tournaments, and the sign-up details and play are identical.

Freerolls **:** A "freeroll" is another type of tournament in which entry is completely free. There is no buy-in and no entry fee, but there are cash prizes available to win. We hope to hold many of these events on a daily basis.

Sit & Go : A "Sit & Go" is a tournament that is not regularly scheduled; it simply begins when all the seats are filled. We hope to offer several kinds of Sit & Go tournaments, including single table, multi table, and heads up events.

We hope to quickly expand the network beyond poker to include global staples in gaming such as backgammon, chess and checkers.

Market

Management has exhaustively studied the state of multi-platform, multiplayer non-wagering, non-games. We feel that the gaming industry presents an ever increasing market and excellent opportunities for growth. The Company hopes to market the first online gaming product which will deliver video, audio and texting functionality along with the ability to allow users to create their own private tables and host their own private tournaments.

It is hoped that our proprietary technology will allow for interactive, face-to-face competition, which we believe is the only medium which allows for the true test of a poker player's skill. Without the possibility of being able to see and affect your opponent psychologically, the game might as well not be played.

Our Strategy

Management believes that the Company will be able to generate revenues from the following sources: (1) monthly membership fees; (2) advertisements; (3) tournament plays; (4) social network community; and (5) e-Commerce.

Monthly Membership Fees

Players on our game site will be grouped into two communities, paying members and free-members. Membership packages will consist of monthly payments, the price being dependent on the package the person selects. Our free--member community will accumulate “Fun Points”, while players in our paying member community will accumulate play chips leading to prizes and other giveaways.

A player in our freemember community will need to accumulate points in order to have chance to play for smaller prizes. The player would be able to do this by winning these points playing in tournaments with other players or private tables. The tournaments will have various jackpots depending on qualifiers and points needed to enter any particular tournament.

Our paying member community will be able to win play chips enabling them entry into tournaments with bigger prizes and giveaways. For a monthly fee, players will receive the Company’s monthly newsletter written by gaming professionals and will be given the opportunity to access:

- Entry into tournaments with monthly prizes;
- A proprietary tournament rating leader board based on actual play;
- Live chats customer service;
  Ability to create private tables:
- No ads, no interruptions game play: and
  Access into our structured proprietary league structured tournaments.

We plan to attract members to sign up utilizing different incentive and marketing programs.

Advertisement – We anticipate developing a strong following in the "Play for Fun" portion of the website in the early days following our beta testing. We hope this provides us with an opportunity to generate advertisement dollars.

Tournament Plays – This component of the online gaming industry is by far one of the most popular and lucrative venues. We believe that the launch of " *Tournament Play "* will drastically increase the number of user's who register on a monthly basis. We also hope that this will lead to even greater advertisement revenues.

Social Network Community – Up until now the social aspect of online poker has been relatively small when compared to other niche based communities. The existing format of online poker forces players to play as many hands as possible without any interaction among the players since players are unable to speak or directly view their opponents, there is no reasonable opportunity for them to interact with each other than on the hands played.

With the advent of our technology players will be able to see, communicate, and otherwise interact with other players in our online community. Our technology provides a new dimension of interaction which we hope will lead towards the development of social groups. We believe that this concept will help make us the most diverse and popular online poker social networks which we hope will lead to a larger player base, as compared to a standalone poker room, ultimately leading to greater revenues.

e-Commerce – In the natural course of development, we hope that merchants will find the online social community fertile ground to offer gambling related products and services. We will provide our e-commerce partners with the ability to market and sell their products directly through payment processing software. We will take a small percentage from each transaction we process adding to our list of revenue streams.

Employees

The Company has only one full-time employee as well as its officers and directors and a consultant, who will devote as much time as the Board of Directors determines is necessary to carry out the affairs of the Company.

Item 1A. Risk Factors

Smaller reporting companies are not required to provide the information required by this Item 1A.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

The Company does not own any real estate or other properties. The Company's office is located at 20 East Sunrise Highway, Suite 202, Valley Stream, New York 11581, in office space provided by Yitz Grossman, a consultant of the Company, at no charge. It is currently sufficient for our operations.

Item 3. Legal Proceedings.

There are no pending legal proceedings to which the Company is a party or in which any director, officer or affiliate of the Company, any owner of record or beneficially of more than 5% of any class of voting securities of the Company, or security holder is a party adverse to the Company or has a material interest adverse to the Company. The Company's property is not the subject of any pending legal proceedings.

Item 4. Mine Safety Disclosures.

Not applicable

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock is quoted on the OTC Bulletin Board ("OTCBB") under the symbol "IKCC". Trading of our common stock commenced on August 2,2011. Prior to that date, there was no market for our common stock. The following table sets forth the high and low sales prices as reported on the OTCBB. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions.

FISCAL YEAR 2011	HIGH	LOW
Third Quarter	$ 0.50	$ 0.10
Fourth Quarter	$ 0.43	$ 0.06

The last reported sales price of our common stock on the OTCBB on March 13, 2012, was $0.1480.

Holders

As of March 14, 2012, there were 47holders of record of our common stock

Dividends

We have never declared or paid any cash dividends on our common stock nor do we anticipate paying any in the foreseeable future. Furthermore, we expect to retain any future earnings to finance our operations and expansion. The payment of cash dividends in the future will be at the discretion of our Board of Directors and will depend upon our earnings levels, capital requirements, any restrictive loan covenants and other factors the Board considers relevant.

Equity Compensation Plans

We do not have any equity compensation plans.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

On February 27, 2012, the Company issued 1,000,000 shares of its common stock to Corporate Debt Consultants, LLC, a New York limited liability company concurrent with a loan made by Corporate Debt Consultants to the Company. The issuance was made in reliance upon an exemption from registration provided under Section 4(2) of the Securities Act of 1933, as amended. Corporate Debt was granted piggyback registration rights and demand registration rights upon a financing of at least $2,000,000 by the Company with respect to said shares.

On November 1, 2011, the Company issued 250,000 shares of its common stock to Small Cap Consultants, concurrent with a loan made by Small Cap Consultants to the Company. The issuance was made in reliance upon an exemption from registration provided under Section 4(2) of the Securities Act of 1933, as amended.

On August 18, 2011, the Company issued 250,000 shares of its common stock to Small Cap Consultants concurrent with a loan made by Small Cap Consultants to the Company. The issuance was made in reliance upon an exemption from registration provided under Section 4(2) of the Securities Act of 1933, as amended.

On June 23, 2011, the Company issued shares of common stock to the following persons in consideration for consulting services provided or to be provided by such persons to the Company: BSF II, 500,000 shares; Bonnie Leinhos 50,000 shares; Xstream Assets, LLC 2,000,000 shares; Nalesta Consulting Inc. 2,500,000 shares; and Steve Morgan 25,000 shares. These securities were issued in reliance on the exemption under Section 4(2) of the Act; the recipients are accredited investors; are not affiliates of the Company and had access to all of the information which would be required to be included in a registration statement and the transaction did not involve a public offering.

Purchases of Equity Securities by the Small Business Issuer and Affiliated Purchasers

For the period ended December 31, 2011, we have not repurchased any shares of our common stock. However, on February 11, 2011, Ron Warren, our former officer and director, canceled 104,666,667 shares of common stock of the Company.

Item 6. Selected Financial Data.

Smaller reporting companies are not required to provide the information required by this Item 6.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Certain statements contained in this prospectus, including statements regarding the anticipated development and expansion of our business, our intent, belief or current expectations, primarily with respect to the future operating performance of Game Face Gaming, Inc. All forward-looking statements speak only as of the date on which they are made. We undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they are made.

Plan of Operation

Since the change of control and the consummation of the transactions contemplated by the Asset Purchase Agreement, we are now in the business of operating a reality gaming social network. We plan to offer a non wagering internet gaming website by incorporating proprietary technologies that will provide players with streaming video, audio and messaging capabilities. We believe that these enhancements will dramatically enhance the players' online gaming experiences. These games include poker, chess, backgammon and others. We believe that these enhancements will dramatically enhance players' online gaming experiences. Management is not aware of any online games sites which offer players the ability to see one another and speak live during game play.

We will require additional capital to develop and expand our gaming platform from beta testing to a full launch. We estimate that within the next 12 months we will need approximately $3,600,000 to fund its expenses over the next twelve months. On a monthly basis, if the Company had these funds it would utilize, among other uses, approximately $125,000 for advertising and marketing, $100,000 for salaries and office expenses and $60,000 for software development. There can be no assurance that additional capital will be available to the Company. The Company currently has no agreements, arrangements or understandings with any person to obtain funds through bank loans, lines of credit or any other sources, other than the agreement with CDS to lend the Company up to $500,000, of which $85,000 has been borrowed as of February 27, 2012.

Current cash on hand is insufficient for all of the Company's commitments for the next 12 months. We anticipate that the additional funding that we require will be in the form of equity financing from the sale of our common stock. However, we cannot provide investors with any assurance that we will be able to raise sufficient funding from the sale of our common stock to fund additional development and expansion of our gaming platform from beta testing to a full launch. We cannot be certain that the required additional financing will be available or available on terms favorable to us. If additional funds are raised by the issuance of our equity securities, such as through the issuance and exercise of warrants, then existing stockholders will experience dilution of their ownership interest. We do not currently have any arrangements in place for any future equity financing.

If additional funds are raised by the issuance of debt or other equity instruments, we may be subject to certain limitations in our operations, and issuance of such securities may have rights senior to those of the then existing holders of common stock. If adequate funds are not available or not available on acceptable terms, we may be unable to fund expansion, develop or enhance services or respond to competitive pressures or continue to operate.

We do not anticipate any equipment purchases in the twelve months ending December 31, 2012.

Results of Operations

Years Ended December 31, 2011 and 2010

We had $18,325 in cash and cash equivalent as of December 31, 2011, and have experienced losses since inception. We recognized $105,000 in income in 2011 from the sale of the license agreements. We did not generate any revenues from operations during the years ended December 31, 2011 and 2010. Expenses during the year ended December 31, 2010 were $22,837 for a net loss of $22,837 compared to expenses of $743,844 for a net loss of $971,772 for the year ended December 31, 2011. Expenses for the year ended December 31, 2010 were primarily the result of professional and filing fees associated with filing our registration statements, complying with our reporting requirements and general and administrative expenses, while expenses for the year ended December 31, 2011 consisted primarily of general and administrative expenses ($609,607), professional fees ($79,512) and advertising expenses ($52,368) due to expenditures necessary as the Company prepares to launch its first product offering. We have incurred a cumulative net loss of $998,188 for the period December 24, 2009 (inception) to December 31, 2011.

Liquidity and Capital Resources

Our balance sheet as of December 31, 2011 reflects that the Company has $18,325 in cash and cash equivalents. In addition, the Company had a working capital deficiency of $852,428 and stockholders' deficiency of $717,358 at December 31, 2011.

We currently have a total of $826,000 owed to eight entities and individuals, of which $466,000 are due upon demand and $360,000 have specific due dates. Of those loans, 4 are due and payable April 15, 2012 aggregating $275,000 of principal and $85,000 in principal is due on August 27, 2012. During the year ended December 31, 2011 we repaid an aggregate of $195,000 of indebtness. Principal indebtedness owed to two note holders aggregating $75,000 and accrued interest thereon may be converted at the option of the noteholders to shares of common stock by the greater of $0.25 per share or 50% of the average closing bid price for the 10 trading days ending 5 days before the conversion date. Principal indebtedness owed to a note holder aggregating $200,000 and accrued interest thereon may be converted at the option of the noteholder to shares by the greater of $0.05 per share of 50% of the average closing price for 10 days prior to conversion.

Going Concern Consideration

The Company is a development stage company. For the period December 24, 2009 (date of inception) through December 31, 2011, the Company has had a net loss of $998,188. Our independent auditor has expressed substantial doubt about our ability to continue as a going concern and believes that our ability is dependent on our ability to begin operations and to achieve profitability. See Note 6 of our financial statements.

The Company believes that it will need approximately $3,600,000 to fund its expenses over the next twelve months. On a monthly basis, if the Company had these funds it would utilize, among other uses, approximately $125,000 for advertising and marketing, $100,000 for salaries and office expenses and $60,000 for software development. There can be no assurance that additional capital will be available to the Company. The Company currently has no agreements, arrangements or understandings with any person to obtain funds through bank loans, lines of credit or any other sources, other than the agreement with CDS to lend the Company up to $500,000, of which $85,000 has been borrowed as of February 27, 2012.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, results of operations or liquidity.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Smaller reporting companies are not required to provide the information required by this item.

Item 8. Financial Statements.

Game Face Gaming, Inc.

(A DEVELOPMENT STAGE COMPANY)
INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Game Face Gaming, Inc.
(fka Intake Communications, Inc.)

We have audited the accompanying balance sheets of Game Face Gaming, Inc. (fka Intake Communications, Inc.) (a development stage company) as of December 31, 2011 and 2010, and the related statements of income, stockholders' equity (deficit), and cash flows for the years then ended and for the period from December 24, 2009 (inception) through December 31, 2011. Game Face Gaming, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Game Face Gaming, Inc. as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended and for the period from December 24, 2009 (inception) through December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed further in Note 6, the Company has been in the development stage since its inception (December 24, 2009) and continues to incur significant losses. The Company's viability is dependent upon its ability to obtain future financing and the success of its future operations. These factors raise substantial doubt as to the Company's ability to continue as a going concern. Management's plan in regard to these matters is also described in Note 6. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/Lake & Associates, CPA's LLC
Lake & Associates, CPA's LLC
Schaumburg, IL
March 14, 2012

1905 Wright Boulevard
Schaumburg, IL 60193

Phone: 847-524-0800
Fax: 847-524-1655

Game Face Gaming, Inc.
(f/k/a Intake Communications, Inc.)
(A Development Stage Company)
Balance Sheets

ASSETS

	December 31, 2011	December 31, 2010
CURRENT ASSETS:		
Cash and cash equivalents	$ 18,325	$ 584
Prepaid expenses and other current assets	1,621	-
TOTAL CURRENT ASSETS	19,946	584
PROPERTY AND EQUIPMENT (Net)	35,070	-
OTHER ASSETS		
Intangible asset	100,000	-
TOTAL OTHER ASSETS	100,000	-
TOTAL ASSETS	$ 155,016	$ 584

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES:		
Accounts payable	$ 10,450	$ 3,000
Accrued expenses and other current liabilities	15,458	-
Loan payable officer	-	3,000
Derivative liabilities	178,070	-
Notes payable-convertible	656,000	-
Accrued interest on notes payable--convertible	12,396	-
TOTAL CURRENT LIABILITIES	872,374	6,000
STOCKHOLDERS' EQUITY (DEFICIT):		
Capital stock - authorized: 250,000,000 common shares, $0.0001 par value 56,175,000 and 132,600,000 shares issued and outstanding at December 31, 2011 and December 31, 2010, respectively	5,618	13,260
Additional paid in capital	275,212	7,740
Deficit accumulated during the development stage	(998,188)	(26,416)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(717,358)	(5,416)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 155,016	$ 584

Game Face Gaming, Inc.
(f/k/a Intake Communications, Inc.)
(A Development Stage Company)
Statements of Operations

	Year Ended December 31, 2011	Year Ended December 31, 2010	For the Period December 24, 2009 (Inception) to December 31, 2011
REVENUES:			
Net revenue	$ 105,000	$ -	$ 105,000
EXPENSES:			
Depreciation expense	2,357	-	2,357
General & administrative expenses	741,487	22,837	767,903
Total expenses	743,844	22,837	770,260
Operating Loss	(638,844)	(22,837)	(665,260)
OTHER INCOME (EXPENSE):			
Interest expense	(157,274)	-	(157,274)
Derivate liability	(178,070)	-	(178,070)
Other income - cancellation of debt	2,416	-	2,416
Total other income (expense)	(332,928)	-	(332,928)
Income (Loss) before Provision for Income Taxes	(971,772)	(22,837)	(998,188)
Provision for Income Taxes	-	-	-
Net Loss	**$ (971,772)**	**$ (22,837)**	**$ (998,188)**
PER SHARE DATA:			
Basic and diluted loss per common share	$ (0.02)	$ (0.00)	
Weighted Average Common shares outstanding	61,856,370	126,445,479	

Game Face Gaming, Inc.
(f/k/a Intake Communications, Inc.)
(A Development Stage Company)
Statements of Stockholders' Equity (Deficit)

	Common Stock		Additional Paid-in	Stock Subscriptions	Deficit Accumulated During the Development	
	Shares	Amount	Capital	Receivable	Stage	Total
Inception - December 24, 2009	-	$ -	$ -	$ -	$ -	$ -
Common shares issued to Founder for cash at $0.001 per share (par value $0.0001) on December 24, 2009	117,000,000	11,700	(2,700)	(3,000)	-	6,000
Loss for the period from inception on December 24, 2009 to December 31, 2009	-	-	-	-	(3,579)	(3,579)
Balance - December 31, 2009	117,000,000	11,700	(2,700)	(3,000)	(3,579)	2,421
Payment of Subscription Receivable				3,000		3,000
Common shares issued to Investors for cash at $0.01 per share (par value $0.0001) on May 26, 2010	15,600,000	1,560	10,440			12,000
Loss for the year ended December 31, 2010					(22,837)	(22,837)
Balance - December 31, 2010	132,600,000	13,260	7,740	-	(26,416)	(5,416)
Common shares cancelled by the Corporation on February 10, 2011	(104,666,667)	(10,467)	10,467			-
Common shares issued at $0.0044 per share (par value $0.0001) for the contribution of intangible assets on February 22, 2011	22,666,667	2,267	97,733			100,000
Common shares issued to Consultants for services at $0.0044 per share (par value $0.0001) on June 23, 2011	5,075,000	508	21,822			22,330
Common shares issued for finance costs at $0.25 per share (par value $0.0001) on August 17, 2011	250,000	25	62,475			62,500
Common shares issued for finance costs $0.30 per share (par value $0.0001) on October 31, 2011	250,000	25	74,975			75,000
Loss for the year ended December 31, 2011					(971,772)	(971,772)
Balance - December 31, 2011	56,175,000	$ 5,618	$ 275,212	$ -	$ (998,188)	$ (717,358)

Game Face Gaming, Inc.
(f/k/a Intake Communications, Inc.)
(A Development Stage Company)
Statements of Cash Flows

	For the Year Ended		For the Period from Inception December 24, 2009 to
	December 31, 2011	December 31, 2010	December 31, 2011
OPERATING ACTIVITIES:			
Net loss	$ (971,772)	$ (22,837)	$ (998,188)
Depreciation	2,357	-	2,357
Common stock issued for services	22,330	-	22,330
Common stock issued for financing costs	137,500	-	137,500
Changes in Assets and Liabilities:			
(Increase) decrease in current assets:			
Prepaid Expenses and other current assets	(1,621)	-	(1,621)
Increase (decrease) in current liabilities:		-	
Accounts payable	7,450	(579)	10,450
Accrued interest on convertible debt	12,396	-	12,396
Accrued expenses and other current liabilities	15,458	-	15,458
Derivative liabilities	178,070		178,070
Net cash used in operating activities	(597,832)	(23,416)	(621,248)
INVESTMENT ACTIVITIES:			
Computer hardware purchased	(9,427)	-	(9,427)
Source code purchased	(28,000)	-	(28,000)
Net cash provided by investment activities	(37,427)	-	(37,427)
FINANCING ACTIVITIES:			
Common stock issued	-	15,000	21,000
Repayment of notes payable	(195,000)	-	(195,000)
Issuance of notes payable	851,000	-	851,000
Loan from officer	(3,000)	3,000	-
Net cash provided by financing activities	653,000	18,000	677,000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,741	(5,416)	18,325
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	584	6,000	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 18,325	$ 584	$ 18,325
Supplemental Cash Flow Disclosures:			
Cash paid for:			
Interest expense	$ 7,380	$ -	$ 7,380
Income taxes	$ -	$ -	$ -
Non-cash transactions:			
Stock Issued for intangible asset	$ 100,000	$ -	$ 100,000

GAME FACE GAMING, INC.
(F/K/A INTAKE COMMUNICATIONS, INC.)
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS
(December 31, 2011)

NOTE 1 - GENERAL ORGANIZATION AND BUSINESS

Game Face Gaming, Inc. (f/k/a Intake Communications, Inc.) the Company is a development stage company, incorporated in the State of Florida on December 24, 2009 to provide software to companies to help them market and sell their music and entertainment content to consumers.

Thereafter, the Company engaged in developing the internet's first Reality Gaming Social Network. The Company seeks to penetrate the market in the business of operating a non-wagering Internet gaming company. The Internet Gaming platform incorporates proprietary technologies that will provide users with streaming video, audio and messaging capabilities enhancing both the users experience and the gaming experience.

Game Face Gaming's proprietary platform will be used in creating a vast global gaming network consisting of games from every region of the globe, supporting native languages as well as cross language functionality. Once these games make their way onto our platform they will be accessible on almost all devices currently used to access the internet. In addition to popular and well known games that are already being played on line by tens of millions of people around the world, Game Face will be launching its own in- house developed games.

NOTE 2 - SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The Company is currently a development stage enterprise reporting under the provisions of FASB ASC 915, Development Stage Entity. The financial statements have been prepared on the accrual basis of accounting in conformity accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents
For purposes of the cash flow statements, the company considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents. At December 31, 2011 the company did not have any balances that exceeded FDIC insurance limits.

Property and Equipment
Property and equipment is stated at cost. Depreciation and amortization expense is computed using principally accelerated methods over the estimated useful life of the related assets ranging from 3 to 7 years. When assets are sold or retired, their costs and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of operations.

The Company recognizes an impairment loss on property and equipment when evidence, such as the sum of expected future cash flows (undiscounted and without interest charges), indicates that future operations will not produce sufficient revenue to cover the related future costs, including depreciation, and when the carrying amount of the asset cannot be realized through sale. Measurement of the impairment loss is based on the fair value of the assets.

Long-Lived Assets
Long-lived assets such as intangible assets other than goodwill, furniture, equipment and leasehold improvements are evaluated for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of asset groups to be held and used is measured by a comparison of the carrying amount of an asset group to estimated undiscounted future cash flows expected to be generated by the asset group. If the carrying amount exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of an asset group exceeds the fair value of the asset group. The Company evaluated its long-lived assets and no impairment charges were recorded for any of the periods presented.

Earnings (Loss) per Share
The Company adopted FASB ASC 260, Earnings per Share. Basic earnings (loss) per share is calculated by dividing the Company's net income available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share is calculated by dividing the Company's net income (loss) available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted as of the first of the year for any potentially dilutive debt or equity. There were no diluted or potentially diluted shares outstanding for all periods presented.

Software Development Costs
The Company accounts for costs incurred to develop computer software for internal use in accordance with FASB ASC 350-40 “Internal-Use Software”. As required by ASC 350-40, the Company capitalizes the costs incurred during the application development stage, which include costs to design the software configuration and interfaces, coding, installation, and testing. Costs incurred during the preliminary project along with post-implementation stages of internal use computer software are expensed as incurred. Capitalized development costs are amortized over a period of one to three years. Costs incurred to maintain existing product offerings are expensed as incurred. The capitalization and ongoing assessment of recoverability of development costs requires considerable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility, and estimated economic life.

Dividends
The Company has not adopted a policy regarding payments of dividends. No dividends have been paid during the period presented and no payments are foreseen in the near future.

Income Taxes
The Company adopted FASB ASC 740, Income Taxes, at its inception. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carry forwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. No deferred tax assets or liabilities were recognized as of December 31, 2011.

Uncertain Tax Positions
The Company adopted the provisions of *Accounting for Uncertainty in Income Taxes (“Uncertain Tax Positions”)* of the ASC. *Uncertain Tax Positions* prescribes recognition thresholds that must be met before a tax position is recognized in the financial statements and provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Under “*Uncertain Tax Positions* ”, an entity may only recognize or continue to recognize tax positions that meet a ““more-than-likely-than-not” threshold. All related interest and penalties would be expensed as incurred. The Company has evaluated its tax position for the period ended December 31, 2011 and such evaluation did not require a material adjustment to the financial statements.

Advertising
The Company expenses advertising as incurred. For the years ended December 31, 2011 and 2010, advertising expense totaled $52,368 and $0, respectively.

Stock Based Compensation
The Company accounts for all stock based payments in accordance with ASC Topic 718, which requires the Company to measure all employee stock-based compensation awards using a fair value method and record the related expense in the financial statements. The Company utilizes the Black-Scholes model to estimate the value of options granted.

Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments
The carrying amounts of the Company's accounts payable, accrued expenses and notes payable approximate fair value due to the relatively short period to maturity for these instruments.

Concentration of Credit Risk
The Company's financial instruments that are exposed to the concentrations of credit risk consist primarily of cash and cash equivalents. The Company's places its cash with high quality institutions. At times, such investments may be in excess of the FDIC insurance limit. Cash and cash equivalents held in a bank may exceed federally insured limits at year end and at various points during the year.

The Company routinely assesses the financial strength of its customers and, as a consequence, believes that its trade accounts receivable credit risk exposure is limited.

Revenue Recognition
The company has adopted the following revenue recognition guidelines.

Sale of subscriptions
Revenue from sale of subscriptions is recognized when the following conditions are satisfied:
* The user properly registered with the website of the Company, and provided the Company with a valid proof of identity and address. Furthermore the Company had set up a valid user account for the user;
* The amount of revenue can be measured reliably;
* The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Whitepaper Solution income
Revenue from sale of Whitepaper Solutions is recognized when the following conditions are met:
* The contract for the solutions clearly specifies the price and payment options with the transfer of ownership;
* The Company is reasonably expected to complete the project in the time frame that the contract sets forth;
* As the milestones set forth in the contract are met, the Company will recognize revenue as set forth in the contract;
* As set forth in the contract the amount of revenue can be measured reliably;
* There is a reasonable belief that buyer is expected to pay the whole amount as the milestones are met.

Effect of recently issued accounting standards
The company has adopted all recently issued accounting pronouncements. The Adoption of the accounting pronouncements, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

NOTE 3 - INCOME TAXES:

Deferred tax attributes resulting from differences between financial accounting methods and tax basis of assets and liabilities at December 31, 2011 and December 31, 2010 are as follows (rounded to the nearest hundred):

	December 31, 2011	December 31, 2010
Noncurrent Assets:		
Net operating loss carry-forwards	$ 247,600	$ 9,600
Valuation Allowance	$ (247,600)	$ (9,600)
Net Deferred Tax Asset	$ 0	$ 0

At December 31, 2011, the Company had estimated net loss carry forwards of approximately $825,500 which expire between 2030 through 2031. Utilization of these net operating loss card forwards may be limited in accordance with IRC Section 382 in the event of certain shifts in ownership.

The reconciliation of federal statutory income tax rate to our effective income tax rate is as follows:

December 31, 2011	Amount	Percent
Book income at Federal Statutory Rate	$ (198,300)	25%
State Taxes, net of Federal Benefit	$ (39,700)	5%
Change in Valuation Allowances	$ 238,000	(30%)
	$ 0	0%

NOTE 4 - STOCKHOLDERS' EQUITY

Common Stock
On December 24, 2009, the Company issued 117,000,000 of its $0.0001 par value common stock at $0.001 per share for $6,000 cash and $3,000 in a subscription receivable to the founder of the Company. The issuance of the shares was made to the sole officer and director of the Company and an individual who is a sophisticated and accredited investor, therefore, the issuance was exempt from registration of the Securities Act of 1933 by reason of Section 4 (2) of that Act.

On May 26, 2010 the Company issued 15,600,000 common shares to investors in accordance with Form S-1 for cash in the amount of $12,000.

On February 22, 2011 the Company issued 22,666,667 common shares at $0.0001 par value and $0.0044 face value to Lemberg Consulting for their intellectual property and pending patents in the amount of $100,000.

On June 23, 2011 the Company issued 5,075,000 common shares at $0.0001 par value and $0.0044 face value to various “founding fathers” of the company for services rendered to the company in lieu of cash.

On August 17, 2011 the Company issued 250,000 common shares at $0.0001 par value and $0.25 face value as an inducement for the $100,000 note payable issued on that date. The value of the 250,000 common shares issued totaled $62,500.

On October 31, 2011 the Company issued 250,000 common shares at $0.0001 par value and $0.30 face value as an inducement for the $100,000 note payable issued on that date. The value of the 250,000 common shares issued totaled $75,000.

On January 6, 2011, the Board of Directors and majority shareholder of the Company approved an amendment to the Company's Articles of Incorporation (the "Amendment") to (i) affect a 13 for 1 forward stock split of the Company's issued and outstanding common stock in the form of a dividend. Accordingly there were 10,200,000 pre-split common shares and following the forward split there were 132,600,000 common shares issued and outstanding. All share amounts, including those stated above, have been adjusted to reflect the forward split. On February 10, 2011, Ron Warren, the principal shareholder and sole officer and director of the Company cancelled 104,666,667 of his own shares and on February 22, 2011 the Company issued an additional 22,666,667 shares in an intangible asset purchase.

There are 250,000,000 Common Shares at $0.0001 par value authorized with 56,175,000 shares issued and outstanding at December 31, 2011.

NOTE 5 – RELATED PARTY TRANSACTIONS

The officers and directors of the Company are involved in business activities outside of the company and may, in the future, become involved in other business opportunities that become available. They may face a conflict in selecting between the Company and other business interests. The Company has not formulated a policy for the resolution of such conflicts.

NOTE 6 - GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. For the period December 24, 2009 (date of inception) through December 31, 2011 the Company has had a net loss of $998,188. As of December 31, 2011, the Company has not emerged from the development stage. In view of these matters, recoverability of any asset amounts shown in the accompanying financial statements is dependent upon the Company's ability to begin operations and to achieve a level of profitability. Since inception, the Company has financed its activities from the sale of equity securities, and obtaining loans. The Company intends on financing its future development activities and its working capital needs largely from notes, loans and the sale of public equity securities, until such time that funds provided by operations, if ever, are sufficient to fund working capital requirements.

NOTE 7 – PROPERTY AND EQUIPMENT

	2011	2010
Computer hardware	$ 9,427	$ -
Source code	28,000	-
	37,427	-
Less accumulated depreciation and amortization	(2,357)	-
Property and Equipment (net)	$ 35,070	$ -
Depreciation and amortization expense	$ 2,357	$ -

During the year ended December 31, 2011 the company acquired $28,000 of source code for cash.

NOTE 8 - INTANGIBLE ASSETS

On February 22, 2011, the Company acquired from Lemberg Consulting an intangible asset worth $100,000 in a non-cash transaction for 22,666,667 shares of the Company. The company purchased future contracts and pending patents for a gaming system that incorporates voice and video into the gaming experience.

NOTE 9 - CONVERTIBLE DEBT

As of December 31, 2011 the bridge notes payable totaled $656,000. The bridge notes payable were offered by the company during 2011. The bridge notes payable consist of $275,000 of convertible debt and $381,000 of demand notes bearing interest at rates varying from 5.00% to 6.50% per annum.

The convertible debt payable was issued by the Company as follows:

On February 22, 2011 the Company issued convertible debt totaling $175,000, bearing a rate of 8% simple interest per annum. On December 14, 2011, $100,000 was repaid plus accrued interest of $6,466.The remaining Convertible debt of $75,000 in addition to accrued unpaid interest shall be due and payable on January 15, 2012. The principal amount and all unpaid interest accrued on this debt maybe converted by the greater of $0.25 per share or 50% of the average closing bid price of the Common stock on the OTC Bulletin Board, for the 10 trading days ending 5 days before the conversion date. On January 14, 2012, the maturity date was extended to April 15, 2012.

On June 22, 2011 the Company issued a convertible debt totaling $20,000, bearing a rate of 8.0% simple interest per annum. During December 2011, the principle was repaid in the amount of $20,000 plus $758 of accrued interest.

On August 17, 2011, the Company issued a convertible debt in amount of $100,000. The convertible debt bears a rate of 6.5% simple interest per annum. The principal and accrued unpaid interest shall be due and payable on January 15, 2012. As further inducement for the lender to advance the loan, the company granted the convertible debt holder the amount of 250,000 shares Common Stock. The principal amount and all unpaid interest accrued on this debt maybe converted by the greater of $0.05 per share or 50% of the average closing bid price of the Common stock on the OTC Bulletin Board, for the 10 trading days ending 5 days before the conversion date. On January 14, 2012, the maturity date was extended to April 15, 2012.

On October 31, 2011, the Company issued a convertible debt in amount of $100,000. The convertible debt bears a rate of 6.5% simple interest per annum. The principal and accrued unpaid interest shall be due and payable on January 15, 2012. As further inducement for the lender to advance the loan, the company granted the convertible debt holder the amount of 250,000 shares Common Stock. The principal amount and all unpaid interest accrued on this debt maybe converted by the greater of $0.05 per share or 50% of the average closing bid price of the Common stock on the OTC Bulletin Board, for the 10 trading days ending 5 days before the conversion date. On January 14, 2012, the maturity date was extended to April 15, 2012.

The following table illustrates the carrying value of the demand notes payable and convertible debt:

	December 31, 2011	December 31, 2010
Convertible Note	$ 275,000	$ -
Demand Notes	381,000	-
Discount on Convertible Note	(0)	-
Convertible Note, Net	656,000	-
Less: Current portion of convertible debt	(656,000)	-
Long term portion of convertible debt	$ -	$ -

The following tables illustrate the fair value adjustments that were recorded related to the derivative financial instruments associated with the convertible debenture financings:

	Year ended December 31, 2011			
Derivative income (expense):	Inception	Fair Value Adjustments	Redemptions	Total
Convertible debt	$ -	$ (178,070)	$ -	$ (178,070)
	$ -	$ (178,070)	$ -	$ (178,070)

The following table illustrates the components of derivative liabilities:

Balance at December 31, 2010	$ -
Change in fair value of derivative liability due to beneficial conversion feature	178,070
Debt redemption	-
Balance at December 31, 2011	$ 178,070

NOTE 10 – SUBSEQUENT EVENTS

The Company has evaluated all subsequent events from the balance sheet through March 14, 2012, which represents the date these financial statements are available to be issued.

On January 18, 2012 the Company secured additional financing through issuance of a 6% demand note payable in the amount of $85,000.

On February 27, 2012 the Company secured additional financing through the issuance of a Note Purchase Agreement, the total not to exceed $500,000. Each note will bear interest at 5% per annum and is payable within six months from the date of issuance or earlier from proceeds of a private offering or through a registration statement. As part of the agreement the Company granted the lender 1,000,000 shares of the Company's common stock. On February 27, 2012, the Company borrowed $85,000 and has $415,000 available on this financing agreement.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

There were no disagreements with accountants on accounting and financial disclosure of a type described in Item 304 (a)(1)(iv) or any reportable event as described in Item 304 (a)(1)(v) of Regulation S-K.

Item 9A. Controls and Procedures

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations.

Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended, as of December 31, 2011. Based on this evaluation, our principal executive officer and principal financial officer concluded that, based on the material weaknesses discussed below, our disclosure controls and procedures were not effective to ensure that information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act were recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Act Commission's rules and forms and that our disclosure controls are not effectively designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As of December 31, 2011 management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and SEC guidance on conducting such assessments. Based on that evaluation, they concluded that, during the period covered by this report, such internal controls and procedures were not effective to detect inappropriate application of US GAAP rules as more fully described below. This was due to deficiencies that existed in the design or operation of our internal controls over financial reporting that adversely affected our internal controls and that may be considered to be material weaknesses.

The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were: (1) lack of a functioning audit committee due to a lack of a majority of independent members and a lack of a majority of outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; (2) inadequate segregation of duties consistent with control objectives; and (3) ineffective controls over period end financial disclosure and reporting processes. The aforementioned material weaknesses were identified by our Officers in connection with the review of our financial statements as of December 31, 2011.

Management believes any of the matters noted above could result in a material misstatement in our financial statements in future periods.

MANAGEMENT'S REMEDIATION INITIATIVES

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we have initiated, or plan to initiate, the following series of measures:

We will create a position to segregate duties consistent with control objectives and will increase our personnel resources and technical accounting expertise within the accounting function when funds are available to us. And. we plan to appoint one or more outside directors to our board of directors who shall be appointed to an audit committee resulting in a full functioning audit committee who will undertake the oversight in the establishment and monitoring of required internal controls and procedures such as reviewing and approving estimates and assumptions made by management.

Management believes that the appointment of one or more outside directors, who shall be appointed to a fully functioning audit committee, will remedy the lack of a functioning audit committee and a lack of a majority of outside directors on our Board.

We anticipate that these initiatives will be at least partially, if not fully, implemented with the next 12 months. Additionally, we plan to test our updated controls and remediate our deficiencies by November 30, 2012.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There was no change in our internal controls over financial reporting that occurred during the period covered by this report, which has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Directors and Executive Officers

Directors and Executive Officers

Set forth below are the names, ages and present principal occupations or employment, and material occupations, positions, offices or employments for the past five years of our current directors and executive officers.

Name	Age	Position
Felix Elinson	43	President, Chief Executive Officer, CFO and Director
Irving Bader	72	Secretary and Director

Felix Elinson has been our President and Chief Executive Officer and a director since February 11, 2011. Mr. Elinson brings to the Company a wide array of experience with marketing, on-line expertise, a proficiency in on-line games and had vast experiences that are helpful to the Company. Since February 2008, Mr. Elinson has served as a Strategic Partner in Mega M LLC, a registered merchant services, credit card processing company in New York. From August 2003 to January 2008, Mr. Elinson served as the Chief Executive Officer of Fresh Start Management Consulting Corp. where he was involved in various types of international commodity trading transactions. From August 2000 to July 2003, Mr. Elinson worked as an independent consultant. From May 1993 to July 2000, Mr. Elinson worked for futures and commodity firms as a Senior Sales Manager and trader such as Tran World Metals (cotton division, 1993-1997) and ICG (International Commodity Trading Group, Futures Division, 1998-2000).

Irving Bader has been Secretary and a director of the Company since February 11, 2011. Mr. Bader brings many years of management, organizational and marketing skills to the Company. From 1973 to present, Mr. Bader has been the owner and a director of the Seneca Lake Camp, an organization engaged in providing summer outdoor sporting activities for children ages 7 to 18. From 2002 to present, Mr. Bader has been the director and anchor for the Jewish Sport Network and from 2005 to present he has been the director of Athletics and an Associate Professor of Physical Education at Touro College. Mr. Bader is also the author of “A Pre-School P.E. Curriculum-An Adaptive Approach and “Motor Education for Retarded and Other Handicapped Children".

There are no familial relationships among any of our officers or directors, except that Irving Bader is the father-in-law of Yitz Grossman, one of our consultants. None of our directors or officers has been affiliated with any company that has filed for bankruptcy within the last ten years. We are not aware of any proceedings to which any of our officers or directors, or any associate of any such officer or director, is a party adverse to us or any of our or has a material interest adverse to us or any of our subsidiaries.

Each director of the Company serves for a term of one year or until such director’s successor is duly elected and is qualified. Each officer serves, at the pleasure of the board of directors, for a term of one year and until such officer’s successor is duly elected and is qualified.

Code of Ethics; Financial Expert

We currently have a Code of Ethics applicable to our principal executive, financial and accounting officers. We currently do not have a "financial expert" on the board or an audit committee or nominating committee.

Potential Conflicts of Interest

Since we do not have an audit or compensation committee comprised of independent directors, the functions that would have been performed by such committees are performed by our directors. Thus, there is a potential conflict of interest in that our directors and officers have the authority to determine issues concerning management compensation and audit issues that may affect management decisions. We are not aware of any other conflicts of interest with any of our executives or directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires executive officers and directors of the Company and persons who own more than 10% of a registered class of the Company's equity securities to file reports of ownership and changes in their ownership with the Securities and Exchange Commission, and forward copies of such filings to the Company. Based solely on our review of copies of such reports and representations from our executive officers and directors, we believe that our executive officers and directors complied with all Section 16(a) filing requirements during the fiscal year ended December 31, 2011.

Involvement in Certain Legal Proceedings

There are no legal proceedings that have occurred within the past ten years concerning our directors, or control persons which involved a criminal conviction, a criminal proceeding, an administrative or civil proceeding limiting one's participation in the securities or banking industries, or a finding of securities or commodities law violations.

Item 11. Executive Compensation.

Summary Compensation

The table below sets forth information concerning compensation paid, earned or accrued by our chief executive officer and each of our executive officers (each a "Named Executive Officer") for the last two fiscal years. No other executive officer earned compensation in excess of $100,000 during our 2011 fiscal year.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($) (10) (11)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Felix Elinson President and Chief Executive Officer	2011	53,063			0	-0	0	0	
Irving Bader Secretary	2011				0	-0	0	0	

In connection with our asset acquisition on February 22, 2011, we entered into an employment agreement with Felix Elinson, pursuant to which Mr. Elinson became employed as our Chief Executive Officer. As Chief Executive Officer, Mr. Elinson is responsible for developing our business strategies, policies and operations, as well as such duties consistent with his position as the principal executive offer of the Company. In consideration for his services, Mr. Elinson is compensated with a monthly salary of $7,200, payable paid bi-monthly on the first and fifteenth business day of each month. Commencing upon the earlier to occur of the consummation of an equity financing of $1,000,000 or the first full month in which we have 15,000 paying subscribers, his compensation will increase to $12,000 per month. Mr. Elinson has agreed not to compete with the Company during the term of his employment and for a period of one and a half years thereafter. Mr. Elinson also agreed not to disclose confidential information. Although the agreement is on a month to month basis, we may terminate Mr. Elinson for cause at any time immediately upon written notice and should he be terminated, he is entitled to compensation accrued through the date of termination.

Since our incorporation on December 24, 2009, no stock options or stock appreciation rights were granted to our directors or executive officers and our directors or executive officers have not exercised any stock options or stock appreciation rights, and do not hold any unexercised stock options. We have no long-term incentive plans.

Outstanding Equity Awards

Our directors or executive officers do not hold any unexercised options, stock that had not vested, or equity incentive plan awards.

Compensation of Directors

Since our incorporation on December 24, 2009, no compensation has been paid to our directors in consideration for their services rendered in their capacities as directors.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table lists, as of March 14, 2012, the number of shares of our common stock that are beneficially owned by (i) each person or entity known to us to be the beneficial owner of more than 5% of our common stock; (ii) each executive officer and director of our company; and (iii) all executive officers and directors as a group. Information relating to beneficial ownership of Common Stock by our principal shareholders and management is based upon information furnished by each person using "beneficial ownership" concepts under the rules of the Securities and Exchange Commission. Under these rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or direct the voting of the security, or investment power, which includes the power to vote or direct the voting of the security. The person is also deemed to be a beneficial owner of any security of which that person has a right to acquire beneficial ownership within 60 days. Under the Securities and Exchange Commission rules, more than one person may be deemed to be a beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which he or she may not have any pecuniary beneficial interest. Except as noted below, each person has sole voting and investment power.

The percentages below are calculated based on 57,175,000shares of our common stock issued and outstanding as of March 14, 2012. Unless otherwise indicated, the address of each person listed is c/o Game Face Gaming, Inc., 20 East Sunrise Highway, Valley Stream, NY 11581.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Felix Elinson (1) 2928 West 5th Street Brooklyn, NY 11224	11,333,333	19.82%
Irving Bader (2)	11,333,333	19.82%
Punim Chadoshos, LLC	11,333,333	19.82%
Elina Leonova (3) 319 East 24th Street New York, NY 10010	11,333,334	19.82%
Directors and officers as a group (2 persons)	22,666,666	39.6%

(1) Mr. Elinson is President and Chief Executive Officer and a director of the Company.
(2) Mr. Bader is Secretary and a director of the Company, and is the trustee of the CPT 2011 Trust which owns all of the membership interests of Punim Chadoshos, LLC, a New York limited liability company.
(3) Mrs. Leonova is the wife of Alex Lemberg, a consultant to the Company.

Punim Chadoshos, LLC has granted a proxy to Alex Lemberg to vote its shares effective upon the Company paying in full and satisfying all its obligations pursuant to the $300,000 private placement offering.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

On February 22, 2011 we issued 22,666,667 to Lemberg Consulting Inc. in consideration of the intellectual rights relating to operating multi-platform, multiplayer non-wagering, non-games of chance. On February 28, 2011, Lemberg Consulting transferred 11,333,334 of said shares to Elina Leonova, the wife of Alex Lemberg, a consultant to the Company, and 11,333,333 shares to Felix Elinson, our President and Chief Executive Officer and a director.

On February 22, 2011, Punim Chadoshos, LLC a shareholder holding 19.82% of our issued and outstanding stock, executed a non-competition/confidentiality agreement with the Company. Punim Chadoshos has granted a proxy to Alex Lemberg to vote its shares effective upon the Company paying in full and satisfying all its obligations pursuant to the $300,000 private placement offering.

Alex Lemberg, a consultant to the Company, is married to Elina Leonova, who holds 19.82% of our issued and outstanding stock. Punim Chadoshos has granted Mr. Lemberg a proxy to vote its shares effective upon the Company paying and satisfying in full all its obligations pursuant to its $300,000 convertible notes private placement offering.

On October 25, 2011, we issued a Demand Note in the principal amount of $25,000 to BSF, LLC. Lisa Grossman, wife of our consultant, Yitz Grossman, is a managing member k of BSF, LLC.

On each of November 30, 2011, December 12, 2011 and December 14, 2011, the Company issued a Demand Note in the principal amount of $25,000, $75,000 and $106,000, respectively, to each of Arevim, Inc., BFSF, LLC and BSF II, LLC respectively. The Demand Notes bear interest at 6% per annum and can be prepaid by the Company without penalty. If the Demand Notes and accrued interest thereon are not paid within 10 days of demand, the interest rate will increase to 12% retroactive to the date of issuance of the Demand Note. All principal and accrued interest on the Demand Notes are convertible into shares of the Company's common stock at the election of the holder at a conversion price per share equal to the lower of (i) $0.10 and (ii) the closing bid price on the date of conversion. If the Company fails to timely pay the Demand Note and accrued interest, it will be required to issue to the holder 20,000 shares, (for the first 30 days), 50,000 shares (for day 31 through 60) and 1,000,000 shares thereafter of its common stock per day. Lisa Grossman, is a managing member of BFSF, LLC and BSF II, LLC. She is the wife of Yitz Grossman, a consultant to the Company, and president of Arevim and a managing member of BFSF, LLC.

On January 18, 2012, the Company issued the BSF II Note in the principal amount of $85,000 to BSF II LLC. The BSF II Note is payable upon demand at any time after February 15, 2012. The BSF II Note bears interest at 6% per annum and can be prepaid by the Company without premium or penalty. Lisa Grossman, is a managing member of BSF II, LLC. She is the wife of Yitz Grossman, a consultant to the Company.

On February 22, 2011, we entered into a Consulting Agreement with Yitz Grossman pursuant to which he was retained as a consultant to advise us on corporate development and introduce the Company to some of his contacts which may have an interest in investing in the Company. The term of the Agreement is for a period of three years and will automatically be extended for an additional three years should we raise at least $3,000,000 gross capital. We agreed to compensate Mr. Grossman with the monthly sum of $10,000 to be paid bi-monthly on the first and fifteenth business day of each month, said payments to commence upon the earlier of the consummation of an equity financing of $2,000,000 or the first full month in which we have 15,000 paying subscribers. Mr. Grossman has also agreed not to compete with the Company during the term of his consultancy and for a period of one and a half years thereafter. Mr. Grossman has also agreed to not to disclosed confidential information. We have the right to terminate him for cause at any time immediately upon written notice and should he be terminated, he is entitled to compensation accrued through the date of termination.

Director Independence

We are not subject to listing requirements of any national securities exchange or national securities association and, as a result, we are not at this time required to have our board comprised of a majority of "independent directors." We do not believe that any of our directors currently meet the definition of "independent" as promulgated by the rules and regulations of the American Stock Exchange.

Item 14. Principal Accounting Fees and Services.

Our principal independent accountant is Lake and Associates CPAs. Their pre-approved fees billed to the Company are set forth below:

	Fiscal Year Ended December 31, 2010	Fiscal Year Ended December 31, 2011
Audit Fees	$ 4,450	$ 16,250
Audit Related Fees	$ 0	$ 0
Tax Fees	$ 0	$ 0
All Other Fees	$ 0	$ 0

As of December 31, 2011, the Company did not have a formal documented pre-approval policy for the fees of the principal accountant. The Company does not have an audit committee. The percentage of hours expended on the principal accountant's engagement to audit our financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was 0%.

PART IV

Item 15. Exhibits. Financial Statement Schedules.

Exhibit	Document
3.1	Certificate of Incorporation of Registrant (filed as Exhibit 3.3 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on February 2, 2010 and incorporated herein by reference)
3.2	By-Laws of Registrant (filed as Exhibit 3.2 the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on February 2, 2010 and incorporated herein by reference)
3.3	Form of Articles of Amendment to the Articles of Incorporation as filed with the Secretary of State of Florida on January 7, 2011 (filed as Exhibit 3.3 to Current Report on Form 8-K filed with the Securities and Exchange Commission on January 25, 2011 and incorporated herein by reference)
4.1	Form of Convertible Promissory Note (filed as Exhibit 4.2 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 4, 2011 and incorporated herein by reference)
4.2	Form of Form of Modification and Extension Agreement, dated October 22, 2011 (filed as Exhibit 4.3 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
4.3	Form of Form of Modification and Extension Agreement, dated January 14, 2011(filed as Exhibit 4.4 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
4.4	Amendment to Note dated October 31, 2011, dated December 14, 2011(filed as Exhibit 4.5 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
4..5	Second Amendment to Note dated August 17, 2011, dated December 14, 2011(filed as Exhibit 4.6 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
4.6	Second Amendment to Note dated October 31, 2011, dated January 14, 2012(filed as Exhibit 4.7 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
4.7	Third Amendment to Note dated August 17, 2011, dated January 14, 2012(filed as Exhibit 4.8 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
4.8	Form of Demand Promissory Note (filed as Exhibit 4.9 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)

4.9	Demand Promissory Note, dated January 18, 2012 issued to BSF II LLC (filed as Exhibit 4.10 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
4.10	Promissory Note, dated February 27, 2012, issued to Corporate Debt Consultants LLC (filed as Exhibit 4.11to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
10.1	Asset Purchase Agreement dated February 22, 2011 between Game Face Gaming, Inc. and Lemberg Consulting Inc. (filed a Exhibit 10.1 to Current Report filed with the Securities and Exchange Commission on February 28, 2011 and incorporated herein by reference)
10.2	Employment Agreement dated February 22, 2011 between Game Face Gaming, Inc. and Felix Elinson (filed a Exhibit 10.2 to Current Report filed with the Securities and Exchange Commission on February 28, 2011 and incorporated herein by reference)
10.3	Consulting Agreement dated February 22, 2011 between Game Face Gaming, Inc. and Yitz Grossman (filed a Exhibit 10.3 to Current Report filed with the Securities and Exchange Commission on February 28, 2011 and incorporated herein by reference)
10.4	Consulting Agreement dated February 22, 2011 between Game Face Gaming, Inc., Lemberg Consulting, Inc. and Alex Lemberg (filed a Exhibit 10.4 to Current Report filed with the Securities and Exchange Commission on February 28, 2011 and incorporated herein by reference)
10.5	Non-Competition Agreement dated February 22, 2011 between Game Face Gaming, Inc. and Punim Chadoshos, LLC. (filed a Exhibit 10.5 to Current Report filed with the Securities and Exchange Commission on February 28, 2011 and incorporated herein by reference)
10.6	Proxy executed by Punim Chadoshos, LLC. (filed a Exhibit 10.6 to Current Report filed with the Securities and Exchange Commission on February 28, 2011 and incorporated herein by reference)
10.7	Contract Agreement dated November 19, 2009 between Icreon Communications (P) Ltd. and Lemberg Consulting Inc. (filed a Exhibit 10.8 to Current Report filed with the Securities and Exchange Commission on February 28, 2011 and incorporated herein by reference)
10.8	Form of Convertible Note Purchase Agreement (filed a Exhibit 10.8 to Current Report filed with the Securities and Exchange Commission on March 4, 2011 and incorporated herein by reference)
10.9	Poker License Agreement dated March 1, 2011 between Game Face Gaming, Inc. and Atlas Software USA Inc. (filed a Exhibit 10.9 to Current Report filed with the Securities and Exchange Commission on March 4, 2011 and incorporated herein by reference)
10.9.1	Modification and Extension Agreement dates ad of April 15, 2011 between Game Face Gaming, Inc. and Atlas Software USA Inc.
10.10	Poker License Agreement dated March 3, 2011 between Game Face Gaming, Inc. and Prodigious Capital Group LLC. (filed a Exhibit 10.10 to Current Report filed with the Securities and Exchange Commission on March 4, 2011 and incorporated herein by reference)
10.10.1	Modification and Extension Agreement dates ad of April 15, 2011 between Game Face Gaming, Inc. and Prodigious Capital Group LLC

10.11	Subscription Documents and Procedures (filed as Exhibit 99.1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on February 2, 2010 and incorporated herein by reference)
10.12	Note Purchase Agreement, dated February 27, 2012 between the Company and Corporate Debt Consultants LLC (filed as Exhibit 10.12to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
10.13	Amendment to Note Purchase Agreement, dated February 27, 2012 between the Company and Corporate Debt Consultants LLC (filed as Exhibit 10.13 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
10.14	Letter Agreement, dated February 27, 2012, between the Company and Corporate Debt Consultants LLC (filed as Exhibit 10.14 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
10.15	Addendum to Note Purchase Agreement, dated February 27, 2012, between the Company and Corporate Debt Consultants LLC (filed as Exhibit 10.15 to Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2012 and incorporated herein by reference)
14.1	Code of Ethics ((filed as Exhibit 14.1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on February 2, 2010 and incorporated herein by reference)
31	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002 (filed herewith)
32	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 , the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FACE UP ENTERTAINMENT GROUP, INC.

Dated: December 17, 2012

By: */s/ Felix Elinson*
Felix Elinson
President, Chief Executive Officer, and Director
(Principal Executive, Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Ac of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: December 17, 2012

By: */s/ Felix Elinson*
Felix Elinson
President, Chief Executive Officer, and Director
(Principal Executive, Financial and Accounting Officer)

Dated: December 17 2012

By: */s/ Irving Bader*
Irving Bader
Secretary and Director

EXHIBIT 31

CERTIFICATION OF
PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER PURSUANT TO
SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002

I, Felix Elinson , certify that:

1. I have reviewed the annual report on Form 10-K/A of Face Up Entertainment Group, Inc. f/k/a Game Face Gaming, Inc.(the "registrant") for the year ended December 31, 2011;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s), and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s), and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 17, 2012

By: */s/ Felix Elinson*

Felix Elinson
President, Chief Executive Officer and Director
(Principal Executive, Financial and Accounting Officer)

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Felix Elinson , the President, Chief Executive Officer, and Director of Face Up Entertainment Group, Inc. f/k/a Game Face Gaming, Inc. (the "Registrant"), certifies, under the standards set forth and solely for the purposes of 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge, the Annual Report on Form 10-K/A of the Registrant for the year ended December 31, 2011 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in that Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: December 17, 2012

By: */s/ Felix Elinson*

Felix Elinson
President, Chief Executive Officer, and Director
(Principal Executive, Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

15-12G 1 fueg_15 htm 15-12G

OMB APPROVAL
OMB Number: 3235-0167
Expires: December 31, 2014
Estimated average burden hours per response 1.50

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 15

CERTIFICATION AND NOTICE OF TERMINATION OF REGISTRATION UNDER SECTION 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934 OR SUSPENSION OF DUTY TO FILE REPORTS UNDER SECTIONS 13 AND 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

Commission File Number **000-54415**

Face up Entertainment Group

(Exact name of registrant as specified in its charter)

20 EAST SUNRISE HIGHWAY #202 VALLEY STREAM NEW YORK 11581 (516) 303-8100
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

COMMON STOCK
(Title of each class of securities covered by this Form)

(Titles of all other classes of securities for which a duty to file reports under section 13(a) or 15(d) remains)
NONE

Please place an X in the box(es) to designate the appropriate rule provision(s) relied upon to terminate or suspend the duty to file reports:

Rule 12g-4(a)(1)	☒
Rule 12g-4(a)(2)	☐
Rule 12h-3(b)(1)(i)	☐
Rule 12h-3(b)(1)(ii)	☐
Rule 15d-6	☐

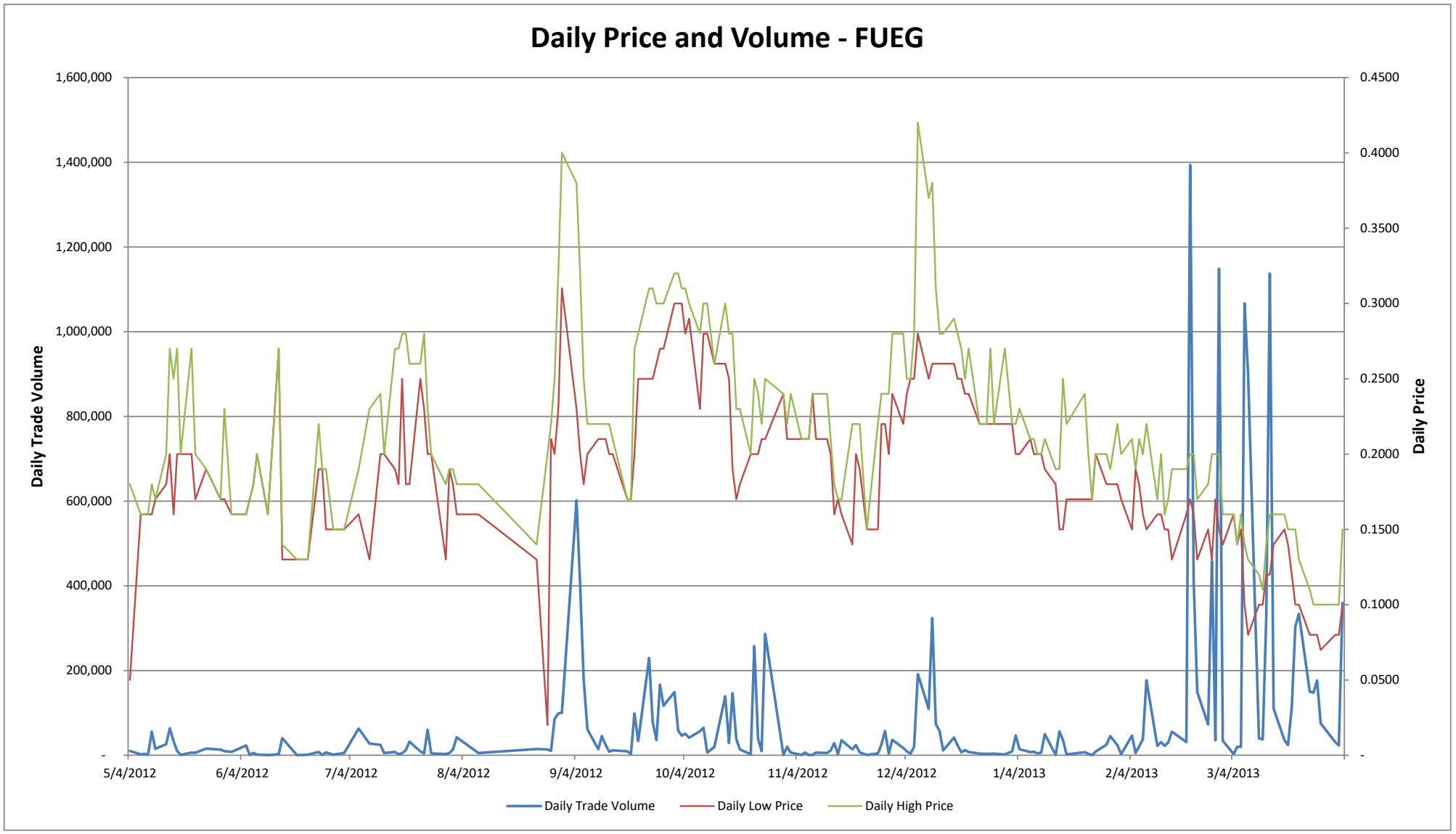
Approximate number of holders of record as of the certification or notice date: 45

Pursuant to the requirements of the Securities Exchange Act of 1934 *(Name of registrant as specified in charter)* has caused this certification/notice to be signed on its behalf by the undersigned duly authorized person.
Date: 5-14-2013 By: /s/ FELIX ELINSON

Instruction: This form is required by Rules 12g-4, 12h-3 and 15d-6 of the General Rules and Regulations under the Securities Exchange Act of 1934. The registrant shall file with the Commission three copies of Form 15, one of which shall be manually signed. It may be signed by an officer of the registrant, by counsel or by any other duly authorized person. The name and title of the person signing the form shall be typed or printed under the signature.

SEC2069(02-08) **Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

EXHIBIT F



Date	Open	High	Low	Close	Volume
5/4/2012	0.0500	0.1800	0.0500	0.1400	9,984
5/7/2012	0.1600	0.1600	0.1600	0.1600	1,735
5/8/2012	0.1600	0.1600	0.1600	0.1600	3,365
5/9/2012	0.1600	0.1600	0.1600	0.1600	1,435
5/10/2012	0.1600	0.1800	0.1600	0.1600	55,650
5/11/2012	0.1700	0.1700	0.1700	0.1700	15,000
5/14/2012	0.1800	0.2000	0.1800	0.2000	26,000
5/15/2012	0.2000	0.2700	0.2000	0.2500	63,527
5/16/2012	0.2000	0.2500	0.1600	0.2400	33,605
5/17/2012	0.2000	0.2700	0.2000	0.2700	10,300
5/18/2012	0.2000	0.2000	0.2000	0.2000	1,000
5/21/2012	0.2000	0.2700	0.2000	0.2000	5,998
5/22/2012	0.1700	0.2000	0.1700	0.1900	5,499
5/25/2012	0.1900	0.1900	0.1900	0.1900	15,500
5/29/2012	0.1700	0.1700	0.1700	0.1700	13,000
5/30/2012	0.1700	0.2300	0.1700	0.2300	9,500
6/1/2012	0.1600	0.1600	0.1600	0.1600	7,500
6/5/2012	0.1600	0.1600	0.1600	0.1600	23,000
6/6/2012	0.1700	0.1700	0.1700	0.1700	1,000
6/7/2012	0.1800	0.1800	0.1800	0.1800	5,000
6/8/2012	0.2000	0.2000	0.2000	0.2000	2,000
6/11/2012	0.1600	0.1600	0.1600	0.1600	212
6/14/2012	0.2700	0.2700	0.2700	0.2700	2,500
6/15/2012	0.1300	0.1400	0.1300	0.1400	40,212
6/19/2012	0.1300	0.1300	0.1300	0.1300	200
6/20/2012	0.1300	0.1300	0.1300	0.1300	300
6/22/2012	0.1300	0.1300	0.1300	0.1300	1,150
6/25/2012	0.2200	0.2200	0.1900	0.1900	7,550
6/26/2012	0.1900	0.1900	0.1900	0.1900	850
6/27/2012	0.1900	0.1900	0.1500	0.1500	6,833
6/29/2012	0.1500	0.1500	0.1500	0.1500	1,500
7/2/2012	0.1500	0.1500	0.1500	0.1500	5,000
7/6/2012	0.1900	0.1900	0.1600	0.1900	63,000
7/9/2012	0.1900	0.2300	0.1300	0.2300	27,574
7/12/2012	0.2000	0.2400	0.2000	0.2400	24,500
7/13/2012	0.2000	0.2000	0.2000	0.2000	5,262
7/16/2012	0.1900	0.2700	0.1900	0.2700	7,731
7/17/2012	0.1800	0.2700	0.1800	0.2700	2,100
7/18/2012	0.2700	0.2800	0.2500	0.2800	4,500
7/19/2012	0.1800	0.2800	0.1800	0.2800	12,000
7/20/2012	0.2000	0.2600	0.1800	0.2600	32,000
7/23/2012	0.2600	0.2600	0.2500	0.2500	9,050
7/24/2012	0.2800	0.2800	0.2300	0.2300	4,141
7/25/2012	0.2300	0.2300	0.2000	0.2200	60,200
7/26/2012	0.2000	0.2000	0.2000	0.2000	4,400
7/30/2012	0.1300	0.1800	0.1300	0.1800	3,000
7/31/2012	0.1900	0.1900	0.1900	0.1900	5,000
8/1/2012	0.1900	0.1900	0.1800	0.1800	13,500
8/2/2012	0.1800	0.1800	0.1600	0.1600	42,500
8/8/2012	0.1800	0.1800	0.1600	0.1800	5,000
8/24/2012	0.1300	0.1400	0.1300	0.1300	14,688
8/27/2012	0.2000	0.2000	0.0200	0.2000	13,812
8/28/2012	0.2100	0.2200	0.2100	0.2100	10,270
8/29/2012	0.2100	0.2500	0.2000	0.2500	85,600
8/30/2012	0.2400	0.3200	0.2300	0.3200	98,516
8/31/2012	0.3100	0.4000	0.3100	0.3600	100,267
9/4/2012	0.3800	0.3800	0.2300	0.2600	601,573
9/5/2012	0.3000	0.3200	0.2000	0.2500	403,768
9/6/2012	0.2400	0.2500	0.1800	0.2200	180,668
9/7/2012	0.2000	0.2200	0.2000	0.2200	61,072
9/10/2012	0.2100	0.2200	0.2100	0.2200	13,900
9/11/2012	0.2100	0.2200	0.2100	0.2100	45,218

Date	Open	High	Low	Close	Volume
9/12/2012	0.2100	0.2200	0.2100	0.2200	24,517
9/13/2012	0.2000	0.2200	0.2000	0.2100	8,238
9/14/2012	0.2100	0.2100	0.2000	0.2000	11,582
9/18/2012	0.1700	0.1700	0.1700	0.1700	9,025
9/19/2012	0.1700	0.1700	0.1700	0.1700	2,541
9/20/2012	0.2600	0.2700	0.2000	0.2600	98,333
9/21/2012	0.2600	0.2800	0.2500	0.2800	33,418
9/24/2012	0.2800	0.3100	0.2500	0.2800	229,229
9/25/2012	0.3000	0.3100	0.2500	0.2700	78,626
9/26/2012	0.2900	0.3000	0.2600	0.2800	35,603
9/27/2012	0.2900	0.3000	0.2700	0.2800	166,914
9/28/2012	0.2800	0.3000	0.2700	0.3000	116,703
10/1/2012	0.3000	0.3200	0.3000	0.3200	148,968
10/2/2012	0.3200	0.3200	0.3000	0.3100	58,252
10/3/2012	0.3100	0.3100	0.3000	0.3000	46,085
10/4/2012	0.3000	0.3100	0.2800	0.3000	50,690
10/5/2012	0.3000	0.3000	0.2900	0.2900	41,083
10/8/2012	0.2400	0.2800	0.2300	0.2800	56,798
10/9/2012	0.2800	0.3000	0.2800	0.2800	64,861
10/10/2012	0.2800	0.3000	0.2800	0.3000	6,405
10/12/2012	0.2600	0.2600	0.2600	0.2600	19,580
10/15/2012	0.2600	0.3000	0.2600	0.2800	138,938
10/16/2012	0.2800	0.2800	0.2500	0.2800	29,093
10/17/2012	0.2800	0.2800	0.1900	0.2600	146,548
10/18/2012	0.2200	0.2300	0.1700	0.1800	38,000
10/19/2012	0.1800	0.2300	0.1800	0.1800	13,400
10/22/2012	0.2000	0.2000	0.2000	0.2000	2,200
10/23/2012	0.2500	0.2500	0.2000	0.2400	257,669
10/24/2012	0.2400	0.2400	0.2000	0.2400	38,888
10/25/2012	0.2100	0.2200	0.2100	0.2200	9,483
10/26/2012	0.2400	0.2500	0.2100	0.2400	286,690
10/31/2012	0.2400	0.2400	0.2400	0.2400	970
11/1/2012	0.2100	0.2200	0.2100	0.2100	20,000
11/2/2012	0.2100	0.2400	0.2100	0.2400	6,209
11/5/2012	0.2100	0.2100	0.2100	0.2100	1,000
11/6/2012	0.2100	0.2100	0.2100	0.2100	6,444
11/7/2012	0.2100	0.2100	0.2100	0.2100	250
11/8/2012	0.2400	0.2400	0.2400	0.2400	1,000
11/9/2012	0.2400	0.2400	0.2100	0.2100	6,325
11/12/2012	0.2400	0.2400	0.2100	0.2100	5,400
11/13/2012	0.2100	0.2100	0.2000	0.2000	11,031
11/14/2012	0.1600	0.1800	0.1600	0.1700	28,400
11/15/2012	0.1700	0.1700	0.1700	0.1700	2,940
11/16/2012	0.1600	0.1700	0.1600	0.1700	35,162
11/19/2012	0.1700	0.2200	0.1400	0.2000	13,750
11/20/2012	0.2000	0.2200	0.2000	0.2200	23,985
11/21/2012	0.2200	0.2200	0.1900	0.1900	6,600
11/23/2012	0.1500	0.1500	0.1500	0.1500	1,000
11/26/2012	0.1500	0.2200	0.1500	0.2200	4,250
11/27/2012	0.2200	0.2400	0.2200	0.2400	25,676
11/28/2012	0.2400	0.2400	0.2200	0.2400	57,030
11/29/2012	0.2400	0.2400	0.2000	0.2000	3,700
11/30/2012	0.2400	0.2800	0.2400	0.2800	36,550
12/3/2012	0.2200	0.2800	0.2200	0.2400	17,250
12/4/2012	0.2400	0.2500	0.2400	0.2500	9,300
12/5/2012	0.2500	0.2500	0.2500	0.2500	3,950
12/6/2012	0.2500	0.2800	0.2500	0.2800	20,125
12/7/2012	0.2800	0.4200	0.2800	0.3900	191,358
12/10/2012	0.3600	0.3700	0.2500	0.2900	109,220
12/11/2012	0.3800	0.3800	0.2600	0.3000	323,796
12/12/2012	0.3000	0.3100	0.2600	0.2700	73,380
12/13/2012	0.2600	0.2800	0.2600	0.2800	56,901

Date	Open	High	Low	Close	Volume
12/14/2012	0.2800	0.2800	0.2600	0.2600	11,100
12/17/2012	0.2600	0.2900	0.2600	0.2800	41,944
12/18/2012	0.2600	0.2800	0.2500	0.2500	23,700
12/19/2012	0.2500	0.2700	0.2500	0.2700	6,910
12/20/2012	0.2500	0.2500	0.2400	0.2400	12,000
12/21/2012	0.2700	0.2700	0.2400	0.2700	7,850
12/24/2012	0.2200	0.2200	0.2200	0.2200	3,700
12/26/2012	0.2200	0.2200	0.2200	0.2200	3,238
12/27/2012	0.2700	0.2700	0.2200	0.2200	3,450
12/28/2012	0.2200	0.2200	0.2200	0.2200	3,800
12/31/2012	0.2200	0.2700	0.2200	0.2200	2,000
1/2/2013	0.2200	0.2200	0.2200	0.2200	8,994
1/3/2013	0.2200	0.2200	0.2000	0.2000	46,796
1/4/2013	0.2000	0.2300	0.2000	0.2100	14,300
1/7/2013	0.2100	0.2100	0.2100	0.2100	7,000
1/8/2013	0.2100	0.2100	0.2000	0.2000	8,300
1/9/2013	0.2000	0.2000	0.2000	0.2000	4,375
1/10/2013	0.2000	0.2000	0.2000	0.2000	6,355
1/11/2013	0.2000	0.2100	0.1900	0.2100	49,715
1/14/2013	0.1900	0.1900	0.1800	0.1800	600
1/15/2013	0.1900	0.1900	0.1500	0.1500	56,140
1/16/2013	0.1500	0.2500	0.1500	0.2400	35,999
1/17/2013	0.1700	0.2200	0.1700	0.2200	1,590
1/22/2013	0.2400	0.2400	0.1700	0.1700	7,250
1/23/2013	0.1700	0.2000	0.1700	0.2000	3,200
1/24/2013	0.1700	0.1700	0.1700	0.1700	200
1/25/2013	0.2000	0.2000	0.2000	0.2000	8,500
1/28/2013	0.1800	0.2000	0.1800	0.1900	25,175
1/29/2013	0.1900	0.1900	0.1800	0.1800	45,000
1/31/2013	0.1800	0.2200	0.1800	0.1800	24,032
2/1/2013	0.1700	0.2000	0.1700	0.2000	2,250
2/4/2013	0.1700	0.2100	0.1500	0.1800	46,126
2/5/2013	0.1900	0.1900	0.1900	0.1900	5,000
2/6/2013	0.2000	0.2100	0.1800	0.1800	20,455
2/7/2013	0.1800	0.2000	0.1600	0.2000	37,580
2/8/2013	0.2000	0.2200	0.1500	0.1700	177,296
2/11/2013	0.1700	0.1700	0.1600	0.1600	22,125
2/12/2013	0.2000	0.2000	0.1600	0.1700	30,748
2/13/2013	0.1600	0.1600	0.1500	0.1500	22,102
2/14/2013	0.1600	0.1700	0.1500	0.1700	29,750
2/15/2013	0.1500	0.1900	0.1300	0.1900	55,465
2/19/2013	0.1900	0.1900	0.1600	0.1600	30,704
2/20/2013	0.1700	0.2000	0.1700	0.1900	1,393,722
2/21/2013	0.2000	0.2000	0.1600	0.1800	408,173
2/22/2013	0.1700	0.1700	0.1300	0.1500	149,349
2/25/2013	0.1500	0.1800	0.1500	0.1600	72,234
2/26/2013	0.1600	0.2000	0.1300	0.1800	458,200
2/27/2013	0.2000	0.2000	0.1700	0.1800	35,300
2/28/2013	0.1900	0.2000	0.1500	0.1600	1,148,515
3/1/2013	0.1600	0.1600	0.1400	0.1600	34,401
3/4/2013	0.1600	0.1600	0.1600	0.1600	2,580
3/5/2013	0.1400	0.1400	0.1400	0.1400	19,916
3/6/2013	0.1600	0.1600	0.1500	0.1500	19,750
3/7/2013	0.1400	0.1400	0.1000	0.1200	1,066,914
3/8/2013	0.1300	0.1300	0.0800	0.1300	900,880
3/11/2013	0.1200	0.1200	0.1000	0.1000	39,935
3/12/2013	0.1100	0.1100	0.1000	0.1100	37,131
3/13/2013	0.1200	0.1400	0.1200	0.1400	324,583
3/14/2013	0.1400	0.1600	0.1200	0.1400	1,137,386
3/15/2013	0.1500	0.1600	0.1400	0.1600	110,180
3/18/2013	0.1500	0.1600	0.1500	0.1600	35,380
3/19/2013	0.1500	0.1500	0.1400	0.1500	24,000

Date	Open	High	Low	Close	Volume
3/20/2013	0.1500	0.1500	0.1200	0.1300	113,652
3/21/2013	0.1200	0.1500	0.1000	0.1200	303,291
3/22/2013	0.1300	0.1300	0.1000	0.1100	333,956
3/25/2013	0.1000	0.1100	0.0800	0.1100	149,884
3/26/2013	0.1000	0.1000	0.0800	0.0800	147,800
3/27/2013	0.0800	0.1000	0.0800	0.1000	176,667
3/28/2013	0.0900	0.1000	0.0700	0.1000	75,200
4/1/2013	0.1000	0.1000	0.0800	0.1000	30,696
4/2/2013	0.0800	0.1000	0.0800	0.0800	22,900
4/3/2013	0.1000	0.1500	0.1000	0.1400	359,650

EXHIBIT G

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-20503

In the Matter of **ALEXANDER GOLDSCHMIDT,** **Respondent.**	**DECLARATION OF RHONDA L. JUNG TO ASSIST SECRETARY WITH RECORD OF SERVICE**

I, RHONDA L. JUNG, pursuant to 28 U.S.C. § 1746, declare:

1. I am an attorney in the Division of Enforcement ("Division") of the Securities and Exchange Commission ("Commission"), and counsel for the Division in the above-captioned administrative proceeding. I submit this Declaration to assist the Office of the Secretary ("Secretary") in maintaining a record of service on the Respondent, Alexander Goldschmidt, in the above-captioned proceedings pursuant to Commission Rule of Practice 141(a)(3).

2. Commission Rule of Practice 141(a)(2)(i) permits service on individuals by delivering a copy of the order instituting administrative proceedings to the individual or an agent authorized by appointment or law to receive such notice by, among other things, sending a copy of the order addressed to the individual by U.S. Postal Service certified, registered, or Express Mail, and obtaining a confirmation of receipt; or giving confirmed telegraphic notice.

3. Therefore, the Division asked the Commission's Secretary to attempt service on the Respondent in these proceedings via U.S. Postal Service ("USPS") certified mail. The Division asked the Secretary to send the Order Instituting Proceedings ("OIP") to Respondent in care of his counsel. A true and correct copy of the service package is attached hereto as Exhibit 1.

4. The Secretary provided me with the USPS receipts containing the tracking numbers for the service package containing copies of the OIP that the Secretary had mailed to the Respondent c/o Gary A. Farrell, Esq.at 40 Exchange Place, 14th Floor, New York, New York 10005. A true and correct copy of the USPS receipts showing the tracking number and stamped return receipt for the service package is attached hereto as Exhibit 2.

5. To date, Respondent has not filed an answer or other response to the OIP. On October 28, 2021, the Respondents counsel informed the Division counsel that his client would not be filing an answer or other response to the OIP.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 15, 2021
New York, New York

Rhonda L. Jung

Rhonda L. Jung

EXHIBIT 1

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
100 F Street, N.E.
Washington, D.C. 20549

OFFICE OF
THE SECRETARY

Re: In the Matter of Alexander Goldschmidt

Please find enclosed the Order issued by the Securities and Exchange Commission in the above-referenced matter.

Your attention is directed to Section III of the Order, which requires, among other things, that an answer be filed pursuant to Rule 220 of the Commission's Rules of Practice. The Commission's Rules of Practice include requirements for filing answers, notice of appearance, and other actions. The Rules of Practice can be found at http://www.sec.gov/about/rulesofpractice.shtml.

If you have any questions or wish to discuss any aspect of the proceedings, you may communicate with the Division of Enforcement attorney appearing on the service list attached to the enclosed Order.

Vanessa A. Countryman
Secretary

Enclosure

OS Received 05/16/2022

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 92817 / August 30, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20503

In the Matter of

ALEXANDER GOLDSCHMIDT,

Respondent.

ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS PURSUANT TO SECTION 15(b) OF THE SECURITIES EXCHANGE ACT OF 1934 AND NOTICE OF HEARING

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") against Alexander Goldschmidt ("Goldschmidt" or "Respondent").

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From in or about 2012 through at least March 2013, Goldschmidt participated in an offering of Face Up Entertainment Group, Inc. ("Face Up") stock, which was a penny stock. Goldschmidt is 55 years old and resides in River Vale, New Jersey.

B. RESPONDENT'S CRIMINAL CONVICTION

2. On October 13, 2015, Goldschmidt pleaded guilty to three counts of conspiracy to commit securities fraud in violation of 18 U.S.C. § 371, two counts of securities fraud in violation of 15 U.S.C. §§ 78j(b) and 78ff, one count of conspiracy to commit extortion in

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violation of 18 U.S.C. § 1951, one count of conspiracy to commit money laundering in violation of 18 U.S.C. § 1956 before the United States District Court for the Southern District of New York, in *United States v. Alexander Goldschmidt, et al.*, 13 Cr. 410 (NRB)(S.D.N.Y). On March 5, 2019, a judgment of conviction was entered against Goldschmidt. He was sentenced to time served, seven years of supervised release, and ordered to forfeit $1,768,032.

3. The counts of the indictment to which Goldschmidt pled guilty alleged, among other things, that from at least in or about 2012 through on or about March 27, 2013, Goldschmidt and others conspired to commit securities fraud. In connection with his guilty plea, Goldschmidt admitted, among other things, that he was involved in a scheme to manipulate the price of Face Up stock so the individuals involved in the scheme would profit.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. Whether, pursuant to Section 15(b)(6) of the Exchange Act, it is appropriate and in the public interest to suspend for a period not exceeding 12 months or to bar Goldschmidt from participating in any offering of penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock; or inducing or attempting to induce the purchase or sale of any penny stock.

IV.

IT IS ORDERED that a public hearing before the Commission for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed by further order of the Commission, pursuant to Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.220(b).

IT IS FURTHER ORDERED that the Division of Enforcement and Respondent shall conduct a prehearing conference pursuant to Rule 221 of the Commission's Rules of Practice, 17 C.F.R. § 201.221, within fourteen (14) days of service of the Answer. The parties may meet in person or participate by telephone or other remote means; following the conference, they shall file a statement with the Office of the Secretary advising the Commission of any agreements reached at said conference. If a prehearing conference was not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer.

If Respondent fails to file the directed Answer, or fails to appear at a hearing or conference after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310.

This Order shall be served forthwith upon Goldschmidt by any means permitted by the Commission's Rules of Practice.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to service of paper copies, service to the Division of Enforcement of all opinions, orders, and decisions described in Rule 141, 17 C.F.R. § 201.141, and all papers described in Rule 150(a), 17 C.F.R. § 201.150(a), in these proceedings shall be by email to the attorneys who enter an appearance on behalf of the Division, and not by paper service.

Attention is called to Rule 151(a), (b) and (c) of the Commission's Rules of Practice, 17 C.F.R. § 201.151(a), (b) and (c), providing that when, as here, a proceeding is set before the Commission, all papers (including those listed in the following paragraph) shall be filed electronically in administrative proceedings using the Commission's Electronic Filings in Administrative Proceedings (eFAP) system access through the Commission's website, www.sec.gov, at http://www.sec.gov/eFAP. Respondent also must serve and accept service of documents electronically. All motions, objections, or applications will be decided by the Commission.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to filing with or disposition by a hearing officer, all filings, including those under Rules 210, 221, 222, 230, 231, 232, 233, and 250 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.210, 221, 222, 230, 231, 232, 233, and 250, shall be directed to and, as appropriate, decided by the Commission. This proceeding shall be deemed to be one under the 75-day timeframe specified in Rule of Practice 360(a)(2)(i), 17 C.F.R. § 201.360(a)(2)(i), for the purposes of applying Rules of Practice 233 and 250, 17 C.F.R. §§ 201.233 and 250.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that the Commission shall issue a decision on the basis of the record in this proceeding, which shall consist of the items listed at Rule 350(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.350(a), and any other document or item filed with the Office of the Secretary and accepted into the record by the Commission. The provisions of Rule 351 of the Commission's Rules of Practice, 17 C.F.R. § 201.351, relating to preparation and certification of a

record index by the Office of the Secretary or the hearing officer are not applicable to this proceeding.

The Commission will issue a final order resolving the proceeding after one of the following: (A) The completion of post-hearing briefing in a proceeding where the public hearing has been completed; (B) The completion of briefing on a motion for a ruling on the pleadings or a motion for summary disposition pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250, where the Commission has determined that no public hearing is necessary; or (C) The determination that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155, and no public hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Vanessa A. Countryman
Secretary

BY: Eduardo A. Aleman
Deputy Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Order") on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Rhonda L. Jung, Esq.
Division of Enforcement
Securities and Exchange Commission
200 Vesey Street, 16th floor
New York, NY 10281
jungr@sec.gov

CERTIFIED MAIL
Alexander Goldschmidt
c/o Gary A. Farrell, Esq.
40 Exchange Place, 14th Floor
New York, New York 10005
garyfesq@aol.com

CERTIFIED MAIL
Gary A. Farrell, Esq.
40 Exchange Place, 14th Floor
New York, New York 10005
garyfesq@aol.com
(Counsel for Alexander Goldschmidt)

OS Received 05/16/2022

ADMINISTRATIVE PROCEEDINGS SET BEFORE THE SECURITIES AND EXCHANGE COMMISSION

Office of the Secretary
U.S. Securities and Exchange Commission
100 F Street NE, Mail Stop 1090
Washington, DC 20549
Phone: 202-551-5410 – Fax: 703-813-9793
Email (for electronic courtesy copies): APFilings@sec.gov

General information for respondents:

The Securities and Exchange Commission ("Commission") initiates an administrative proceeding by issuing an Order Instituting Proceedings, which contains the Division of Enforcement's allegations against one or more respondents. In certain matters, the Order Instituting Proceedings will direct that a hearing be held before the Commission itself, instead of an administrative law judge or other hearing officer, for the purpose of taking evidence, determining whether the allegations are true, and issuing a decision of the Commission.

Administrative proceedings are governed by the Commission's Rules of Practice, which may be found at https://www.sec.gov/about/rulesofpractice.shtml and at 17 C.F.R. Part 201, Subpart D. All parties, including *pro se* respondents, are expected to be familiar with and abide by these rules, as well as any orders issued by the Commission. A party who needs a copy of the Rules of Practice may contact the Office of the Secretary for assistance.

Respondents in an administrative proceeding are entitled to be represented by an attorney of their choice. However, the Commission cannot appoint or pay for a respondent's legal counsel or recommend any individual lawyer. The Commission and its staff cannot act as counsel for a respondent.

Parties may contact the Office of the Secretary at 202-551-5410 for general inquiries regarding procedures and the status of a proceeding, but the Office of the Secretary cannot provide legal advice; interpret any laws, regulations, orders, or legal documents; or otherwise assist with the preparation of forms or filings. Likewise, the Office of the Secretary cannot discuss the merits or substance of a proceeding or the meaning of any order or opinion issued by the Commission. Nor can the Office of the Secretary answer questions that seek suggestions about what a party should do.

What follows is a brief discussion of procedural issues that may arise in administrative proceedings set before the Commission. It is not a substitute for carefully reviewing the Rules of Practice or obtaining legal advice from an experienced attorney. Nothing in this document overrides or supplants a party's obligations under the Rules of Practice or any order issued by the Commission in a proceeding. In the event of a conflict between, on the one hand, this document or other information provided by the Office of the Secretary and, on the other hand, the Rules of

Practice or an order issued by the Commission, the Rules of Practice and the Commission's orders shall govern.[1]

Filing and service

Filing: Parties are required to file an original and three copies of each document they desire the Commission to consider with the **Office of the Secretary, 100 F Street NE, Mail Stop 1090, Washington, DC 20549**. Parties often find it helpful to retain a copy of every document they file for their own records. The Commission also requests that an **electronic** courtesy copy of each filing be emailed to **apfilings@sec.gov** in PDF text-searchable format. Any exhibits should be sent as separate attachments, not a combined PDF. This email address should *not* be used for procedural inquiries; instead, such questions should be directed to 202-551-5410.

Service: Additionally, parties must serve one copy of each document they file on every other party in the proceeding, as provided in Rule of Practice 150. All documents filed with the Commission must be accompanied by a certificate of service stating the name of the person or persons served, the date of service, the method of service and the mailing address or facsimile number to which service was made, if not made in person. *See* Rule of Practice 151(d).

If a party is unsure who else must be served, the Office of Secretary should be contacted. Each party has a continuing responsibility for ensuring that the Office of the Secretary has on file current contact information, including a mailing address at which written communications may be sent and a telephone number where he or she may be reached during business hours. *See* Rule of Practice 102(d). **If a party's mailing address or phone number changes at any time before the proceeding is concluded, he or she must promptly inform the Office of the Secretary and the other parties of the new address or number in writing.** Failure to do this may result in the party missing important communications or orders.

How a filing is served may affect how much time the other party has to respond to it. Rule of Practice 160(a) governs the computation of any deadline based on a designated period of time (*i.e.*, a number of days after service); in some situations, additional time may be added if a filing is served by mail. But when the Rules of Practice or an order issued by the Commission specify a date certain for filing (*i.e.*, a fixed calendar date), filing and service must actually occur on or before that date. *See* Rule of Practice 160(b). Requests for extensions of time, postponements, or adjournments are generally governed by Rule of Practice 161. Filing a request for an extension does not, however, automatically toll or extend an existing deadline.

Non-compliant filings

All filings must comply with the requirements of Rule of Practice 152 governing the form and appearance of papers. They must be on 8½" by 11" white paper and be typewritten or

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[1] This document is not a rule, regulation, or statement of the Commission, and the Commission has neither approved nor disapproved its content. This document is not intended to, does not, and may not be relied upon to create any substantive or procedural rights enforceable by any party in any matter, administrative, civil, or criminal. It is not binding on the Commission and not authoritative.

legibly printed. Except for footnotes and quotations, the text must be double spaced. The first page of each filing must have the name of the Securities and Exchange Commission, the names of the parties, the file number assigned to the proceeding, and a title that identifies what the filing is about, such as "Answer to Order Instituting Proceedings," "Motion for Extension of Time," or "Response to Motion for Summary Disposition." Filings must be dated and signed as provided in Rule of Practice 153.

The Commission may strike or reject, in whole or in part, any filing that fails to comply with any requirement of the Rules of Practice (including the filing and service requirements) or any order issued in the particular proceeding in which the filing was made. *See* Rules of Practice 152(f), 153(b)(2), 180(b). When this happens, the Commission will not consider the filing. The Commission may also direct a party to cure any deficiencies in a filing and resubmit it by a certain date. If a party fails to make a required filing or to cure a deficient filing on time, the Commission may enter a default, dismiss one or more claims, decide the particular claim or claims at issue against that party, or prohibit the introduction of evidence or exclude testimony concerning that claim. *See* Rule of Practice 180(c).

***Ex parte* communications**

The Rules of Practice do not allow parties to make *ex parte* requests or communications. *See* Rule of Practice 120. An *ex parte* communication is a communication from one side only, without the presence or knowledge of the other parties. *Ex parte* communications will not be considered by the Commission. That is why all filings must be accompanied by a certificate of service showing that every other party in the proceeding was served with a copy. *See* Rule of Practice 151(d).

Motions

Because *ex parte* communications are not allowed, requests for a ruling on any issue relating to a proceeding—such as a request for an extension or for additional time to respond—generally must be made by written motion directed to the Commission, filed with the Office of the Secretary, and served on the other parties. A motion must state the basis for the motion and the specific relief sought. In other words, it must explain exactly what action the party filing the motion (the "movant") wants the Commission to take and state any facts or law that the movant thinks supports its position. If necessary, copies of documents may be attached to a motion. The motion must comply with Rule of Practice 154, be served in accordance with Rule 150, be filed in accordance with Rule 151, meet the requirements of Rule 152, and be signed in accordance with Rule 153.

If the other side files a motion, the party opposing it has five days after service of the motion to file a response in opposition. *See* Rule of Practice 154(b). The movant then has three days after service of the opposition to file a reply. Generally, the movant must make all of its arguments in the motion itself, and may not save them from the reply; any argument raised for the first time in a reply brief may be deemed to have been waived or forfeited. Once an argument is waived or forfeited, the Commission is not required to consider it, and the respondent may not be able to raise it again. A motion, opposition, or a reply must be less than

7,000 words in length; if it is shorter than 15 pages, the number of words does not need to be counted.

If a response is not filed on time, the motion may be treated as conceded by the opposing party and the relief sought by the movant may be granted. The Commission may rule on motions without holding an oral argument; it may also decide to delay ruling on a motion until its final decision. The Office of the Secretary does not know when the Commission will issue a ruling on a motion.

Phases of an administrative proceeding

Administrative proceedings set before the Commission will typically have a prehearing, summary disposition and/or hearing, and post-decision phase.

Prehearing

Unless otherwise ordered, the Division of Enforcement is required to make certain documents that it gathered leading up to the administrative proceeding available to the respondent for inspection and copying. This process should begin seven days after the respondent is served with the Order Instituting Proceedings. *See* Rule of Practice 230. This is typically done by the Division of Enforcement sending a copy of the documents to the respondent, which the respondent may retain.

A respondent must file an answer within twenty days after being served with the Order Instituting Proceedings, unless a different time period is provided by rule or order; in proceedings to revoke the registration of a security, the OIP often specifies that the answer must be filed within 10 days of service. The answer must specifically admit, deny, or state that the party does not have, and is unable to obtain, sufficient information to admit or deny each allegation in the Order Instituting Proceedings. Any allegation not denied shall be deemed admitted. A respondent must affirmatively state in the answer any avoidance or affirmative defense, including but not limited to res judicata, statute of limitations, and reliance on the advice of counsel or other professionals. *See* Rule of Practice 220(c). Failure to do so may be deemed a waiver, which means that the respondent will not be able to rely on those arguments.

If the respondent fails to file an answer to the Order Instituting Proceedings by the deadline, appear at a conference or hearing, respond to a dispositive motion, or otherwise defend the proceeding, the Commission may find the respondent in default. In the event of a default, the Commission, without holding an in-person hearing, may deem admitted the allegations in the Order Instituting Proceedings and, upon consideration of the record, determine the proceeding against the respondent and impose sanctions. *See* Rules of Practice 155(a), 220(f). **In other words, once a default is entered against a respondent, the Commission is allowed to assume that the Division of Enforcement's allegations are true, and the respondent will not be able to contest them or to put on his or her own evidence.** A party may file a motion to set aside a default pursuant to Rule of Practice 155(b), but under only very limited circumstances. **Therefore, respondents must make every effort to file an answer on time, respond to dispositive motions by the Division of Enforcement on time, meet all other deadlines, and comply with the Rules of Practice.**

In many proceedings, the parties will be directed to hold a prehearing conference within fourteen days after the respondent serves an answer. The parties are encouraged to be flexible in scheduling the prehearing conference for a mutually convenient time. They may meet in person or participate by telephone or other remote means. Subjects to be discussed in a prehearing conference include those listed in Rule of Practice 221(c). The parties should advise the Commission in writing of any agreements reached at such a conference. *See* Rule of Practice 221(d). If the parties are unable to meet, or agree that a prehearing conference is unnecessary, the Commission should be advised accordingly.

The prehearing phase of an administrative proceeding is often when motions are filed. It is also when the parties may employ the procedures described at Rules of Practice 231 through 234, if applicable in a particular proceeding, to learn more about the facts. The Office of the Secretary cannot provide legal advice about what motions or other requests a party should file.

Summary disposition and/or in-person hearing

A motion for summary disposition is a special kind of motion called a "dispositive motion" governed by Rule of Practice 250. If a dispositive motion is granted, the Commission will resolve the proceeding on the basis of written filings instead of oral testimony. When a party moves for summary disposition, this means the movant has asked the Commission to issue a decision in the administrative proceeding without holding an in-person hearing with witnesses testifying. The movant is telling the Commission that there is no real disagreement about the important (that is, "material") facts of the proceeding and that the movant should win based on its written arguments about what the facts and law are.

Generally, the Commission will grant summary disposition if it determines that the undisputed pleaded allegations in the Order Instituting Proceedings; the written materials (including declarations, affidavits, or documentary evidence) submitted in connection with the motion for summary disposition; and facts officially noted pursuant to Rule of Practice 323 show that there is no genuine issue with regard to any material fact and that the movant is entitled to summary disposition as a matter of law.

Therefore, the party opposing summary disposition generally has to try to show either (1) that there is a substantial dispute about important facts and that a hearing at which witnesses testify is needed for the Commission to decide what those facts actually are or (2) that the movant is wrong about what the law is. If the opposing party disputes what the movant says about the facts, it needs to either explain why it disagrees and to identify specific evidence that shows the movant is wrong or explain why the fact does not matter for the outcome of the proceeding. If the opposing party disputes what the movant says about the law, it similarly needs to explain why it disagrees and to identify the legal authorities (including laws, regulations, rules, and opinions by a court or by the Commission) that show the movant is wrong. Finally, the opposing party can try to show that there is a good reason it cannot at the present time put forward facts that are essential to justify its opposition to summary disposition.

The time for responding to a motion for summary disposition is set forth at Rules of Practice 154(b) and 250(f), unless the Commission issues an order setting a different deadline. If a respondent fails to oppose a motion for summary disposition filed by the Division of

Enforcement by the deadline, the Commission may deem admitted the facts asserted in the motion. **It is also important to understand that the proceeding may be determined against the respondent—which may include findings by the Commission that the respondent violated the securities laws and that sanctions will be imposed—without an in-person hearing if the respondent does not file declarations, affidavits, and other documentary evidence showing that there is a genuine issue of material fact.** The respondent generally cannot rely on only the denials in its answer to the Order Instituting Proceedings to successfully oppose a motion for summary disposition.

If the Commission does not determine the proceeding via summary disposition or other dispositive motion (such as a motion for a ruling on the pleadings under Rule of Practice 250(a)), it generally moves to the in-person hearing phase. The hearing process is similar in some ways to a trial in state or federal court. The parties might be allowed to make opening statements. The Division of Enforcement presents witnesses and offers exhibits first and last because it has the burden of proof. Each respondent also has the right to present witnesses and offer exhibits. A party may object to testimony or documentary evidence on the grounds that it is irrelevant, immaterial, or unduly repetitious, and can cross-examine any adverse witness. *See* Rules of Practice 320-321. A respondent may exercise his or her constitutional right to refuse to testify as to any matter he or she believes would tend to be incriminating or subject him or her to a penalty, fine, or forfeiture. However, in an administrative proceeding, an adverse inference may be drawn from a respondent's failure to testify or explain facts and circumstances, particularly if the matters are within the respondent's knowledge. Shortly before or soon after the conclusion of the hearing, additional instructions will be provided about the submission of exhibits, proposed findings, and post-hearing briefs.

Post-decision

Typically, the Commission will issue a final order disposing of the allegations in the Order Instituting Proceedings after one of the following: (A) the completion of post-hearing briefing in a proceeding where the public hearing has been completed; (B) the completion of briefing on a motion for a ruling on the pleadings or a motion for summary disposition pursuant to Rule of Practice 250, where the Commission has determined that no public hearing is necessary,; or (C) the determination that a party is deemed to be in default under Rule of Practice 155 and no public hearing is necessary. The Commission's decision will be based on only the official record of the proceeding—that is, the papers that have been properly filed with the Office of the Secretary and any testimony or exhibits accepted into evidence at the hearing.

Depending on the statutory basis for the proceeding, the Commission may order sanctions if it finds that the respondent violated the securities laws. Such sanctions include cease-and-desist orders; investment company and officer-and-director bars; censures, suspensions, limitations on activities, or bars from the securities industry or participation in an offering of penny stock; censures or denials of the privilege of appearing or practicing before the Commission; disgorgement of ill-gotten gains; civil money penalties; and suspension or revocation of an issuer's registered securities, as well as the registration of a broker, dealer, investment company, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization. The Commission may also order

that a fund be established to return recovered funds to the persons harmed by a respondent's violations.

The Office of the Secretary will mail Commission orders and opinions to all parties in a proceeding. *See* Rule of Practice 141. These documents are also posted on the Commission's web site, https://www.sec.gov/litigation/opinions.shtml, shortly after they are issued. As a reminder, parties are responsible for notifying the Office of the Secretary of any changes to their mailing address or telephone number and for regularly monitoring the status of a proceeding.

A party aggrieved by a final order issued by the Commission may file a motion for reconsideration within 10 days after service of the order pursuant to Rule of Practice 470. Judicial review of a final order issued by the Commission may be sought in the appropriate United States Court of Appeals by filing a petition for review within the statutorily provided deadline, which is typically 60 days after entry of the order.

* * *

This document was prepared by staff of the Commission. The Commission has expressed no view regarding the information contained herein.

FORMATTING, FILING, AND SERVICE COMPLIANCE CHECKLIST[1]

Office of the Secretary
U.S. Securities and Exchange Commission
100 F Street NE, Mail Stop 1090
Washington, DC 20549
Phone: 202-551-5410
Email: APFilings@sec.gov

The purpose of this document is to provide a checklist for parties in administrative proceedings set before the Securities and Exchange Commission to assist them in reviewing their documents for compliance with the Commission's Rules of Practice. Nothing contained in this checklist overrides or supplants a party's obligations under the Rules of Practice or any order issued by the Commission in a proceeding. Parties may contact the Office of the Secretary at *202-551-5410* for general inquiries regarding procedures and the status of a proceeding, but the Office of the Secretary cannot provide legal advice; interpret any laws, regulations, orders, or legal documents; or otherwise assist with the preparation of forms or filings.

FORMAT (RULE OF PRACTICE 152)	
On white paper measuring 8.5 × 11 inches, except that, to the extent that the reduction of larger documents would render them illegible, such documents may be filed on larger paper	
Typewritten or printed in 12-point or larger typeface	
Margins of at least 1 inch	
Double-spaced, with single-spaced footnotes and single-spaced indented quotations	
Stapled, clipped, or otherwise fastened in the upper left corner	
Front page must contain: • The name of the Securities and Exchange Commission The title of the proceeding (*i.e.*, the names of the parties) • The administrative proceeding file number • The subject of the particular paper or pleading	
Signed and dated; a printed name, address, and telephone number should appear under the signature (*see also* Rule of Practice 153)	
Certificate of service stating the name of the parties served, the date of service, the method of service and the email address or mailing address to which service was made, if not made in person (*see also* Rule of Practice 151(d))	
(If longer than 10 pages) Include a table of contents and an alphabetized table of cases, statutes, and other authorities cited, with references to the pages of the brief wherein they are cited	
(If longer than 15 pages) Include a certificate of word count compliance (*see also* Rule of Practice 154(c))	

[1] This document is not a rule, regulation, or statement of the Commission, and the Commission has neither approved nor disapproved its content. This document is not intended to, does not, and may not be relied upon to create any substantive or procedural rights enforceable by any party in any matter, administrative, civil, or criminal. It is not binding on the Commission and not authoritative.

FILING WITH THE COMMISSION (RULE OF PRACTICE 151)	
Participants must submit filings to the Commission electronically in administrative proceedings using the Commission's Electronic Filings in Administrative Proceedings (eFAP) system accessed through the Commission's website, www.sec.gov, at http://www.sec.gov/eFAP. Participants also must serve and accept service of documents electronically. **Participants are advised to read the Commission's Rules of Practice, *Instructions for Electronic Filing and Service of Documents in SEC Administrative Proceedings and Technical Specifications* at www.sec.gov/efapdocs/instructions.pdf, and the eFAP User Manual in their entirety prior to making a filing or serving other participants** If a participant reasonably cannot comply with the electronic filing requirements, due to a lack of access to electronic transmission devices (for example, due to incarceration or otherwise), the participant must promptly file a certification that explains why the person reasonably cannot comply using any additional method of filing listed in Rule 152 of the Rules of Practice. Refer to Rule 152.	
In addition to filing documents using the Commission's eFAP system, through July 12, 2021, participants must submit an electronic copy of all documents to apfilings@sec.gov in PDF text-searchable format, with any exhibits sent as separate attachments, not a combined PDF.	
*Reminder: Papers required to be filed with the Commission must be **actually received** within the time limit, if any, for such filing*	

SERVICE (RULE OF PRACTICE 150)	
At the same time the document is filed with the Commission, electronically serve a copy on ***every other party*** in the proceeding by email.	
If unable to serve electronically, participants must promptly file a certification under Rule 150(c) of inability to serve electronically, and must effect service using one of the methods permitted by Rule of Practice Rule 150(d).	

* * *

This checklist was prepared by staff of the Commission. The Commission has expressed no view regarding the information contained herein.

EXHIBIT 2

MISSION

7017 2400 0000 0834 5300

CERTIFIED MAIL
Alexander Goldschmidt
3-20503 / 34-92817 / OIP-2877 / TQ
c/o Gary A. Farrell, Esq.
40 Exchange Place, 14th Floor
New York, New York 10005

Type here to search

SENDER: COMPLETE THIS SECTION

- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece,

CERTIFIED MAIL
Alexander Goldschmidt
3-20503 / 34-92817 / OIP-2877 / TQ
c/o Gary A. Farrell, Esq.
40 Exchange Place, 14th Floor
New York, New York 10005

9590 9402 6131 0209 8159 61

2. Article Number (Transfer from service label)
7017 2400 0000 0834 5300

COMPLETE THIS SECTION ON DELIVERY

ature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name) | C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

RECEIVED
OCT 18 2021
OFFICE OF THE SECRETARY

Service Type
- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- Mail
- Mail Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

EXHIBIT H

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 94602 / April 4, 2022

Admin. Proc. File No. 3-20503

In the Matter of

ALEXANDER GOLDSCHMIDT

ORDER TO SHOW CAUSE

On August 30, 2021, the Securities and Exchange Commission issued an order instituting administrative proceedings ("OIP") against Alexander Goldschmidt pursuant to Section 15(b) of the Securities Exchange Act of 1934.[1] On November 15, 2021, the Division of Enforcement filed a Declaration of Rhonda L. Jung, which establishes that service of the OIP was made on Goldschmidt on October 13, 2021, pursuant to Rule 141(a)(2)(i) of the Commission's Rules of Practice.[2]

As stated in the OIP, Goldschmidt's answer was required to be filed within 20 days of service of the OIP.[3] As of the date of this order, Goldschmidt has not filed an answer. The prehearing conference and the hearing are thus continued indefinitely.

Accordingly, Goldschmidt is ORDERED to SHOW CAUSE by April 18, 2022, why he should not be deemed to be in default and why this proceeding should not be determined against him due to his failure to file an answer and to otherwise defend this proceeding. Goldschmidt's submission shall address the reasons for his failure to timely file an answer, and include a proposed answer to be accepted in the event that the Commission does not enter a default against him.

When a party defaults, the allegations in the OIP will be deemed to be true and the Commission may determine the proceeding against that party upon consideration of the record

1 *Alexander Goldschmidt*, Exchange Act Release No. 92817, 2021 WL 3893952 (Aug. 30, 2021).

2 17 C.F.R. § 201.141(a)(2)(i).

3 *Goldschmidt*, 2021 WL 3893952, at *2; Rules of Practice 151(a), 160(b), 220(b), 17 C.F.R. §§ 201.151(a), 160(b), .220(b).

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without holding a public hearing.[4] The OIP informed Goldschmidt that a failure to file an answer could result in deeming him in default and determining the proceedings against him.[5]

If Goldschmidt files a response to this order to show cause, the Division may file a reply within 14 days after its service. If Goldschmidt does not file a response, the Division shall file a motion for entry of an order of default and the imposition of remedial sanctions by May 16, 2022. The motion for sanctions should address each statutory element of the relevant provisions of Section 15(b) of the Exchange Act.[6] The motion should discuss relevant authority relating to the legal basis for, and the appropriateness of, the requested sanctions and include evidentiary support sufficient to make an individualized assessment of whether those sanctions are in the public interest.[7] The parties may file opposition and reply briefs within the deadlines provided by the Rules of Practice.[8] The failure to timely oppose a dispositive motion is itself a basis for a finding of default;[9] it may result in the determination of particular claims, or the proceeding as a whole, adversely to the non-moving party and may be deemed a forfeiture of arguments that could have been raised at that time.[10]

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4 Rules of Practice 155, 180, 17 C.F.R. §§ 201.155, .180.

5 *Goldschmidt*, 2021 WL 3893952, at *2.

6 *See, e.g., Shawn K. Dicken*, Exchange Act Release No. 89526, 2020 WL 4678066, at *2 (Aug. 12, 2020) (requesting additional information from the Division "regarding the factual predicate for Dicken's convictions" and "why these facts establish" the need for remedial sanctions); *see also Shawn K. Dicken*, Exchange Act Release No. 90215, 2020 WL 6117716, at *1 (Oct. 16, 2020) (clarifying the additional information needed from the Division).

7 *See generally Rapoport v. SEC*, 682 F.3d 98, 108 (D.C. Cir. 2012) (requiring "meaningful explanation for imposing sanctions"); *McCarthy v. SEC*, 406 F.3d 179, 190 (2d Cir. 2005) (stating that "each case must be considered on its own facts"); *Gary L. McDuff*, Exchange Act Release No. 74803, 2015 WL 1873119, at *1, *3 (Apr. 23, 2015); *Ross Mandell*, Exchange Act Release No. 71668, 2014 WL 907416, at *2 (Mar. 7, 2014), *vacated in part on other grounds*, Exchange Act Release No. 77935, 2016 WL 3030883 (May 26, 2016); *Don Warner Reinhard*, Exchange Act Release No. 61506, 2010 WL 421305, at *3-4 (Feb. 4, 2010), *appeal after remand*, Exchange Act Release No. 63720, 2011 WL 121451, at *5-8 (Jan. 14, 2011).

8 *See* Rules of Practice 154, 160, 17 C.F.R. §§ 201.154, .160.

9 *See* Rules of Practice 155(a)(2), 180(c), 17 C.F.R. §§ 201.155(a)(2), .180(c); *see, e.g.*, *Behnam Halali*, Exchange Act Release No. 79722, 2017 WL 24498, at *3 n.12 (Jan. 3, 2017).

10 *See, e.g.*, *McBarron Capital LLC*, Exchange Act Release No. 81789, 2017 WL 4350655, at *3-5 (Sep. 29, 2017); *Bennett Grp. Fin. Servs., LLC*, Exchange Act Release No. 80347, 2017 WL 1176053, at *2-3 (Mar. 30, 2017), *abrogated in part on other grounds by Lucia v. SEC*, 138 S. Ct. 2044 (2018); *Apollo Publ'n Corp.*, Securities Act Release No. 8678, 2006 WL 985307, at *1 n.6 (Apr. 13, 2006).

The parties' attention is directed to the most recent amendments to the Commission's Rules of Practice, which took effect on April 12, 2021, and which include new e-filing requirements.[11]

Upon review of the filings in response to this order, the Commission will either direct further proceedings by subsequent order or issue a final opinion and order resolving the matter.

For the Commission, by the Office of the General Counsel, pursuant to delegated authority.

Vanessa A. Countryman
Secretary

By: Jill M. Peterson
Assistant Secretary

[11] *Amendments to the Commission's Rules of Practice*, Exchange Act Release No. 90442, 2020 WL 7013370 (Nov. 17, 2020), 85 Fed. Reg. 86,464, 86,474 (Dec. 30, 2020), https://www.sec.gov/rules/final/2020/34-90442a.pdf; *Instructions for Electronic Filing and Service of Documents in SEC Administrative Proceedings and Technical Specifications*, https://www.sec.gov/efapdocs/instructions.pdf. The amendments impose other obligations such as a new redaction and omission of sensitive personal information requirement. *Amendments to the Commission's Rules of Practice*, 85 Fed. Reg. at 86,465-81.

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