

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OKLAHOMA

**FILED**  
JUL 14 2008  
Phil Lombardi, Clerk  
U.S. DISTRICT COURT

SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

v. :

MARK BYRON LINDBERG, :

Defendant. :

Civil Action No.

**08 CV - 402 CVE SAJ**

**COMPLAINT**

Plaintiff Securities and Exchange Commission (the "Commission") alleges:

**SUMMARY**

1. This is a market manipulation and scalping case concerning Defendant Mark Lindberg's role in a Shell Creation Group ("SCG") that manipulated at least three penny stocks from 2004 through 2006, by means of promotional materials and coordinated trading activity and reaped profits in excess of \$20 million. The three stocks were National Storm Management Group, Inc. ("NLST"), Deep Rock Oil and Gas, Inc. ("DPRK"), and Global Beverages Solutions, Inc. ("GBVS). Two of these manipulations attempted to take advantage of investors' emotions during the Hurricane Katrina and Rita crises in the summer and fall of 2005. Lindberg and other key members of the SCG were supported by numerous other individuals, as well as nominee entities that the SCG beneficially owned and/or controlled. Acting in concert, the SCG helped to set up and finance these three companies and profited from selling shares of each into the rising market generated by SCG orchestrated false and misleading publicity and manipulative coordinated trading. Mark Lindberg personally reaped millions of dollars in ill-gotten gains from this illegal conduct.

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## **JURISDICTION AND VENUE**

2. This action is filed under Section 22(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77v(a)] and Sections 21(d), 21(e), and 27 of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78u(d), 78u(e), and 78aa]. Venue is proper in this district because certain of the acts complained of took place in this district.

## **DEFENDANT**

3. Mark Byron Lindberg, 40, at all relevant times was a consultant residing in Coppell, Texas. From November 2002 until May 16, 2007, Lindberg was Chief Executive Officer of Interim Capital Corporation (“ICC”), a Nevada corporation and a Business Development Company under the Investment Company Act of 1940. During the relevant time period, ICC was the General Partner of an unregistered hedge fund, Shocker 100 Index, L.P., that was used to trade in NLST, DPRK and GBVS stock.

## **RELEVANT COMPANIES**

4. National Storm Management Group, Inc. (“NLST”) is a Nevada corporation, with its principal place of business in Glen Ellyn, Illinois. From 2005 to the present, it has been quoted on the Pink Sheets and, until August 2006, traded under the symbol NLST. NLST was formed through a reverse merger with another company, The 18<sup>th</sup> Letter, Inc. NLST purports to be a “storm restoration firm specializing in residential home repair from the effects of wind and hail damage.”

5. Deep Rock Oil and Gas, Inc. (“DPRK”) is a Nevada corporation with its principal place of business in Tulsa, Oklahoma. From 2005 to the present, it has been quoted on the Pink Sheets and traded under the symbol DPRK. DPRK was formed through a reverse merger with

another company, Cherokee Energy Services of Tulsa, Inc. DPRK purports to be “an oil and gas exploration and production company.”

6. Global Beverage Solutions, Inc. (“GBVS”) is a Nevada corporation with principal place of business in Tulsa, Oklahoma. Prior to a name change in October 2005, GBVS was known as Pacific Peak Investments (“PPKI”). On June 19, 2003, the company now known as GBVS elected business development company status. During the relevant period of time, the issuer’s securities are registered under Section 12(g) of the Exchange Act. Its shares traded on the over-the-counter bulletin board under the symbol GBVS. GBVS voluntarily withdrew from its business development company status on January 2, 2008.

## **FACTUAL ALLEGATIONS**

### **A. The Shell Creation Group (“SCG”)**

7. Lindberg and the other members of the SCG, including attorneys, stock promoters, and financiers, worked together to acquire unrestricted shares of three issuers and to profit by selling these shares into the market while manipulating the price of the stock by means of distributing promotional materials and coordinated trading. The members of the SCG, including Lindberg, often utilized brokerage and bank accounts beneficially owned by family members and other corporate entities but controlled by the SCG members to engage in the illegal conduct alleged in this complaint.

### **B. National Storm Management Group, Inc. (“NLST”)**

8. On February 24, 2005, Lindberg and other members of the SCG assisted NLST in completing a reverse merger with The 18<sup>th</sup> Letter, Inc., a company the SCG exerted control over. During this process, the SCG obtained control over 6 million shares of stock for its members

and/or their nominees. These shares were not registered with the SEC and yet a stock transfer agent issued them without restriction, based on a legal opinion predicated on false information.

9. Between August 26 and 30, 2005, the SCG members, including Lindberg, began to purchase and sell NLST stock for the purpose of increasing the stock's trading volume – thus conditioning the market for the impending manipulation.

10. The SCG, including Lindberg, orchestrated and paid for a fax blast campaign to promote NLST's stock. The fax blast campaign was paid with a percentage of the proceeds from the SCG's sale of NLST stock. The faxes were first distributed on August 31, 2005, only two days after Hurricane Katrina hit Louisiana and continued through September 6, 2005. The faxes specifically exploited the devastating effects of the storm by stating: "KATRINA MEANS NATIONAL STORM (NLST) IS POISED FOR A MASSIVE RUN UP AS DEMAND TO REPAIR HOMES SKYROCKETS." The faxes emphatically encouraged readers to purchase NLST stock, claiming that its price would increase multiple times over. SCG members saw some drafts of the faxes and had discussions among themselves, including Lindberg, regarding the price targets established for NLST stock in the faxes.

11. From August 30, 2005, the day before the fax blast campaign to September 6, 2005, the price of NLST's stock rose from a \$0.56 per share closing price to an all-time-high closing price of \$2.53 (with an intra-day high of \$3.20), or 452%. During the same time period, its daily trading volume rose from 143,024 to 3,406,824, or 2382%.

12. Following onto the fax blast campaign, the SCG orchestrated and paid for an email blast campaign to promote NLST's stock. The emails were first distributed on September 12, 2005. Like the faxes, the emails exploited the devastation caused by Hurricane Katrina to tout NLST and to encourage readers to buy the stock: "Get Filthy Rich as the Recovery Begins. In

the midst of this CRISIS, a handful of savvy investors are quietly taking position in an incredible company that is likely to SKYROCKET 207%...450% or MORE as hurricane Katrina's recovery efforts begin."

13. During the email blast campaign, the price of NLST's stock and its daily trading volume increased significantly. On September 12, 2005, the day the email was first distributed, NLST's closing price increased from \$1.61 to \$2.35 per share, or 46%, while its trading volume increased from 667,934 to 1,960,305, or 193%.

14. Neither the faxes nor the emails disclosed that the persons who ultimately orchestrated and paid for the promotional campaigns, the SCG, owned or controlled significant positions in NLST and that they intended to sell NLST stock while encouraging readers to purchase the stock. Additionally, the emails falsely indicated that NLST made filings with the SEC.

15. Following the conclusion of the SCG's NLST promotional campaigns, the price and trading volume of the stock decreased dramatically.

16. Throughout the fax and email blast campaigns, the SCG members, including Lindberg, engaged in heavy selling of NLST stock for prices far below the valuation predictions asserted in the promotional materials. The shares were sold without being registered with the SEC and without a viable exemption from registration.

17. In some instances, accounts controlled by the SCG, including Lindberg, bought and sold NLST stock in an effort to increase volume in the market and to increase the price shown for the stocks. This trading activity and other trading activities were sometimes coordinated on a daily basis.

18. The SCG profited through their sales of NLST stock into the manipulated market. Lindberg personally obtained a gross profit of \$1,184,116 through sales of NLST stock.

**C. Deep Rock Oil and Gas, Inc. (“DPRK”)**

19. On November 15, 2004, the SCG assisted DPRK in completing a reverse merger with Cherokee Energy Services of Tulsa, Inc., a company the SCG exerted control over. During this process, the SCG obtained control over 40 million shares of DPRK stock for its members and/or their nominees. These shares were not registered with the SEC and yet a stock transfer agent issued them without restriction, based on a legal opinion predicated on false information.

20. Between August 16, 2005 and September 9, 2005, the SCG began to purchase and sell DPRK stock for the purpose of increasing the stock’s trading volume – thus conditioning the market for the impending manipulation.

21. The SCG, including Lindberg, orchestrated and paid for a fax blast campaign to promote DPRK’s stock. The fax blast campaign was paid with a percentage of the proceeds from the SCG’s sale of DPRK stock. The faxes were first distributed on September 12, 2005, only about a week after hurricane Katrina significantly impaired the oil and gas industry in and around the Gulf of Mexico. In addition to promoting DPRK and encouraging readers to purchase the stock, the faxes referenced the NLST manipulation: “WE WERE RIGHT LAST WEEK TO A TUNE OF A FOUR-DAY 435% PROFIT ... NOW, AS WASHINGTON MAKES ALL THE WRONG MOVES IN THE WAKE OF KATRINA, DEEP ROCK OIL & GAS COULD LEAD TO PROFITS OF UP TO 1,008%.” The fax blast campaign continued throughout September and October.

22. While the fax blast campaign was ongoing, the SCG orchestrated and paid for an email blast campaign to further promote DPRK’s stock. The emails were first distributed on

September 20, 2005. Like the faxes, the emails touted DPRK and encouraged readers to buy the stock.

23. During the fax and email blast campaigns, the price of DPRK's stock and its daily trading volume increased significantly. DPRK's closing price rose from \$0.175 per share on Friday, September 9, 2005, the last trading day before the fax blast campaign started, to \$0.305 per share on September 12, 2005, the day the fax blast campaign began, to an all-time-high closing price of \$1.11 per share on September 23, 2005, an increase of 634%. During the same period of time, DPRK's trading volume rose from 1,580,937 on September 9, 2005 to 4,200,596 on September 23, 2005, an increase of 266%. Following the conclusion of the SCG's first round of DPRK promotional campaigns, the price and trading volume of the stock decreased dramatically.

24. To further manipulate DPRK's stock, Lindberg, and other members of the SCG, orchestrated and paid for a Magalog, a glossy 16 page promotional pamphlet, touting DPRK to be produced and distributed. The Magalog was distributed in February 2006, around the time when the SCG renewed the fax and email blast campaigns promoting DPRK. Prior to distributing the Magalog, the SCG started purchasing large quantities of DPRK stock to condition the market for the next phase of the manipulation.

25. During the market conditioning trading, the Magalog and renewed fax and email blast promotional campaigns, the price of DPRK's stock and its daily trading volume increased substantially. DPRK's closing price rose from \$0.20 on December 20, 2005, prior to the market conditioning trading, to \$0.72 on February 13, 2006, an increase of 360%. During the same period of time, DPRK's trading volume rose from 79,170 to 348,089, an increase of 439%.

Following the conclusion of the SCG's second round of DPRK promotional campaigns, the price and trading volume of the stock decreased dramatically.

26. None of the DPRK promotional materials disclosed that the persons who ultimately orchestrated and paid for the promotional campaigns, the SCG, owned or controlled significant positions in DPRK and that they intended to sell DPRK stock while encouraging readers to purchase the stock. Additionally, the emails falsely indicated that DPRK made filings with the SEC.

27. Throughout the fax blast, email blast, and Magalog campaigns, the SCG members, including Lindberg, engaged in heavy selling of DPRK stock for prices far below the valuation predictions asserted in the promotional materials. The shares were sold without being registered with the SEC and without a viable exemption from registration.

28. In some instances, accounts controlled by the SCG, including Lindberg, bought and sold DPRK stock in an effort to increase volume in the market and to increase the price shown for the stocks. This trading activity and other trading activities were sometimes coordinated on a daily basis.

29. The SCG profited through their sales of DPRK stock into the manipulated market. Lindberg personally obtained a gross profit of \$1,297,675 through sales of DPRK stock.

#### **D. Global Beverage Solutions, Inc. ("GBVS")**

30. In the spring and summer of 2005, the SCG acquired control over a business development company named PPKI. Through PPKI, the SCG began to negotiate the acquisition of a company named Rudy Beverages.

31. On October 5, 2005 PPKI changed its name to GBVS.



32. On October 10, 2005 GBVS completed its acquisition of Rudy Beverages. Between acquiring control over PPKI and the first SCG directed promotional campaign for GBVS, the SCG obtained control over large quantities of unrestricted shares of GBVS for its members and/or their nominees.

33. The SCG orchestrated and paid for an email blast campaign to promote GBVS's stock. The emails were first disseminated on December 1, 2005. The GBVS emails encouraged readers to purchase shares for prices up to \$2.00. The email blast campaign continued throughout December 2005, January, and February 2006.

34. Following the start of the email blast campaign, the SCG orchestrated and paid for a fax blast campaign to further promote GBVS's stock. The faxes were distributed in December 2005 and January 2006. Like the emails, the faxes touted GBVS and encouraged readers to buy the stock, claiming that investors could receive 2303% returns in the coming months.

35. To further manipulate GBVS's stock, Lindberg, and other members of the SCG, orchestrated and paid for 2 Magalogs touting GBVS to be produced and distributed. The Magalogs were distributed in March and May 2006. Both Magalogs encouraged readers to purchase GBVS stock.

36. During the GBVS promotional campaigns, the price of GBVS's stock and its daily trading volume increased significantly. The stock's closing price rose from November 28, 2005, just before the beginning of the first promotional campaign, at \$0.66 per share (with a volume of 78,718) to an all-time-closing high of \$2.02 on January 3, 2006 (with volume of 4,545,170), and remained artificially elevated above \$1.20 through May 9, 2006. Following the conclusion of the SCG's GBVS promotional campaigns, the price and trading volume of the stock decreased dramatically.

37. None of the GBVS promotional materials disclosed that the persons who ultimately orchestrated and paid for the promotional campaigns, the SCG, owned significant positions in GBVS and that they intended to sell GBVS stock while encouraging readers to purchase the stock.

38. Throughout the fax blast, email blast, and Magalog campaigns, the SCG members, including Lindberg, engaged in heavy selling of GBVS stock for prices far below the valuation predictions asserted in the promotional materials.

39. In some instances, accounts controlled by the SCG, including Lindberg, bought and sold GBVS stock in an effort to increase volume in the market and to increase the price shown for the stocks. This trading activity and other trading activities were sometimes coordinated on a daily basis.

40. The SCG profited through their sales of GBVS stock into the manipulated market. Lindberg personally obtained a gross profit of over \$3,747,563 through sales of GBVS stock.

#### **D. Lindberg's State of Mind**

41. Lindberg knowingly participated in the illegal conduct perpetrated by the SCG that is alleged in this complaint.

#### **E. Lindberg's Conduct with Other Issuers**

42. From approximately November 2002 to July 2007, on information and belief, Lindberg was involved in organizing, listing, financing, and/or promoting a number of other companies, the securities of which were traded over-the-counter and/or were quoted on the Pink Sheets.

**FIRST CLAIM FOR RELIEF**  
**Securities Fraud**  
**Violations of Exchange Act Section 10(b) and Rule 10b-5**

43. Paragraphs 1 through 42 are realleged and incorporated by reference.

44. As described above, Lindberg acting knowingly or recklessly, directly or indirectly, in connection with the purchase or sale of a security, by use of means or instrumentalities of interstate commerce, of the mails, or the facilities of a national securities exchange:

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

45. By engaging in the foregoing conduct Lindberg violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

**SECOND CLAIM FOR RELIEF**  
**Securities Fraud**  
**Violations of Securities Act Section 17(a)**

46. Paragraphs 1 through 45 are realleged and incorporated by reference.

47. As described above, Lindberg acting knowingly, recklessly, or negligently in the offer or sale of securities, by use of means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- a. employed devices, schemes, or artifices to defraud;

b. obtained money or property by means of untrue statements of a material fact or omitted 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; or

c. engaged in transactions, practices, or courses of business that operated or would operate as a fraud or deceit upon the purchaser.

48. By engaging in the foregoing conduct Lindberg violated Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

**THIRD CLAIM FOR RELIEF**  
**Offer or Sale of Unregistered Securities**  
**Violations of Securities Act Sections 5(a) and 5(c)**

49. Paragraphs 1 through 48 are realleged and incorporated by reference.

50. As described above, notwithstanding that there was no applicable exemption from the registration requirements of the federal securities laws Lindberg:

a. made use of means or instruments of transportation or communication in interstate commerce or of the mails to sell, though the use or medium of a prospectus or otherwise, securities as to which no registration statement was in effect;

b. for the purpose of sale or delivery after sale, carried and/or caused to be carried through the mails or in interstate commerce, by means or instruments of transportation, securities as to which no registration statement was in effect; or

c. made use of means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell, through the use or medium of a prospectus or otherwise, securities as to which no registration statement had been filed.

51. No valid registration statement was filed or in effect with the Commission pursuant to the Securities Act and no exemption from registration existed with respect to the securities and transactions described in this complaint.

52. By engaging in the foregoing conduct Lindberg violated Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

### **RELIEF REQUESTED**

WHEREFORE, the Commission respectfully requests that this Court issue an order:

A. permanently enjoining Lindberg, pursuant to Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d)(1) of the Exchange Act [15 U.S.C. § 78u(d)(1)], from violating, directly or indirectly, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5];

B. permanently enjoining Lindberg, pursuant to Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)], from violating, directly or indirectly, Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)];

C. permanently barring Lindberg from participating in an offering of penny stock, as defined by Rule 3a51-1 under the Exchange Act [17 C.F.R. § 240.3a51-1], pursuant to Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)];

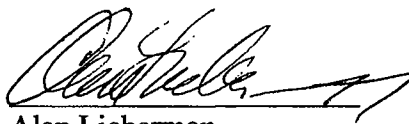
D. permanently barring Lindberg, pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] , from acting as an officer or director of any issuer having a class of securities registered with the Commission pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)];

E. granting such other relief as the Court deems just or appropriate; and

F. retaining jurisdiction of this action in order to implement and carry out the terms of this order.

Date: 7/9/08

Respectfully submitted,



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