JUDGE CARTER

ANDREW M. CALAMARI
REGIONAL DIRECTOR
Attorney for Plaintiff
SECURITIES AND EXCHANGE COMMISSION
New York Regional Office
3 World Financial Center, Suite 400
New York, New York 10281-1022
(212) 336-1100

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,	
Plaintiff,	
-against-	**COMPLAINT AND JURY DEMAND**
LAIDLAW ENERGY GROUP, INC., and MICHAEL B. BARTOSZEK,	
Defendants.	**ECF CASE**

Plaintiff Securities and Exchange Commission (the "Commission"), for its Complaint against defendants Laidlaw Energy Group, Inc. ("Laidlaw" or the "Company") and Michael B. Bartoszek ("Bartoszek") (together, the "Defendants"), alleges:

SUMMARY

1. Between August 2006 and January 2010, Laidlaw and its chief executive officer and sole director Bartoszek conducted a single consolidated illegal offering of over 2 billion shares of Laidlaw's common stock without complying with the registration provisions of the federal securities laws. Laidlaw sold the shares, representing over 80% of the Company's outstanding common stock, in 35 unregistered tranches to three commonly-controlled entities (collectively, the "Purchasing Entities").

2. The Purchasing Entities bought each tranche of Laidlaw common stock at about a 50% discount, on average, from market price. The Purchasing Entities then quickly resold the tranche to the public in a series of small transactions at the prevailing market price for a sizeable and virtually guaranteed profit. The Purchasing Entities generally sold out each tranche of Laidlaw common stock before acquiring the next tranche. Bartoszek knew about, and facilitated, the Purchasing Entities' Laidlaw common stock resales.

3. Laidlaw realized proceeds of $1,259,550 from the illegal offering to the Purchasing Entities, which constituted nearly all of its income from August 2006 to January 2010. Laidlaw and Bartoszek used the money to fund the Company's operations, including to pay for Bartoszek's salary, which had risen to $200,000 by 2010, as well as miscellaneous perks and expenses for Bartoszek.

4. Although Laidlaw and Bartoszek purported to conduct the 35 share issuances pursuant to Rule 504(b)(1)(iii) of Regulation D ("Rule 504(b)(1)(iii)") [17 C.F.R. § 230.504(b)(1)(iii)], the transactions did not qualify for any exemptions from registration. Rule 504 of Regulation D [17 C.F.R. § 230.504] exempts from registration certain limited offerings of $1,000,000 or less. The 35 tranches were, in reality, a single, integrated offering that raised $1,259,550 for Laidlaw and, therefore, exceeded the $1 million limit under Rule 504.

5. The federal registration requirements protect investors by promoting full disclosure of information deemed necessary for informed investment decisions. Investors who purchased Laidlaw common stock were deprived of such protections by Laidlaw's failure to register the share issuances.

6. On January 9, 2012, Laidlaw and Bartoszek falsely presented the Purchasing Entities as the current "beneficial owner" of over 80% of the Company's common stock in its

Form 10 General Form for Registration of Securities Pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934, filed with the Commission ("Form 10") and again in its Form S-1 Registration Statement under the Securities Act of 1933, filed with the Commission on April 30, 2012 ("Form S-1"). Bartoszek signed the Form 10 and Form S-1 as the chief executive officer of Laidlaw, even though he knew that the representation concerning the Purchasing Entities' ownership was false.

7. Between December 2009 and June 2011, Bartoszek also violated the anti-fraud provisions of the federal securities laws by insider trading, specifically by selling over 118 million Laidlaw shares for proceeds of over $318,000 while in the possession of material non-public information. On June 7, 2011, the Commission suspended trading in Laidlaw's common stock under Section 12(k) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. 78l(k)], effectively ending Bartoszek's illegal stock sales.

VIOLATIONS

8. By virtue of the foregoing conduct and as alleged further herein, Laidlaw and Bartoszek, directly or indirectly, singly or in concert, have engaged in acts, practices, transactions, and courses of business that violated Sections 5(a) and (c) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a) and 77e(c)], 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].

9. By virtue of the foregoing conduct and as alleged further herein, Bartoszek has engaged in acts, practices, transactions and of business that violated Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)]. Bartoszek is liable under Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)] for aiding and abetting Laidlaw's violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and is

also liable for these violations under Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)] as a control person of Laidlaw.

10. Unless Laidlaw and Bartoszek are restrained and enjoined, they will again engage in the acts, practices, transactions, and courses of business set forth in this Complaint and in acts, practices, transactions, and courses of business of similar type and object.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

11. The Commission brings this action pursuant to the authority conferred upon it by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)].

12. The Commission seeks a final judgment:

a) Permanently enjoining Laidlaw and Bartoszek from violating Sections 5(a) and (c) of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder, and permanently enjoining Bartoszek from violating Section 17(a) of the Securities Act (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)]);

b) Ordering Laidlaw and Bartoszek to disgorge, with prejudgment interest thereon, their ill-gotten gains stemming from the Company's share issuances to the Purchasing Entities, jointly and severally, and ordering Bartoszek to disgorge, with prejudgment interest thereon, his ill-gotten gains resulting from his insider trading;

c) Ordering Laidlaw and Bartoszek to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section

21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and ordering Bartoszek to pay insider trading civil penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1];

d) Permanently prohibiting Bartoszek from participating in any offering of a penny stock, pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)];

e) Permanently prohibiting Bartoszek from acting as an officer or director of any issuer that has a class of securities registered 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)]; and

f) Any other relief the Court may deem appropriate.

JURISDICTION AND VENUE

13. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d), and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d), and 77v(a)] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa]. The Defendants, directly or indirectly, singly or in concert, have made use of the means or instruments of transportation or communication in interstate commerce, or of the mails, in connection with the transactions, acts, practices and courses of businesses alleged herein.

14. Venue lies in the Southern District of New York, pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Laidlaw's principal place of business is in Manhattan, and Laidlaw and Bartoszek transacted business, including certain of the acts, practices, transactions, and courses of business alleged in this Complaint, within the Southern District of New York.

DEFENDANTS

15. **Laidlaw**, is a New York corporation founded in 1999 with its principal place of business in New York, New York. It purports to be a developer of facilities that generate electricity from wood biomass.

16. **Bartoszek,** resides in Hoboken, New Jersey. Bartoszek is the founder, president, CEO, and sole director of Laidlaw. Between 1987 and 1998, he worked as a registered representative at several broker-dealers and held Series 6, 7, 24, 27, and 63 licenses.

FACTS

17. Bartoszek founded Laidlaw in 2002 with the purported goal of building and managing a portfolio of wood biomass energy facilities, which would produce power by burning wood chips or other organic wastes. The Company thereafter sought to acquire idled power plants, convert them to wood biomass facilities, and then sell those plants to energy investors. Bartoszek has been Laidlaw's CEO since 2002, and its sole director for much of this time.

18. Between 2002 and the present, Laidlaw focused primarily on three wood biomass conversion projects. Laidlaw purchased its first plant in 2006, a natural gas boiler in Ellicottville, New York, and thereafter sought to convert it to a wood biomass facility (the "Ellicottville Project"). By early 2008, the Ellicottville Project was no longer viable because the Town of Ellicottville denied requisite permitting and Laidlaw had exhausted its appeals.

19. In 2008, Laidlaw purchased an interest in a second plant, a former pulp and paper mill facility in Berlin, New Hampshire (the "Berlin Project"). In 2010, Laidlaw sold its interest in the Berlin Project. Based on Laidlaw's financial statements, the Company received around $1.4 million from the sale of this project. This sale was Laidlaw's only source of revenue, other than from share issuances to the Purchasing Entities and a few other investors.

20. In 2011, Laidlaw announced that it signed a letter of intent to acquire a third facility in Susanville, California (the "Susanville Project"). The purchase agreement for the Susanville plant provided that Laidlaw would use stock to acquire the facility. It further required Laidlaw to register the secondary stock offering by a certain deadline.

21. Throughout the Company's existence, Bartoszek employed a public relations strategy whereby he announced positive news in press releases and on Laidlaw's website, but generally refrained from disclosing adverse developments.

22. In addition, beginning in 2007, Bartoszek repeatedly promised in press releases and on a Laidlaw-related internet message board to make Laidlaw's financial information more transparent for shareholders and to become fully registered with the Commission. Despite these promises, Bartoszek never informed shareholders, among other things, that:

- the Company's auditor had issued a going concern opinion for the year ending 2006 and the first three quarters of 2007;
- the Company had no revenue from operations (until and except for the Berlin Project sale in 2010) and had yet to achieve a profit;
- nearly all of the Company's revenues between August 2006 and January 2010 came from an illegal offering of more than 80% of its outstanding common stock to the Purchasing Entities at a deep discount; or that
- he was selling his Company shares for proceeds of over $318,000.

23. As a result of Laidlaw and Bartoszek's public relations strategy, and despite repeated promises of transparency, the market lacked adequate information about the Company's finances and business prospects from at least 2006 and continuing through the period of Bartoszek's insider trading until the January 2012 filing of Laidlaw's Form 10, at the earliest.

Laidlaw's Illegal Share Offering to the Purchasing Entities

24. Laidlaw's relationship with the Purchasing Entities began in 2005 or 2006 when an employee of the Purchasing Entities (hereafter referred to as "Employee A") "cold called" Bartoszek and offered capital in exchange for deeply discounted Laidlaw common stock. Between 2006 and 2010, Employee A contacted Bartoszek and offered to buy additional discounted shares. During the same period, Bartoszek also contacted Employee A when Laidlaw needed operating capital, to inquire whether the Purchasing Entities would buy discounted shares.

25. During the time of the share issuances to the Purchasing Entities, Laidlaw traded only on the "over-the-counter" market and was quoted by OTC Markets Group, Inc. (formerly known as the Pink Sheets), an electronic quotation and trading system. Laidlaw had limited assets, low share prices, and little or no analyst coverage. During the relevant period, Laidlaw's common stock was a "penny stock" as defined by Section 3(a)(51)(A) of the Exchange Act [15 U.S.C. § 78c(a)(51)(A)], meaning that, among other things, it traded below five dollars per share and was not listed on a national securities exchange.

26. Between August 2006 and January 2010, Laidlaw issued approximately 2 billion shares to the Purchasing Entities in 35 unregistered tranches for proceeds of $1,259,550. Laidlaw realized nearly all of its income during this period through unregistered share issuances to the Purchasing Entities.

27. During this period, Laidlaw's offers and sales to the Purchasing Entities of discounted, unregistered shares occurred at intervals of weeks or a few months. There was no six-month break between any offers or sales. Although there was a six-month break between the

33rd and 34th transactions, Bartoszek offered shares to the Purchasing Entities via email during this interval on at least two occasions.

28. Aside from a few other share transactions, the Purchasing Entities were Laidlaw's sole source of income between August 2006 and January 2010. Bartoszek used the money raised through the offerings to fund Laidlaw's operations.

29. The Purchasing Entities paid for the Laidlaw common stock in cash by wire transfer.

30. The Purchasing Entities dumped the Laidlaw shares on the market within days or weeks of the share issuances and realized hundreds of thousands of dollars in profits. These stock sales diluted the value of the shares previously purchased by investors in the market, who were not told about the huge blocks of cheap stock Laidlaw was selling.

31. To effectuate the share issuances to the Purchasing Entities, Laidlaw and Bartoszek communicated by e-mail, telephone and interstate mail with the Purchasing Entities, Laidlaw's transfer agent, and the Purchasing Entities' attorneys in various locations throughout the country. Laidlaw and Bartoszek also typically transmitted draft and final executed agreements pertaining to the share issuances to the Purchasing Entities by e-mail and facsimile.

32. Section 5 of the Securities Act prohibits any person, directly or indirectly, from offering or selling any security unless a registration statement is filed as to such offer, and is in effect as to such sale, or unless an exemption from registration is available. In this case, no registration statements were filed or in effect in connection with Laidlaw's share issuances to the Purchasing Entities, or the Purchasing Entities' resales of those shares to the public, and no exemptions from registration were available to Laidlaw. Laidlaw also never filed a Form D, Notice of Exempt Offering of Securities, with the Commission, which is required for a company

to use an exemption from registration under Regulation D of the Securities Act to offer and sell securities without registering the offering with the Commission.

33. Laidlaw purported to rely on the Rule 504(b)(1)(iii) exemption to avoid registering with the Commission the share issuances to the Purchasing Entities. Rule 504(b)(1)(iii) provides an exemption from registration for certain limited offers and sales of securities not exceeding $1,000,000 only if the offers and sales are made "[e]xclusively according to state law exemptions from registration that permit general solicitation and general advertising so long as sales are made only to 'accredited investors' as defined in [Rule] 501(a)."

34. Laidlaw's share issuances to the Purchasing Entities were, in reality, a single, integrated offering raising a total of $1,259,550, and therefore exceeded the $1 million limit under Rule 504(b)(1)(iii).

Bartoszek Knew About and Facilitated the Purchasing Entities Resales of the Laidlaw Shares.

35. Bartoszek knew that the Purchasing Entities intended to immediately sell each tranche of Laidlaw shares and that they in fact generally sold out each tranche before acquiring more shares.

36. Bartoszek explicitly worked with Employee A to limit the Purchasing Entities' share ownership to less than 10% of the common stock outstanding, apparently so that the Purchasing Entities could avoid triggering regulatory requirements, such as limitations on re-sale. Bartoszek did this by selling the Purchasing Entities shares in 35 tranches, often separated by mere weeks, to permit the Purchasing Entities to sell the shares before purchasing more.

37. Bartoszek and the Purchasing Entities monitored the total number of shares outstanding to ensure that the Purchasing Entities did not exceed 10% share ownership. On December 10, 2008, for example, after Bartoszek pressed Employee A about additional funding,

Employee A emailed that he did not think the control person of the Purchasing Entities "will be able to proceed b/c of the 10% rule[.]" Bartoszek replied that if Laidlaw has "nearly 1.8 bil[lion] [shares] outstanding you can't be over by much." Bartoszek, therefore, knew that the Purchasing Entities had already sold the vast majority of the shares, since at the time of this email exchange, the Purchasing Entities had already bought and sold over 1.3 billion shares of Laidlaw, more than 73% of the total outstanding shares.

38. Bartoszek facilitated the Purchasing Entities' immediate sales of Laidlaw shares by issuing shares at a deep discount. Therefore, the Purchasing Entities' funding of Laidlaw's operations was hugely profitable, and essentially risk free, for the Purchasing Entities, even as it harmed existing investors who were in the dark about these transactions.

39. The Purchasing Entities voiced dissatisfaction if the stock price decreased during the time between the share issuance and their first sale, and refused to provide capital if they viewed the discount to be insufficient. On March 26, 2009, Bartoszek emailed Employee A and stated "[e]ven assuming you sell your shares at 6 [cents] this is almost a 50 percent profit on your investment. . . . I don't see why a 50 percent return would be insufficient. . . What am I missing?" Ten minutes later, Bartoszek—apparently nervous about offending Employee A with his previous email—sent another email to Employee A noting that he was "always willing to act in good faith and work with you guys to ensure a reasonable profit on our transactions."

40. Bartoszek sold to the Purchasing Entities during periods of high liquidity. On March 8 and 12, 2008, Employee A emailed that "this business is all about timing" and that Laidlaw should sell discounted shares to the Purchasing Entities "while the liquidity is healthy," reflecting the Purchasing Entities intent to rapidly sell the shares acquired.

41. On October 29, 2010, Bartoszek ordered, and later received, a Non-Objecting Beneficial Owner ("NOBO") List as part of his efforts to register the offering of certain Laidlaw common stock with the Commission, as required by the Susanville Project purchase agreement. A NOBO List contains the names and addresses of an issuer's shareholders who do not object to the release of this information to the issuer. Issuers may request this beneficial owner information to contact shareholders regarding proxies and to send other shareholder communications. The Laidlaw NOBO list, on which none of the Purchasing Entities appeared, clearly showed that the Purchasing Entities had sold all of their 2 billion-plus Laidlaw shares.

Laidlaw Misrepresented the Purchasing Entities' Beneficial Ownership of Laidlaw's Common Stock in Filings with the Commission.

42. On January 9, 2012, Laidlaw filed the Form 10 with the Commission to register a class of its securities, *i.e.* its common stock, under the Exchange Act.

43. The Form 10 General Form for Registration of Securities Pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934 requires the registering company to provide certain fundamental information about the company, including, among other things, financial information regarding the issuer (including audited financial statements), information about the company's business, relevant risk factors, its directors and executive officers, executive compensation, related party transactions, material legal proceedings, market price and information about the company's common stock, and recent sales of unregistered securities. The Form 10 is an important source of information regarding a publicly traded security that is available to investors to make investment decisions.

44. In the Form 10, Laidlaw falsely presented the Purchasing Entities as "beneficial owners" of 81.79% of the Company's common stock, stating that this information "remains true

and correct as of December 31, 2011." That statement would have been true only if the Purchasing Entities had never sold a single share.

45. In reviewing a draft of the Form 10, prepared by his former counsel, Bartoszek stated that "[i]t is doubtful that [the Purchasing Entities] still hold[] any shares." Bartoszek nevertheless signed the Form 10 as Laidlaw's chief executive officer with knowledge that the Purchasing Entities had sold all, or virtually all, of their Laidlaw shares for a sizeable profit.

46. Bartoszek knew that the Purchasing Entities had sold all, or virtually all, of their Laidlaw shares because, among other things, he issued shares at deep discounts and in tranches to facilitate immediate resales; discussed in emails with Employee A whether the Purchasing Entities held 10% of Laidlaw's common stock and the profits the Purchasing Entities would receive upon resale; and sold shares to the Purchasing Entities during periods of high liquidity.

47. The Form 10 was the first time that Laidlaw provided its shareholders or the public with comprehensive information about the Company's shareholders, finances, and business projects and prospects. It immediately became the subject of chatter on a Laidlaw-related internet message board, one message board poster noting that, with respect to the share issuances to the Purchasing Entities, "this explains the crazy dilution we saw in 2008 and 2009." Trading volume in Laidlaw common stock increased 700%, from 500,000 shares traded on January 6, 2012 to 4,000,000 shares traded on January 9, 2012 (the day that Laidlaw filed the Form 10).

48. Laidlaw withdrew the Form 10 on March 8, 2012 before it became effective.

49. On April 30, 2012, Laidlaw filed the Form S-1 to register a secondary offering of its common stock under the Securities Act.

50. The Form S-1 Registration Statement under the Securities Act of 1933 is filed with the Commission to register a transaction, *i.e.* the offer and sale of securities. In a Form S-1 the registrant must provide fundamental information about the company including, among other things, audited financial statements, information about the company's business, competition, its officers and directors, and related party transactions. In addition, in a Form S-1 the company must provide information concerning the particular offering of securities that is being registered, including the planned use of capital proceeds from the company's issuance of the securities offered or that the offer and sales being registered are by existing selling shareholders of the company. Investors and others use this form to perform due diligence on securities offerings.

51. Laidlaw's Form S-1 again stated that the Purchasing Entities were the "beneficial owner" of 81.79% of Laidlaw's common stock, but added a footnote stating that the Company had "no knowledge as to whether . . . [the Purchasing Entities] sold or otherwise transferred such shares and accordingly are assuming all of such shares are still held by [the Purchasing Entities]." Laidlaw further hedged in the footnote by saying that this "assumption[] may be incorrect." The statement regarding the Purchasing Entities' beneficial ownership was false, and Bartoszek knew this. The footnote and the supposed assumption mentioned in the footnote were misleading.

52. The false information regarding the Purchasing Entities' share ownership was in the public domain for nearly seven months. On July 6, 2012, Laidlaw filed an amended S-1, which finally omitted the false information regarding the Purchasing Entities' beneficial share ownership.

Bartoszek Sold Over 118 Million Laidlaw Shares While Withholding Material, Negative Information Regarding the Company's Financial Condition and Prospects.

53. On December 4, 2009, Bartoszek deposited over 180 million shares of Laidlaw common stock into his brokerage account. By June 6, 2011—when the Commission suspended trading in Laidlaw shares—Bartoszek had sold over 118 million shares for proceeds of over $318,000. This was on top of his then $200,000 annual salary.

54. Bartoszek never had a stock trading plan or any other written plan for the purpose of trading securities in accordance with Rule 10b-5 of the Exchange Act [17 C.F.R. § 240.10b-5]. He generally sold small amounts of Laidlaw shares nearly every trading day between December 10, 2009 and June 9, 2011. He did not disclose his sales to the Commission or to Laidlaw shareholders.

55. During at least two three-month periods between December 2009 and June 2011, Bartoszek sold shares on the market representing more than 1% of Laidlaw's total common stock outstanding (the "total float"). Between April 6 and June 29, 2010, Bartoszek sold 28,232,251 shares, representing 1.2% of Laidlaw's total float. Similarly, between June 1, 2010 and August 31, 2010, Bartoszek sold 45,941,000 Laidlaw shares, representing 1.9% of the Company's total float.

56. During the entire period of Bartoszek's trading, from December 2009 to June 2011, Laidlaw was not a reporting company with the Commission. In fact, until March 2011, when Laidlaw released unaudited financial statements, both the public and Laidlaw's shareholders lacked any meaningful financial information about the Company.

57. Laidlaw's market price did not reflect the Company's true condition during the period of Bartoszek's trading because the public did not know the Company's true condition. Laidlaw's frequent press releases and Bartoszek's internet message board posts rarely disclosed

any negative information about the Company. The result of this public relations strategy was that most of the public information about Laidlaw prior to the January 2012 Form 10 was positive, disguising the Company's difficult economic reality, as known only to Bartoszek.

Laidlaw and Bartoszek Promised More Transparency for Investors While Concealing the Company's Poor Financial Condition and a 2009 Going Concern Opinion, and Downplaying Adverse Business Developments.

58. Between 2007 and 2011, including during the December 2009 to June 2011 period of Bartoszek's insider trading, Laidlaw and Bartoszek repeatedly issued press releases and statements on an internet message board announcing that the Company would become "fully reporting" and promising transparency. In July 2009, however, Bartoszek received audited financial statements for calendar year 2006 and the first nine months of 2007. The statements showed that the Company had an accumulated deficit of $891,222, a working capital deficit of $414,192, no revenues, and had yet to achieve profitable operations. Further, the financial statements expressed "substantial doubt as to the Company's ability to continue as a going concern." Contrary to Laidlaw's promises of greater transparency, the Company never released the audited financial statements to shareholders.

59. A January 28, 2010 Laidlaw press release—issued just five months after Bartoszek's receipt of the going concern opinion —also promised increased "transparency" and stated that it was Bartoszek's "hope that [Laidlaw] will voluntarily commence disclosure of additional company information this fiscal year so that shareholders will have much of the same information irrespective of whether" Laidlaw lists its securities on the Over-the-Counter Bulletin Board (or OTCBB) or not.

60. On October 25, 2010, Laidlaw again announced its intent to "become a fully reporting company under the Securities Exchange Act of 1934."

61. In January 2011, Bartoszek stated in a post on the Laidlaw-related internet message board that the company was filing a Form 10 registration statement. Laidlaw's website also promised until at least January 2011 that the Company was "currently in the process of becoming a fully-reporting company" with the SEC.

62. As of September 2011, however, the Commission's Division of Corporation Finance, which is charged with processing issuer registrations, had received no communications from the Company whatsoever.

63. The January 2010 press release, issued while Bartoszek was selling millions of shares of Laidlaw common stock, also provided an unreasonably optimistic update on the Ellicottville Project.

64. By the date of this press release, the Ellicottville Project was unfeasible. In October 2007, the Town of Ellicottville Planning Board denied Laidlaw's application for the conversion of a natural gas facility to a wood biomass power plant, concluding that the project would pose an environmental risk. The New York Supreme Court dismissed Laidlaw's Article 78 appeal of the Town's denial on March 10, 2008. In January 2008, Laidlaw filed a federal suit against the Town alleging an infringement of its constitutional rights. The federal judge permitted Laidlaw's counsel to withdraw in February 2009, in part due to the Company's failure to pay legal fees. The federal judge threatened to dismiss Laidlaw's case for failure to prosecute after Laidlaw failed to appear at a hearing on counsel's withdrawal motion. In September 2009, the by-then-former counsel filed suit against Laidlaw for non-payment of legal fees.

65. Notwithstanding the above-described events, Laidlaw stated in the press release, drafted by Bartoszek, that the Company "continue[d] to pursue [the Ellicottville] project" and that "federal litigation will continue to move forward[.]" The press release did not refer to the

withdrawal of counsel, the company's failure to appear at the hearing, or the judge's threat to dismiss the case. These facts, which were not widely known or easily discoverable, contradicted the Company's message that it was pursuing the Ellicottville Project.

66. The Company's website also continued to promote the Ellicottville Project, noting it was an "award winning renewable energy project located in New York," years after it was clear that Laidlaw was no longer actively pursuing it. Indeed, in May 2011, Bartoszek instructed the Company's then-auditor to write off the Ellicottville project, noting that the "project is basically a liquidation at this point . . ." Thus, prospective investors and existing shareholders could reasonably think that the Ellicottville Project was active long after it ceased to exist.

Laidlaw's Stock Price was Artificially Inflated During the Period of Bartoszek's Trading.

67. While he was selling Laidlaw common stock, Bartoszek had non-public information that was highly relevant to the value of Laidlaw's stock, such as the true financial condition of the Company and its business prospects. Bartoszek also knew that Laidlaw had survived by secretly issuing over 80% of its common stock to the Purchasing Entities at huge discounts, and that these entities had promptly dumped the shares into the market.

68. Laidlaw readily released positive news about the Company when it was possible to do so. In 2010, for example, Laidlaw sold its interest in the Berlin Project. Only after that sale, did Laidlaw, in March 2011, finally release unaudited financial statements for the years ended 2008, 2009, and 2010. The 2010 unaudited statements reported $2.4 million in income from the sale. Thus, Bartoszek held off on the release of any financial information, including the bleak audited financial statements, until he finally had some good financial news (the sale of the Berlin Project) to report.

69. Bartoszek, an experienced securities professional who had run a public company since 2002, either knew or was reckless in not knowing that Laidlaw's market price did not reflect the Company's true condition during the period of his trading.

FIRST CLAIM FOR RELIEF
Violations of Sections 5(a) and 5(c) of the Securities Act
(Against all Defendants)

70. Paragraphs 1 through 69 are re-alleged and incorporated by reference as if fully set forth herein.

71. The common stock that Laidlaw sold to the Purchasing Entities constitute "securities" within the meaning of Section 2(a)(l) of the Securities Act [15 U.S.C. § 77b(a)(1)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. § 78c(a)(10)].

72. At all relevant times, the common stock that Laidlaw sold to the Purchasing Entities was not registered in accordance with the provisions of the Securities Act and no exemption from registration was applicable.

73. The Defendants, therefore, singly or in concert, directly or indirectly, made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer and to sell securities when no registration statement had been filed or was in effect as to such offers and sales of such securities and no exemption from registration was available.

74. By reason of the activities described herein, Defendants, singly or in concert, directly or indirectly, violated, and unless enjoined and restrained will continue to violate, Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

SECOND CLAIM FOR RELIEF
Violations of Sections 5(a) and 5(c) of the Securities Act
(Against Bartoszek)

75. Paragraphs 1 through 69 are re-alleged and incorporated by reference as if fully set forth herein.

76. The common stock that Bartoszek sold constitute "securities" within the meaning of Section 2(a)(l) of the Securities Act [15 U.S.C. § 77b(a)(1)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. § 78c(a)(10)].

77. At all relevant times, the common stock that Bartoszek sold was not registered in accordance with the provisions of the Securities Act and, in light of the volume of shares he sold and the lack of public information regarding Laidlaw for much of the period of his trading, no exemption from registration was applicable.

78. Bartoszek, therefore, directly or indirectly, made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer and to sell securities when no registration statement had been filed or was in effect as to such offers and sales of such securities and no exemption from registration was available.

79. By reason of the activities described herein, Bartoszek, directly or indirectly, violated, and unless enjoined and restrained will continue to violate, Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

THIRD CLAIM FOR RELIEF
Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder
(Against all Defendants)

80. Paragraphs 1 through 69 are re-alleged and incorporated by reference as if fully set forth herein.

81. As alleged herein, all of the Defendants, directly or indirectly, singly or in concert, by the use of the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, in connection with the purchase or sale of Laidlaw securities, knowingly or with reckless disregard for the truth: (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material facts and omitted to state material facts necessary in order to make statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon purchasers of securities and upon other persons.

82. Laidlaw and Bartoszek knowingly made materially false statements in the Form 10 and Form S-1, and Bartoszek sold Laidlaw shares while in possession of material, non-public information.

83. By reason of the foregoing, the Defendants, singly or in concert, directly or indirectly, have violated, and unless enjoined and restrained will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule l0b-5 thereunder [17 C.F.R. 240.10b-5].

FOURTH CLAIM FOR RELIEF
Violations of Section 17(a) of the Securities Act
(Against Bartoszek)

84. Paragraphs 1 through 69 are re-alleged and incorporated by reference as if fully set forth herein.

85. Bartoszek directly or indirectly, in the offer and sale of securities, by the use of the means and instruments of transportation and communication in interstate commerce and of the mails, knowingly or with reckless disregard for the truth: (a) employed devices, schemes or

artifices to defraud; (b) obtained money or property by means of untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in transactions, practices or courses of business which operated or would operate as a fraud or deceit upon purchasers of securities.

86. Bartoszek sold Laidlaw shares while in possession of material, non-public information.

87. By reason of the foregoing, Bartoszek, directly or indirectly, violated, and unless enjoined and restrained will continue to violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

FIFTH CLAIM FOR RELIEF
Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder
(Against Bartoszek)
(Aiding and Abetting Liability)

88. Paragraphs 1 through 69 are re-alleged and incorporated by reference as if fully set forth herein.

89. Based upon the conduct alleged herein, Laidlaw violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

90. As alleged herein, Bartoszek was aware that his role in connection with such violations were part of an overall activity that was improper, and provided substantial assistance to Laidlaw in committing such violations.

91. By reason of the foregoing and pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Bartoszek, directly or indirectly, aided and abetted, and unless enjoined and restrained will continue to aid and abet, violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

SIXTH CLAIM FOR RELIEF
Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder
(Against Bartoszek)
(Control Person Liability)

92. Paragraphs 1 through 69 are re-alleged and incorporated by reference as if fully set forth herein.

93. Based upon the conduct alleged herein, Laidlaw violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

94. As alleged herein, Bartoszek, directly or indirectly controlled Laidlaw and was a culpable participant in Laidlaw's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Pursuant to Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)], Bartoszek is liable as a control person for Laidlaw's violations of those provisions.

RELIEF SOUGHT

WHEREFORE, the Commission respectfully requests that the Court issue a Final Judgment:

I.

Permanently enjoining Laidlaw and Bartoszek from violating Sections 5(a) and 5(c) of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder, and permanently enjoining Bartoszek from violating Section 17(a) of the Securities Act (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)]);

II.

Ordering Laidlaw and Bartoszek to disgorge, with prejudgment interest thereon, all ill-gotten gains received directly or indirectly as a result of Laidlaw's share issuances to the

Purchasing Entities, jointly and severally, and ordering Bartoszek to disgorge, with prejudgment interest thereon, his ill-gotten gains resulting from his insider trading;

III.

Ordering Laidlaw and Bartoszek to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and ordering Bartoszek to pay insider trading civil penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1];

IV.

Imposing a permanent bar on Bartoszek from participating in any offering of a penny stock, pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)];

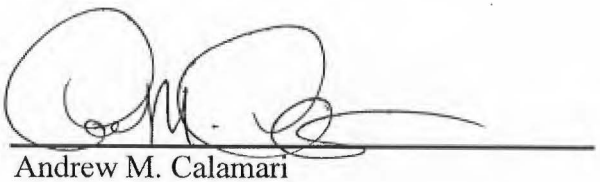
V.

Imposing a permanent bar on Bartoszek from acting as an officer or director of any issuer that has a class of securities registered 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)]; and;

VI.

Granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York
June 5, 2013



Andrew M. Calamari
Regional Director
Attorney for Plaintiff
SECURITIES AND EXCHANGE COMMISSION
New York Regional Office
3 World Financial Center, Suite 400
New York, New York 10281-1022
(212) 336-1100
CalamariA@sec.gov

Of Counsel:
Michael Paley (PaleyM@sec.gov)
Haimavathi V. Marlier (MarlierH@sec.gov) (*not admitted in New York*)
Todd D. Brody (BrodyT@sec.gov)