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CIVIL BUSINESS CENTER  
CENTRAL DIVISION

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**FILED**  
Clerk of the Superior Court  
JUL 23 2012

CLERK OF THE SUPERIOR COURT  
SAN DIEGO COUNTY, CA

1 George Sharp  
2 7660 Fay Avenue, Suite H122  
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6 In Propria Persona

By: \_\_\_\_\_ Deputy

7 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
8 **COUNTY OF SAN DIEGO, CENTRAL DIVISION**

9 GEORGE SHARP,

Case No. 37-2012-00101057-CU-NP-CTL

10  
11 Plaintiff,

**COMPLAINT FOR:**

12  
13 v.

- 1) VIOLATIONS OF CALIFORNIA RESTRICTIONS ON UNSOLICITED COMMERCIAL E-MAIL ADVERTISERS (Cal. Bus. & Prof. Code § 17529.5); and,
- 2) VIOLATIONS OF CONSUMERS LEGAL REMEDIES ACT (Cal. Civ. Code § 1750 et seq.)

14 IDO Security, Inc., Henry Shabat, Irit  
15 Pnina Reiner, Michael Goldberg,  
16 Mustang Alliances, Inc., Leonard  
17 Sternheim, Mendel Mochkin, Empire  
18 Post Media, Inc., Peter Dunn, Fidelity  
19 Ltd., Stand Online Ltd., Promo Kombo  
20 Ltd., EMPRT Group Ltd., Natti Reach  
Ltd., Flaster Knol Ltd., and DOES 1  
through 500, inclusive,

21 Defendants.  
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1                   **COMES NOW PLAINTIFF AND ALLEGES AS FOLLOWS:**

2           1.     At all times mentioned herein, Plaintiff Sharp, "SHARP" was a  
3 resident of San Diego County, California.

4           2.     SHARP is a consumer because SHARP seeks and acquires, by  
5 purchase or lease, goods and purchase for household purposes.

6           3.     SHARP is a trader of the stocks of public companies.

7           4.     SHARP owns and at all times mentioned, owned a computer with an  
8 internet connection. SHARP regularly uses this computer to access his email  
9 accounts. This computer is located in the State of California in the County of San  
10 Diego. SHARP received all spam emails referenced herein through his Internet  
11 Service Provider, whose equipment is located in the State of California.

12          5.     At all times mentioned herein, Defendant IDO Security, Inc.  
13 ("IDOI"), was a Nevada Corporation with a listed place of business at 17 State  
14 Street, New York, NY 10004. IDOI purports to develop a shoe scanning device to  
15 enhance security in airports and government buildings. The company's common  
16 stock is traded on the over-counter-market, commonly known as the Bulletin  
17 Board, under the symbol "IDOI".

18          6.     Defendant Michael Goldberg ("GOLDBERG") is the President of  
19 Defendant "IDOI".

20          7.     Defendants Henry Shabat ("SHABAT") and Irit Pnina Reiner  
21 ("REINER") are current and/or former officers of the Defendant IDOI and/or its  
22 subsidiaries. Plaintiff is informed and believes that collectively SHABAT and  
23 REINER hold of millions of shares of IDOI common stock and options to purchase  
24 additional stock at prices below market.

25          8.     At all times mentioned herein, Defendant Mustang Alliances, Inc.  
26 ("MUSTANG"), was a Nevada Corporation with a listed place of business at 410  
27 Park Avenue, 15<sup>th</sup> Floor, New York, NY 10004. MSTG purports to be involved in  
28 the exploration and development of gold and silver mines in Honduras. The

1 company's common stock is traded on the over-counter-market, commonly known  
2 as the Bulletin Board, under the symbol "MSTG".

3 9. Defendant Leonard Sternheim ("STERNHEIM") is the President,  
4 Chief Executive Officer and Chairman of Defendant MUSTANG, as well as a  
5 significant shareholder.

6 10. Defendant Mendel Mochkin ("MOCHKIN") is a consultant to and a  
7 Director of Defendant MUSTANG, as well as a significant shareholder.

8 11. At all times mentioned herein, Defendant Empire Post Media, Inc.  
9 ("EMPIRE"), was a Nevada Corporation with a listed place of business at 5023 N.  
10 Parkway Calabasas, Calabasas, CA 91302. EMPIRE purports to be an  
11 entertainment company pursuing opportunities in the television field. The  
12 company's common stock is traded on the over-counter-market, commonly known  
13 as the Bulletin Board, under the symbol "EMPM".

14 12. Defendant Peter Dunn ("DUNN") is the Chief Executive Officer  
15 Defendant EMPIRE, as well as a significant shareholder.

16 13. STOCK CASTLE is a disseminator of emails promoting the sale of its  
17 clients' stock and purports to be wholly owned subsidiary of Defendant Fidelity  
18 Ltd. ("FIDELITY") who last reported its business address as Mall Tower,  
19 Wickhams Cay 1, Road Town, British Virgin Islands. STOCK CASTLE offers an  
20 opt in to its email list at [www.StockCastle.com](http://www.StockCastle.com). In order to hide its true  
21 ownership, the domain's registration is hidden through a service offered by  
22 Domains By Proxy, LLC.

23 14. OBSCURE STOCKS is a disseminator of emails promoting the sale  
24 of its clients' stock and purports to be wholly owned subsidiary of Defendant Stand  
25 Online Ltd. ("STAND ONLINE") who last reported its business address as P.O.  
26 Box 428, Road Town, Tortola, VG 2110, British Virgin Islands. OBSCURE  
27 STOCKS offers an opt in to its email list at [www.ObscureStocks.com](http://www.ObscureStocks.com). In order to  
28

1 hide its true ownership, the domain's registration is hidden through a service  
2 offered by Domains By Proxy, LLC.

3 15. ULTIMATE PENNY STOCK is a disseminator of emails promoting  
4 the sale of its clients' stock and purports to be wholly owned subsidiary of  
5 Defendant Promo Kombo Ltd. ("PROMO KOMBO") who last reported its  
6 business address as 111 South Service Road, British Virgin Islands. ULTIMATE  
7 PENNY STOCK offers an opt in to its email list at  
8 www.UltimatePennyStock.com. In order to hide its true ownership, the domain's  
9 registration is hidden through a service offered by Domains By Proxy, LLC.

10 16. WALL STREET PENNY STOCK ADVISORS is a disseminator of  
11 emails promoting the sale of its clients' stock and purports to be wholly owned  
12 subsidiary of Defendant EMPRT Group Ltd. ("EMPRT") who last reported its  
13 business address as St. James House 13 Kensington Square, London W25LO,  
14 United Kingdom. WALL STREET PENNY STOCK ADVISORS offers an opt in  
15 to its email list at www.WallStreetPennyStockAdvisors.com. In order to hide its  
16 true ownership, the domain's registration is hidden through a service offered by  
17 Domains By Proxy, LLC.

18 17. MAGIC PENNY STOCKS is a disseminator of emails promoting the  
19 sale of its clients' stock and purports to be wholly owned subsidiary of Defendant  
20 Natti Reach Ltd. ("NATTI") who last reported its business address as Nerine  
21 Chambers, POB 905, Road Town, British Virgin Islands. MAGIC PENNY  
22 STOCKS **does not** offer an opt in to its email list and while the domain  
23 MagicPennyStocks.com is registered, no website is currently published under it.  
24 In order to hide its true ownership, the domain's registration is hidden through a  
25 service offered by Domains By Proxy, LLC.

26 18. HOTTEST PENNY STOCKS is a disseminator of emails promoting  
27 the sale of its clients' stock and purports to be wholly owned subsidiary of  
28 Defendant Flaster Knol Ltd. ("FLASTER") who last reported its business address

1 as Baixada del Moli, 21, Andorra la Vella, Andorra. HOTTEST PENNY  
2 STOCKS **does not** offer an opt in to its email list.

3 19. Collectively, Defendants FIDELITY, STAND ONLINE, PROMO  
4 KOMBO, EMPRT, NATTI and FLASTER are referred to as the "SPAMMERS"  
5 for the purpose of this complaint.

6 20. Plaintiff is ignorant of the true names of defendants sued herein as  
7 DOES 1 through 50, inclusive, and therefore sues these defendants by such  
8 fictitious names. Plaintiff will amend this Complaint to allege their true names and  
9 capacities when ascertained. Any allegation against any defendant shall apply to  
10 each DOE defendant

11 21. Plaintiff is informed and believes, and on such information and belief  
12 alleges, that at all times herein mentioned, each defendant was the agent of each  
13 and every other defendant, and in doing the things alleged herein, was acting in the  
14 course and scope of its/his agency and/or employment and was acting with the  
15 consent, permission and/or authorization of each and every remaining defendant.  
16 The acts and conduct of each defendant herein was ratified and approved by every  
17 remaining defendant.

18 22. Plaintiff is informed and believes that the Defendants IDOI,  
19 SHABBAT and REINER, among others, retained the services, either directly or  
20 indirectly, of the SPAMMERS, in order to create an artificial and inflated  
21 marketplace for IDOI stock to facilitate the divestiture of their holdings.

22 23. Plaintiff is informed and believes that the Defendants conspired to  
23 deceive the Plaintiff and other members of the general investing public and  
24 engaged in a course of conduct designed to artificially inflate the share price and  
25 trading volume of IDOI common stock in order to enable certain insiders to divest  
26 themselves of their IDOI stock holdings. Defendants achieved this though a  
27 campaign of disseminating spam emails containing false and misleading  
28 information and concealment of material facts. At the commencement of this

1 conduct, some or all of the Defendants owned the vast majority of the outstanding  
2 IDOI common stock and options and stood to benefit almost exclusively from the  
3 artificial market and price increase that resulted from this conduct.

4 24. Plaintiff is informed and believes that the Defendants MUSTANG,  
5 STERNHEIM and MOCHKIN, among others, retained the services, either directly  
6 or indirectly, of the SPAMMERS, in order to create an artificial and inflated  
7 marketplace for MUSTANG stock to facilitate the divestiture of their holdings.

8 25. Plaintiff is informed and believes that the Defendants conspired to  
9 deceive the Plaintiff and other members of the general investing public and  
10 engaged in a course of conduct designed to artificially inflate the share price and  
11 trading volume of MUSTANG common stock in order to enable certain insiders to  
12 divest themselves of their MUSTANG stock holdings. Defendants achieved this  
13 though a campaign of disseminating spam emails containing false and misleading  
14 information and concealment of material facts. At the commencement of this  
15 conduct, some or all of the Defendants owned the vast majority of the outstanding  
16 MUSTANG common stock and options and stood to benefit almost exclusively  
17 from the artificial market and price increase that resulted from this conduct.

18 26. Plaintiff is informed and believes that the Defendants EMPIRE, and  
19 DUNN, among others, retained the services, either directly or indirectly, of the  
20 SPAMMERS, in order to create an artificial and inflated marketplace for EMPIRE  
21 stock to facilitate the divestiture of their holdings.

22 27. Plaintiff is informed and believes that the Defendants conspired to  
23 deceive the Plaintiff and other members of the general investing public and  
24 engaged in a course of conduct designed to artificially inflate the share price and  
25 trading volume of EMPIRE common stock in order to enable certain insiders to  
26 divest themselves of their EMPIRE stock holdings. Defendants achieved this  
27 though a campaign of disseminating spam emails containing false and misleading  
28 information and concealment of material facts. At the commencement of this

1 conduct, some or all of the Defendants owned the vast majority of the outstanding  
2 EMPIRE common stock and options and stood to benefit almost exclusively from  
3 the artificial market and price increase that resulted from this conduct.

4 28. California is appropriate jurisdiction for this litigation because alleged  
5 activities occurred in the State, in violation of California law; and, because  
6 Defendant EMPIRE's listed place of business is listed in Calabasas, California;  
7 and, because the Defendants have conducted business within the State; and,  
8 because Plaintiff received spam emails in question in the State of California.

9  
10 **CHRONOLOGICAL FACTUAL HISTORY OF CLAIMS**

11 29. From October 22, 2011 to July 22, 2012, the Plaintiff has attempted to  
12 unsubscribe from all of the SPAMMERS email lists no less than 70 times. Emails  
13 continued to be received from the SPAMMERS and their frequency increased over  
14 the period.

15 30. From March 28, 2012 to March 29, 2012, the Plaintiff received no  
16 less than 16 unsolicited emails from the SPAMMERS recommending the purchase  
17 of the common stock of Defendant EMPIRE.

18 31. From January 28, 2012 to April 12, 2012, the Plaintiff received no  
19 less than 149 unsolicited emails from the SPAMMERS recommending the  
20 purchase of the common stock of Defendant MUSTANG.

21 32. From July 18, 2012 to July 22, 2012, the Plaintiff received no less  
22 than 19 unsolicited emails from the SPAMMERS promoting the purchase of the  
23 common stock of Defendant IDOI.

24  
25 **FIRST CAUSE OF ACTION**

26 **Violations of California Restrictions on Unsolicited Commercial E-mail**  
27 **Advertisers (Cal. Bus. & Prof. Code § 17529.5)**  
28

1           33. Plaintiff hereby re-alleges and incorporates by reference the facts and  
2 allegations contained in Paragraphs 1 through 32 as though fully set forth herein.

3           34. The Plaintiff's email address(es) at which he received the spams at  
4 issue in this action are California email address(es). Pursuant to Cal. Bus. & Prof.  
5 Code § 17529.1(b);

6  
7           *"California e-mail address" means 1) An e-mail address furnished by an*  
8 *electronic mail service provider that sends bills for furnishing and*  
9 *maintaining that e-mail address to a mailing address in this state; 2) An e-*  
10 *mail address ordinarily accessed from a computer located in this state; 3)*  
11 *An e-mail address furnished to a resident of this state.*

12  
13           All three conditions apply here: The email address(es) at which the  
14 Plaintiff received the commercial email is furnished by Tucows, Inc. who sends  
15 bills for furnishing and maintaining those e-email address(es) to a mailing address  
16 in California; the Plaintiff ordinarily accesses those email address(es) from a  
17 computer located in California; and the Plaintiff is a resident of California.

18           35. The commercial email advertisements at issue in this action are all  
19 unsolicited because the Plaintiff did not provide direct consent to receive  
20 advertisements from the SPAMMERS or from any of the Defendants [Cal. Bus. &  
21 Prof. Code § 17529.1 (c), (o), (d), (a), (1)]. In fact, the Plaintiff exercised careful  
22 diligence to remove himself from the SPAMMERS' email lists.

23           36. The Plaintiff alleges that the SPAMMERS engaged in fraudulent and  
24 deceptive actions by initiating (as defined by Cal. Bus. & Prof. Code § 17529.1(i))  
25 the sending of no less than 184 unlawful spams on behalf of themselves and the  
26 other Defendants between October 22, 2011 and July 22, 2012, inclusive.

27           37. Defendants in this action are advertisers because they are persons or  
28 entities that advertise through the use of commercial e-mail advertisements (in this



1 case encouraging the purchase of common stock). Advertisers are liable for  
2 advertising in the spams, even if the SPAMMERS actually hit the send button.  
3 Pursuant to Cal. Bus. & Prof. Code § 17529(k), G);  
4

5 *The true beneficiaries of spam are the advertisers who benefit from the*  
6 *marketing derived from the advertisements.*

7 *There is a need to regulate the advertisers who use spam, as well as the*  
8 *actual spammers, because the actual spammers can be difficult to track*  
9 *down due to some return addresses that show up on the display as*  
10 *"unknown" and many others being obvious fakes and they are often located*  
11 *offshore.*

12  
13 38. The Plaintiff is informed and believes and thereon alleges that all  
14 Defendants and advertisers caused the spams to be transmitted

15 39. The California Legislature defined liquidated damages to be \$1,000  
16 per spam. § 17529.5(b)(1)(B)(ii). This figure is comparable with damages in other  
17 areas of consumer protection law, e.g., \$500-\$1,500 statutory damages per junk  
18 fax, 47 U.S.C. § 227(b)(3). The Plaintiff's rightful and lawful assertion of the  
19 California Legislature's liquidated damages amount of \$1,000 per email is  
20 necessary to further the Legislature's objective of protecting California residents  
21 from unlawful spam.  
22

## 23 SECOND CAUSE OF ACTION

### 24 **Violations of Consumers Legal Remedies Act (Cal. Civ. Code § 1750 et seq.)**

25

26 40. Plaintiff hereby re-alleges and incorporates by reference the facts and  
27 allegations contained in Paragraphs 1 through 39 as though fully set forth herein.

28 41. The Plaintiff was injured by Defendants' violation of his right to not

1 receive deceptive advertising that violates the Consumers Legal Remedies Act,  
2 Cal. Civ. Code § 1750 et seq.

3 42. The CLRA applies to deceptive acts intended to result in the sale or  
4 lease of goods or services as well as acts that actually result in the sale or lease of  
5 goods or services. Cal. Civ. Code § 1770(a) (emphasis added). In this case, the  
6 applicable goods consisted of common stock.

7 43. Here, Defendants' wrongful conduct occurred in the context of  
8 transactions which the Plaintiff is informed and believes and thereon alleges that  
9 Defendants intended would result in the sale of common stock under fraudulent  
10 and/or negligently misleading representations.

11 44. Nothing in the CLRA states that a plaintiff bringing a suit under the  
12 CLRA must have purchased the items (in this case stock) advertised via the  
13 allegedly false and deceptive means. A consumer who receives false and  
14 deceptive advertising is per se damaged, even if the consumer does not make a  
15 purchase as the result of that advertising. [*Kagan v. Gibraltar Savings and Loan*  
16 *Assoc.*, 35 Cal. 3d 582, 593 (1984)].

17 45. The Defendants named in this Cause of Action were notified of their  
18 Violations of the CLRA by email and through the Plaintiff's multiple attempts to  
19 opt out of the SPAMMERS' email lists. None responded.

20 46. The SPAMMERS, acting on behalf of all of the Defendants, violated  
21 the CLRA, Civ. Code § 1770(a)(16), in each and every spam through their de facto  
22 representation that the spam was sent in accordance with the Plaintiff's previous  
23 opt-in request when it was not. To the contrary, the Plaintiff sought repeatedly to  
24 opt out of the SPAMMERS' email lists.

25 47. The Plaintiff seeks equitable relief, pursuant to Cal. Civ. Code §  
26 1782(a)(2), in the form of an injunction prohibiting Defendants named in this  
27 cause of action, either directly or through agents, servants, and employees, and all  
28

1 persons acting under, in concert with, or for them, from sending unlawful  
2 commercial email advertising.

3 **WHEREFORE**, Plaintiff prays judgment against the Defendants as follows:

4 1. On Plaintiff's First Cause of Action herein:

5 (a) for a preliminary and permanent injunction against all  
6 defendants;

7 (b) Liquidated damages in the amount of One Thousand Dollars  
8 (\$1,000) for each of 16 spams encouraging the purchase of EMPIRE stock,  
9 as authorized by Cal. Bus. & Prof. Code § 17529.5(b)(1)(B)(ii), totaling  
10 \$16,000 jointly and severally against Defendants EMPIRE, DUNN,  
11 FIDELITY, STAND ONLINE, PROMO KOMBO, EMPRT, NATTI, and  
12 FLASTER

13 (c) Liquidated damages in the amount of One Thousand Dollars  
14 (\$1,000) for each of 149 spams encouraging the purchase of MUSTANG  
15 stock, as authorized by Cal. Bus. & Prof. Code § 17529.5(b)(1)(B)(ii),  
16 totaling \$149,000 jointly and severally against Defendants MUSTANG,  
17 STERNHEIM, MOCHKIN, FIDELITY, STAND ONLINE, PROMO  
18 KOMBO, EMPRT, NATTI, and FLASTER

19 (d) Liquidated damages in the amount of One Thousand Dollars  
20 (\$1,000) for each of 19 spams encouraging the purchase of IDOI stock, as  
21 authorized by Cal. Bus. & Prof. Code § 17529.5(b)(1)(B)(ii), totaling  
22 \$19,000 jointly and severally against Defendants IDOI, SHABAT, REINER,  
23 GOLDBERG, FIDELITY, STAND ONLINE, PROMO KOMBO, EMPRT,  
24 NATTI, and FLASTER

25 (e) for cost of suit herein incurred;

26 (f) for punitive and exemplary damages; and,

27 (g) for such other and further relief as the court may deem proper.

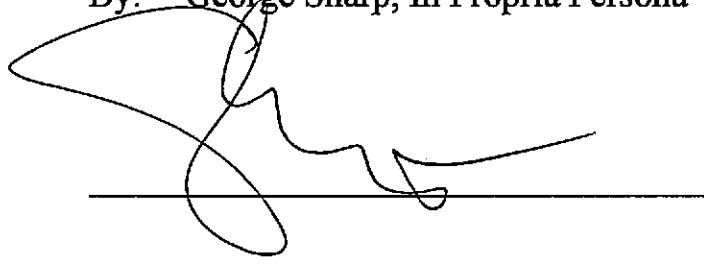
28 2. On Plaintiff's Second Cause of Action herein:

- 1 (a) for a preliminary and permanent injunction against all  
2 defendants;  
3 (b) for cost of suit herein incurred; and  
4 (c) for such other and further relief as the court may deem proper.  
5

6 Dated: July 23, 2012

By: George Sharp, In Propria Persona

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