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John A. Clarke, Executive Officer/Clerk
By A.E. LaFLEUR-CLAYTON, Deputy

8 Attorneys for the People of the State of California

9
10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

11 THE PEOPLE OF THE STATE OF
12 CALIFORNIA, by and through the
13 CALIFORNIA CORPORATIONS
COMMISSIONER,

14 Plaintiff,

15 vs.

16
17 ALPINE PICTURES, INC., a California
corporation; DOROTHY OF OZ, LLC, dba
18 BOX OFFICE PRODUCTIONS III, LLC, a
California limited liability company; RYAN
19 CARROLL, an individual; RENE TORRES, an
20 individual; and NEIL KAUFMAN, an
individual,

21 Defendants.
22

Case No.: BC460553

**COMPLAINT FOR INJUNCTIVE RELIEF;
CIVIL PENALTIES; AND ANCILLARY
RELIEF
[CORPORATIONS CODE SECTIONS
25530 AND 25535]**

**UNQUALIFIED OFFER AND SALE OF
SECURITIES
[CORPORATIONS CODE SECTION 25110]**

**MISREPRESENTATIONS OR OMISSIONS
IN THE OFFER AND SALE OF
SECURITIES
[CORPORATIONS CODE SECTION 25401]**

23
24
25 THE PEOPLE OF THE STATE OF CALIFORNIA, by and through Preston DuFauchard,
26 California Corporations Commissioner, acting to protect the public from unlawful and fraudulent
27 sales of securities, bring this action in the public interest. The People of the State of California
28 allege:

1 **VENUE AND JURISDICTION**

2 1. Plaintiff, The California Corporations Commissioner (“Commissioner”), brings this
3 action to enjoin the defendants from violating the Corporate Securities Law of 1968, California
4 Corporations Code sections 25000 *et seq.* (“CSL”), and to request necessary civil penalties and
5 ancillary relief. The Commissioner is authorized to administer and enforce the provisions of the
6 CSL.

7 2. The Commissioner brings this action pursuant to Corporations Code section 25530
8 and Government Code sections 11180 *et seq.* in his capacity as head of the California Department
9 of Corporations (“Department”).

10 3. Defendants have transacted and continue to transact business within Los Angeles
11 County and throughout the State of California. Defendants maintain a principal place of business
12 in Los Angeles County, California. Defendants have sold securities to residents of California and
13 other states. The violations of law described herein have occurred and will continue to occur
14 within Los Angeles County and throughout the State of California unless enjoined.

15 **PARTIES**

16 4. Defendant Alpine Pictures, Inc. (“Alpine Pictures”) was incorporated under the
17 laws of California on September 12, 1995. Its principal place of business is 3500 W. Magnolia
18 Blvd., Burbank, CA 91505. In 1997, the Department issued a Desist and Refrain Order against
19 Alpine Pictures for violations of Corporations Code sections 25110 and 25401. In 1999, the
20 Department obtained a permanent injunction against Alpine Pictures in Los Angeles Superior
21 Court for violations of Corporations Code section 25110 and 25401.

22 5. Defendant Dorothy of Oz, LLC, doing business as Box Office Productions III, LLC
23 (“Dorothy of Oz”), is a limited liability company organized under the laws of California on March
24 14, 2006. Its principal place of business is 3033 N. Avon Street, Burbank, CA 91504. It formerly
25 maintained a principal place of business at 3500 West Magnolia Blvd., Burbank, CA 91505. On
26 November 23, 2009, the Department issued a Desist and Refrain Order against Dorothy of Oz for
27 violations of Corporations Code sections 25110 and 25401. Dorothy of Oz stipulated to the Desist
28 and Refrain Order.

1 12. After 1999, Alpine Pictures, Carroll, Torres, and Kaufman continued to offer and
2 sell securities in the form of common stock. From January 2006 to March 2009, they sold at least
3 4,599,162 shares of stock, raising at least \$2,568,211.00. These shares of stock were sold to 184
4 investors, of whom 47 were California residents.

5 13. Alpine Pictures, Carroll, Torres, and Kaufman offered these securities by means of
6 general solicitation. Alpine Pictures, Carroll, Torres, and Kaufman or their agents solicited certain
7 individuals through telephone “cold-calls.”

8 14. In connection with the offers and sales of these securities, Alpine Pictures, Carroll,
9 Torres, and Kaufman omitted to disclose that in 1999, the Los Angeles Superior Court had entered
10 a final judgment of permanent injunction against Defendants Alpine Pictures and Ryan Carroll,
11 enjoining them from further violating Corporations Code sections 25110 and 25401.

12 15. In connection with the offers and sales of these securities, Alpine Pictures, Carroll,
13 Torres, and Kaufman omitted to disclose that in 2004, the Wisconsin Department of Financial
14 Institutions, Division of Securities, had issued a Petition for Order and Order of Prohibition and
15 Revocation against Defendants Alpine Pictures, Ryan Carroll, and Rene Torres for selling
16 unregistered securities in violation of Wisconsin law.

17 16. Since 2006 or earlier, Dorothy of Oz and Kaufman have offered and sold securities
18 in the form of interests in a limited liability company to residents of California and elsewhere.

19 17. On November 23, 2009, the Department issued a Desist and Refrain Order against
20 Dorothy of Oz and Kaufman for offering and selling securities in violation of Corporations Code
21 sections 25110 and 25401.

22 18. After November 23, 2009, Kaufman and Dorothy of Oz continued to offer and sell
23 securities in the form of interests in a limited liability company. From November 23, 2009 to
24 January 31, 2011, Kaufman and Dorothy of Oz offered and sold securities to at least 34 California
25 residents, raising at least \$589,540.00. Kaufman and Dorothy of Oz also offered and sold
26 securities to people residing in other states.
27
28

1 C. Defendants Alpine Pictures, Carroll, Torres, and Kaufman omitted to disclose that
2 in 2004, Alpine Pictures, Ryan Carroll, and Rene Torres had been issued an Order
3 of Prohibition and Revocation by the Wisconsin Department of Financial
4 Institutions, Division of Securities, for selling unregistered securities.

5 D. Defendants Dorothy of Oz and Kaufman omitted to disclose that in 2009, the
6 Department had issued a Desist and Refrain Order against Dorothy of Oz and
7 Kaufman for violations of Corporations Code sections 25110 and 25401.

8 34. The misstatements and omissions referred to herein were “material facts” within
9 the meaning of Corp. Code section 25401 because they were facts that a “reasonable investor”
10 would consider in deciding whether to invest.

11 35. Defendants’ offer and sale of securities were by means of misrepresentations and
12 omissions within the meaning of Section 25401.

13 36. Defendants’ misrepresentations and omissions of material fact took place “within
14 the state” of California within the meaning of Corp. Code section 25008.

15 37. Unless enjoined by this Court, Defendants will continue to violate Section 25401.

16 **PRAYER FOR RELIEF**

17 WHEREFORE, Plaintiff prays for judgment against Defendants Alpine Pictures, Inc.,
18 Dorothy of Oz, LLC, dba Box Office Productions III, LLC, Ryan Carroll, Rene Torres, and Neil
19 Kaufman, as follows:

20 **I. INJUNCTIVE RELIEF FOR THE VIOLATIONS**

21 For a Permanent Injunction, pursuant to California Corporations Code section 25530,
22 restraining and enjoining Defendants from directly or indirectly:

23 1. Violating California Corporations Code section 25110 by offering to sell, selling,
24 arranging for the sale of, issuing, engaging in the business of selling, or negotiating for the sale of
25 and security of any kind, unless such security or transaction is qualified;

26 2. Violating California Corporations Code section 25401 by offering to sell or selling
27 any security of any kind, including but not limited to the securities described in this Complaint, by
28 means of any written or oral communication which includes any untrue statement of material fact

1 or omits or fails to state any material fact necessary in order to make the statements made, in the
2 light of the circumstances under which they are made, not misleading;

3 3. Removing, destroying, mutilating, concealing, altering, transferring, or otherwise
4 disposing of, in any manner, any books, records, computer programs, computer files, computer
5 printouts, correspondence, brochures, manuals, or any other "writing" or "document" of any kind
6 as defined under California Evidence Code section 250, relating to the transactions and course of
7 conduct as alleged in the complaint of this action, unless authorized by this Court; and

8 **II. RESCISSION AND RESTITUTION**

9 For a Final Judgment requiring Defendants to rescind each and all of the unlawful
10 transactions alleged in this Complaint pursuant to California Corporations Code section 25530,
11 subdivision (b), and further requiring Defendants to pay full restitution to each investor
12 determined to have been subject to Defendants' acts or practices which constitute violations of the
13 Corporate Securities Law of 1968, in an amount of at least \$589,540.00 or according to proof. In
14 addition, to pay either the contracted rate of interest or the legal rate of interest on the amount
15 invested by the investors from the date of their investments to the date of judgment herein.

16 **III. CIVIL PENALTIES**

17 For a Final Judgment requiring Defendants to pay to the Department of Corporations
18 \$25,000.00 as a civil penalty for each act in violation of the Corporate Securities Law of 1968,
19 pursuant to California Corporations Code section 25535, in an amount of at least \$250,000.00 or
20 according to proof.

21 **IV. OTHER RELIEF**

22 For such other and further relief as this Court may deem necessary and proper.

23 Dated: April 15, 2011

24
25 PRESTON DuFAUCHARD
26 California Corporations Commissioner

27 By: _____
28 JOYCE TSAI
Corporations Counsel
Attorney for the People of California