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By A.E. LaFLEUR-CLAYTON, Deputy

8 Attorneys for the People of the State of California

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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 19. Kaufman and Dorothy of Oz offered these securities by means of general  
2 solicitation. Kaufman and Dorothy of Oz or their agents solicited certain individuals through  
3 telephone “cold-calls.”

4 20. In connection with the offers and sales of these securities, Kaufman and Dorothy of  
5 Oz omitted to disclose that on November 23, 2009, the Department had issued a Desist and  
6 Refrain Order against Kaufman and Dorothy of Oz.

7 **FIRST CAUSE OF ACTION**

8 **OFFER AND SALE OF UNQUALIFIED, NON-EXEMPT SECURITIES**

9 **IN VIOLATION OF CORPORATIONS CODE SECTION 25110**

10 **(AGAINST ALL DEFENDANTS)**

11 21. Plaintiff incorporates by reference paragraphs 1 through 20 of this Complaint as  
12 though fully set forth herein.

13 22. Corporations Code section 25110 provides, in pertinent part, as follows:

14 It is unlawful for any person to offer or sell in this state any security in an issuer  
15 transaction ... whether or not by or through underwriters ... unless such sale has  
16 been qualified under Section 25111, 25112 or 25113 ... or unless such security or  
17 transaction is exempted or not subject to qualification under Chapter 1  
18 [commencing with Section 25100] of this part.

19 23. Beginning in at least 1997 and continuing thereafter, Defendants Alpine Pictures,  
20 Ryan Carroll, Rene Torres, and Neil Kaufman offered and sold securities in the form of common  
21 stock.

22 24. Beginning in at least 2006 and continuing thereafter, Defendants Dorothy of Oz  
23 and Kaufman offered and sold securities in the form of interests in a limited liability company.

24 25. The common stock and interests in a limited liability company offered and sold by  
25 Defendants are “securities” within the meaning of Corporations Code section 25110.

26 26. The securities were offered and sold in “issuer transactions” within the meaning of  
27 Section 25110.

28 27. Defendants, and each of them, offered and sold the securities within the state of  
California within the meaning of Corporations Code sections 25008 and 25017.

1 28. The Commissioner has not issued a permit or other form of qualification  
2 authorizing the offer and sale of the securities by Defendants in the State of California.

3 29. The offer and sale of securities referred to herein were not exempt from the  
4 requirement of qualification under Section 25110.

5 30. Unless enjoined by this Court, Defendants will continue to violate Corporations  
6 Code section 25110.

7 **SECOND CAUSE OF ACTION**

8 **MISREPRESENTATION OR OMISSION OF MATERIAL FACTS**

9 **IN VIOLATION OF CORPORATIONS CODE SECTION 25401**

10 **(AGAINST ALL DEFENDANTS)**

11 31. Plaintiff incorporates by reference paragraphs 1 through 30 of this Complaint as  
12 though fully set forth herein.

13 32. Corporations Code section 25401 provides:

14 It is unlawful for any person to offer or sell a security in this state or buy or offer to  
15 buy a security in this state by means of any written or oral communication which  
16 includes an untrue statement of a material fact or omits to state a material fact  
17 necessary in order to make the statements made, in the light of the circumstances  
under which they were made, not misleading.

18 33. In offering and selling the securities referred to herein, Defendants, and each of  
19 them, made untrue statements of material fact and omitted to state material facts to investors and  
20 potential investors. The untrue statements and omissions include, but are not limited to, the  
21 following:

22 A. Defendants Alpine Pictures, Carroll, Torres, and Kaufman omitted to disclose that  
23 in 1997, Alpine Pictures and Ryan Carroll had been issued a Desist and Refrain  
24 Order for violations of Corporations Code sections 25110 and 25401.

25 B. Defendants Alpine Pictures, Carroll, Torres, and Kaufman omitted to disclose that  
26 in 1999, Alpine Pictures and Ryan Carroll had been permanently enjoined from  
27 offering or selling securities in violation of Corporations Code sections 25110 and  
28 25401.

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