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9 Attorneys for the People of the State of California

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11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

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

15 Plaintiff,

16 vs.
17

18 TURAN PETROLEUM, INC., a Nevada
corporation;
19 NRG RESOURCES, INC., a Nevada
corporation;
20 HIEP TRINH, aka ALEX TRINH, an
21 individual;
22 ANATOLY VANETIK, aka TONY VANETIK,
an individual;
23 MITCH NGO, an individual; and
DOES 1 through 10, inclusive,

24 Defendants.
25

Case No.: 30-2010-00389990-CU-SL-CJC
Judge Kazuharu Makino

**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]**

26
27 THE PEOPLE OF THE STATE OF CALIFORNIA, by and through Preston DuFauchard,
28 California Corporations Commissioner, acting to protect the public from unlawful and fraudulent

1 sales of securities, bring this action in the public interest. The People of the State of California
2 allege:

3 **VENUE AND JURISDICTION**

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

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

12 3. Defendants have transacted and continue to transact business within Orange
13 County and throughout the State of California. Defendants Turan Petroleum, Inc. (“Turan
14 Petroleum”) and NRG Resources, Inc. (“NRG Resources”) each maintain principal places of
15 business in Orange County, California.

16 4. Defendants Hiep Trinh, also known as Alex Trinh (“Trinh”), Anatoly Vanetik, also
17 known as Tony Vanetik (“Vanetik”), and Mitch Ngo (“Ngo”) (collectively, “Individual
18 Defendants”) reside in Orange County. Trinh, Vanetik, and Ngo have offered or sold securities in
19 Orange County.

20 5. Turan Petroleum, NRG Resources, Trinh, Vanetik, and Ngo (collectively,
21 “Defendants”) have offered and sold securities to multiple residents of Orange County. The
22 violations of law described herein have occurred and will continue to occur within Orange County
23 and throughout the State of California unless enjoined.

24 **PARTIES**

25 6. Defendant Turan Petroleum was originally incorporated under the laws of Nevada
26 in March 2001 under the name Elite Registry, Inc. (“Elite”). Elite changed its name to Turan
27 Petroleum, Inc. in December 2004. Turan Petroleum’s principal place of business is currently 940
28 South Coast Drive, #100, Costa Mesa, CA 92626. Its principal place of business was formerly

1 3720 S. Susan Street, Suite 100, Santa Ana, CA 92704.

2 7. Defendant NRG Resources was incorporated under the laws of Nevada on
3 November 29, 2001. Its principal place of business is currently 18301 Von Karman Avenue, Suite
4 1050, Irvine, CA 92612. Its principal place of business was formerly 3720 S. Susan Street, Suite
5 100, Santa Ana, CA 92704.

6 8. Defendant Vanetik was the president and a control person of Turan Petroleum until
7 at least June 2008. At all relevant times, Vanetik was the chairman of the board of directors, CEO,
8 co-founder, and a control person of NRG Resources. Vanetik offered and sold securities on behalf
9 of Turan Petroleum and NRG Resources.

10 9. Defendant Trinh was a control person of Turan Petroleum until at least June 2008.
11 At all relevant times, Trinh was the vice president, co-founder, and a control person of NRG
12 Resources. Trinh offered and sold securities on behalf of Turan Petroleum and NRG Resources.

13 10. Defendant Ngo offered and sold securities on behalf of Turan Petroleum and NRG
14 Resources.

15 11. Defendants sued herein under the fictitious names Does 1 through 10, inclusive, are
16 unknown to Plaintiff, who therefore sues such defendants by such fictitious names, pursuant to the
17 provisions of Code of Civil Procedure section 474. Plaintiff requests leave of the Court to amend
18 the Complaint and allege the true names and capacities of such defendants at such time as they
19 become known.

20 **STATEMENT OF FACTS**

21 12. Defendants Turan Petroleum and NRG Resources claim to be in the oil and gas
22 business. NRG Resources claims to develop and market lubricants and fuel supplements. Turan
23 Petroleum claims that it owns an oil concession in Kazakhstan, which it is exploring in order to
24 extract oil and gas products.

25 13. In 1991, Defendant Vanetik was convicted by the United States District Court for
26 the Central District of California of a felony, namely, subscribing to false income tax returns in
27 violation of Title 26, United States Code section 7206(1), and sentenced to probation for a period
28 of five years and ordered to pay a fine of \$5,000.00.

1 14. In 2001, Defendant Trinh was barred from ever associating with any National
2 Association of Securities Dealers (“NASD,” now the Financial Industry Regulatory Authority, or
3 “FINRA”) member in any capacity, based on the finding that he had converted \$10,000 of
4 customer funds for his own use. In 2001, based on similar findings, Trinh was barred by the
5 Office of Thrift Supervision from ever associating with certain banking institutions.

6 15. At all relevant times, Trinh and Vanetik also controlled several other entities,
7 including Capital Marketing Systems, Inc. (“Capital Marketing Systems”) and Valueluck. Capital
8 Marketing Systems was incorporated under the laws of Nevada on July 15, 2004. Its principal
9 place of business is 3720 S. Susan Street, Santa Ana, CA 92704. Valueluck is an entity of
10 unknown form located at 7660 Beverly Blvd., Los Angeles, CA 90036.

11 16. Beginning in 2005 or earlier, NRG Resources, Ngo, Trinh, and Vanetik offered and
12 sold securities in the form of common stock in NRG Resources to California residents. From June
13 2005 through December 2008, they sold approximately \$7,051,998.60 worth of common stock to
14 at least 173 investors inside and outside of California.

15 17. Beginning in 2004 or earlier, Turan Petroleum distributed stock worth
16 \$12,250,996.60 to insiders, such as control persons of Turan and entities controlled by them, such
17 as Valueluck.

18 18. Beginning in 2005 or earlier, Turan Petroleum, Ngo, Trinh, and Vanetik offered
19 and sold securities in the form of common stock in Turan Petroleum to California residents. From
20 January 2005 through May 2008, they sold more than \$2,612,610.00 worth of common stock to at
21 least 50 investors inside and outside of California.

22 19. In addition, Ngo, Trinh, and Vanetik offered and sold stock of Turan Petroleum and
23 NRG Resources through third parties, such as Valueluck and Capital Marketing Systems, which
24 had not paid money for the stock.

25 20. Defendants offered these securities by means of general solicitation, including but
26 not limited to an investor referral network throughout the Vietnamese-American community in
27 Orange County.

28

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

6 27. Beginning in at least January 2005 and continuing thereafter, Defendants Turan
7 Petroleum, Trinh, Vanetik, and Ngo offered and sold securities in the form of common stock to at
8 least 50 investors, raising at least \$2,612,610.00.

9 28. Beginning in at least June 2005 and continuing thereafter, Defendants NRG
10 Resources, Trinh, Vanetik, and Ngo offered and sold securities in the form of common stock to at
11 least 173 investors, raising at least \$7,051,998.60.

12 29. The common stock offered and sold by Defendants are “securities” within the
13 meaning of Corporations Code section 25110.

14 30. The securities were offered and sold in “issuer transactions” within the meaning of
15 Section 25110.

16 31. Defendants, and each of them, offered and sold the securities within the State of
17 California within the meaning of Corporations Code sections 25008 and 25017.

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

20 33. The offer and sale of securities referred to herein were not exempt from the
21 requirement of qualification under Section 25110.

22 34. Unless enjoined by this Court, Defendants will continue to violate Corporations
23 Code section 25110.

24 **SECOND CAUSE OF ACTION**

25 **MISREPRESENTATION OR OMISSION OF MATERIAL FACTS**

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

27 **(AGAINST ALL DEFENDANTS)**

28 35. Plaintiff incorporates by reference paragraphs 1 through 34 of this Complaint as
though fully set forth herein.

1 36. Corporations Code section 25401 provides:

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

7 37. In offering and selling the securities referred to herein, Defendants, and each of
8 them, made untrue statements of material fact and omitted to state material facts to investors and
9 potential investors. The untrue statements and omissions include, but are not limited to, the
10 following:

11 A. Defendants omitted to disclose, to investors and potential investors, that a control
12 person of Turan Petroleum and NRG Resources, Vanetik, had been convicted of a
13 felony, namely, subscribing to false income tax returns.

14 B. Defendants omitted to disclose, to investors and potential investors, that a control
15 person of Turan Petroleum and NRG Resources, Trinh, had been barred from the
16 securities industry and the banking industry.

17 C. Defendants misrepresented that NRG Resources and Turan Petroleum would make
18 an initial public offering within three months or a few months. Defendants claimed
19 that each company had taken all of the necessary steps in order to prepare for the
20 initial public offering. Each of the Individual Defendants made specific
21 representations regarding NRG and/or Turan Petroleum's preparations to go public,
22 such as making filings with the SEC. In fact, neither company had made any
23 filings with the SEC in order to prepare for an initial public offering.

24 D. Defendants misrepresented that investors would be purchasing shares of stock
25 directly from Turan Petroleum and NRG Resources, and not from a private party.
26 Defendants omitted to disclose, to some investors, that their shares were being
27 purchased from a private party and that the issuer would not receive the money
28 from the sale.

 38. The misstatements and omissions referred to herein were "material facts" within

1 the meaning of Corp. Code section 25401 because they were facts that a “reasonable investor”
2 would consider in deciding whether to invest.

3 39. Defendants’ offer and sale of securities were by means of misrepresentations and
4 omissions within the meaning of Section 25401.

5 40. Defendants’ misrepresentations and omissions of material fact took place “within
6 the state” of California within the meaning of Corp. Code section 25008.

7 41. Unless enjoined by this Court, Defendants will continue to violate Section 25401.

8 **PRAYER FOR RELIEF**

9 WHEREFORE, Plaintiff prays for judgment against Defendants Turan Petroleum, Inc.,
10 NRG Resources, Inc., Hiep Trinh, aka Alex Trinh, Anatoly Vanetik, aka Tony Vanetik, Mitch
11 Ngo, and Does 1 through 10, inclusive, as follows:

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

13 For an Order of Preliminary Injunction and ultimately, a Permanent Injunction, pursuant to
14 California Corporations Code section 25530, enjoining Defendants from directly or indirectly:

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

18 2. Violating California Corporations Code section 25401 by offering to sell or selling
19 any security of any kind, including but not limited to the securities described in this Complaint, by
20 means of any written or oral communication which includes any untrue statement of material fact
21 or omits or fails to state any material fact necessary in order to make the statements made, in the
22 light of the circumstances under which they are made, not misleading;

23 3. Removing, destroying, mutilating, concealing, altering, transferring, or otherwise
24 disposing of, in any manner, any books, records, computer programs, computer files, computer
25 printouts, correspondence, brochures, manuals, or any other “writing” or “document” of any kind
26 as defined under California Evidence Code section 250, relating to the transactions and course of
27 conduct as alleged in the Complaint of this action, unless authorized by this Court; and

28 4. Withdrawing from any bank account or disposing of any real or personal property

1 in their possession, custody, or control, without leave of the Court.

2 **II. DISGORGEMENT, RESCISSION, AND RESTITUTION**

3 1. For a Final Judgment requiring Defendants to rescind each and all of the unlawful
4 transactions alleged in this Complaint, or according to proof, pursuant to California Corporations
5 Code section 25530, subdivision (b), and further requiring Defendants to pay full restitution to
6 each investor determined to have been subject to Defendants' acts or practices which constitute
7 violations of the Corporate Securities Law of 1968, in an amount of at least \$9,664,608.60, or
8 according to proof. In addition, to pay either the contracted rate of interest or the legal rate of
9 interest on the amount invested by the investors from the date of their investments to the date of
10 judgment herein; and

11 2. For a Final Judgment requiring Defendants to disgorge, pursuant to California
12 Corporations Code section 25530, subdivision (b), all benefits received, including but not limited
13 to, salaries, commissions, fees, profits, and any other remuneration, derived directly or indirectly
14 from the actions or practices which constitute violations of the Corporate Securities Law of 1968.

15 **III. CIVIL PENALTIES**

16 For a Final Judgment requiring Defendants to pay to the Department of Corporations
17 \$25,000.00 as a civil penalty for each act in violation of the Corporate Securities Law of 1968,
18 pursuant to California Corporations Code section 25535, in an amount of at least \$11,150,000.00
19 or according to proof.

20 **IV. OTHER RELIEF**

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

22
23 Dated: July 15, 2010

24
25 PRESTON DuFAUCHARD
California Corporations Commissioner

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