

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA : Hon.
 :
 v. : Criminal No. 18 -
 :
 JAMES FARINELLA : 18 U.S.C. § 371

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

Relevant Individuals and Entities

1. At all relevant times:
 - a. Defendant JAMES FARINELLA (“FARINELLA”), was a resident of Berkeley Heights, New Jersey.
 - b. Co-Conspirator Anthony Amado (“Amado”) was a resident of Edgewater, New Jersey.
 - c. Integrated Capital Partners, Inc, (“ICPI”), was a Nevada corporation headquartered in Short Hills, New Jersey. ICPI purported to be a “business consulting firm engaged in mergers, acquisitions, turnarounds, and contract negotiations for early to mid-sized companies.” FARINELLA controlled ICPI, and was listed on corporate documents as the director, president, secretary, and treasurer of ICPI.
 - d. Equity Awareness Group LLC (“EAG”), was a New Jersey LLC. EAG was a stock promotion company managed by Amado.

e. Pazon, Inc. ("PZOO"), was a corporation incorporated in Nevada by FARINELLA and headquartered in Whippany, New Jersey. PZOO was originally incorporated in or about November 2010 under the name IUCSS, Inc., and on or about May 9, 2011, the company changed its name to PZOO. PZOO described itself as "the #1 Online Health & Wellness Social Community for People & Their Pets!"

Overview

2. From at least as early as in or about May 2012 through in or about December 2012, defendant FARINELLA, Amado, and others (the "Co-Conspirators") perpetrated a scheme to manipulate the price of shares of PZOO's stock. First, FARINELLA and others incorporated PZOO and obtained control over virtually all free-trading shares of PZOO's stock. Second, the Co-Conspirators manipulated the price of those shares by, among other things, engaging in manipulative trading and disseminating promotional materials touting the stocks which encouraged others to purchase them. Finally, the Co-Conspirators sold large volumes of PZOO's stock to victim-investors at inflated prices during and after the promotional campaigns. Following the sale phase, PZOO's artificially inflated stock prices dropped, causing victim-investors to suffer losses. The scheme collectively generated approximately \$1 million in illicit trading proceeds.

The Conspiracy

3. From at least as early as in or about June 2012 through in or about December 2012, in Essex County, and Morris County, in the District of New Jersey and elsewhere, defendant

JAMES FARINELLA

knowingly and willfully conspired and agreed with Anthony Amado and others to commit an offense against the United States, to wit: securities fraud, contrary to Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

Object of the Conspiracy

4. It was a part and object of the conspiracy that FARINELLA, Amado, and others, directly and indirectly, by the use of means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in contravention of Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons.

Manner and Means of the Conspiracy

5. It was part of the conspiracy that FARINELLA caused PZOO to be incorporated in or about 2010. Between in or about January 2011 and June 2012, FARINELLA caused approximately 5 million restricted shares of PZOO to be issued to ICPI. Beginning in or about May 2012, FARINELLA caused ICPI's restricted shares of PZOO to be converted to unrestricted shares of PZOO common stock. On or about June 27, 2012, when PZOO shares first started trading over the counter under the ticker symbol "PZOO," FARINELLA controlled approximately 98% of unrestricted shares of PZOO stock.

6. It was further part of the conspiracy that, in or about July 2012, FARINELLA retained EAG to promote PZOO stock. FARINELLA paid Amado and other co-conspirators at EAG to orchestrate a large scale campaign to promote PZOO stock and manipulate the price of PZOO stock.

7. It was further part of the conspiracy that FARINELLA, Amado, and others took many steps to conceal their involvement in the overall scheme and the manipulation of PZOO stock, including using brokerage accounts held in the names of entities they controlled, friends, family members and/or third party nominees (the "Nominee Accounts") to conduct sham trades in PZOO stock.

8. FARINELLA, Amado, and co-conspirators orchestrated trades of PZOO stock between the Nominee Accounts and other accounts that they controlled to generate interest in PZOO and fraudulently inflate the price and trading volume of their shares. On many days, trading by FARINELLA, Amado,

and their co-conspirators accounted for the overwhelming majority of all trading activity in PZOO. To carry out these trades, FARINELLA and others acting at his direction entered orders to buy PZOO stock through certain of the Nominee Accounts that were held at online brokerage firms. Around the same time, FARINELLA and others acting at his direction entered orders to sell PZOO stock through different trading accounts they controlled and those shares were used to fill the buy orders from the Nominee Accounts.

9. It was further part of the conspiracy that, following an initial period of manipulative trading, FARINELLA, Amado, and others engaged in carefully coordinated promotional campaigns designed to further inflate the price of the PZOO's stock. The promotional materials included press releases from PZOO and paid promotions prepared and distributed by third parties. The co-conspirators controlled the timing of the promotional activities to ensure that they would commence after the PZOO's stock had been sufficiently manipulated to create the appearance of real market interest.

10. It was further part of the conspiracy that, after fraudulently inflating the price of the PZOO's stock in the manner described above, FARINELLA, Amado, and others sold or planned to sell their stock to unsuspecting victim-investors at the fraudulently inflated prices. This large-scale selling of the PZOO's stock eventually caused the share prices to plummet, resulting in losses to the victim-investors who bought the stock at the inflated prices.

Overt Acts

11. In furtherance of the conspiracy and to effect the unlawful object thereof, the following overt acts, among others, were committed in the District of New Jersey and elsewhere:

a. On or about August 2, 2012, FARINELLA sold 15,000 shares of PZOO common stock from ICPI's account to a Nominee Account for prices between approximately 28 to 30 cents per share.

b. On or about August 3, 2012, FARINELLA sold 33,000 shares of PZOO common stock from ICPI's account to a Nominee Account for approximately 30 cents per share.

c. On or about September 19, 2012, PZOO issued a press release stating that it was ready to distribute its "MAX Line" of "Health, Wellness, and Nutri-Ceutical Products."

All in violation of Title 18, United States Code, Section 371.

FORFEITURE ALLEGATIONS

1. The allegations contained in all paragraphs of this Information are hereby realleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. The United States hereby gives notice to JAMES FARINELLA that, upon conviction of the conspiracy to commit securities offense in violation of Title 18, United States Code, Section 371 charged in this Information, the government will seek forfeiture, in accordance with Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), of any and all property, real or personal, that constitutes or is derived from proceeds traceable to the commission of such offense, including, but not limited to a sum of money equal to at least \$1,100,000 in United States currency.

3. If by any act or omission of the defendant, any of the property subject to forfeiture described above:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

It is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above-described forfeitable property.


Craig Carpenito
United States Attorney

**United States District Court
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UNITED STATES OF AMERICA

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INFORMATION FOR

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