

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

JUDGE HAIGHT

SECURITIES AND EXCHANGE COMMISSION,

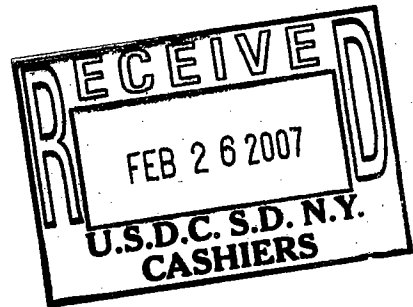
Plaintiff,

v.

BLUE BOTTLE LIMITED  
and MATTHEW C. STOKES

Defendants.

07 CV 1380  
Civil Action No.



COMPLAINT

SUMMARY

1. This matter involves an ongoing fraudulent scheme conducted by Blue Bottle Limited ("Blue Bottle"), a Hong-Kong chartered firm that purports to be located in London, England, and its owner and chief executive officer, Matthew Charles Stokes ("Stokes"), during the period August 2006 through the present time.
2. Immediately prior to the publication of news releases by at least 12 different U. S. public companies, Defendant Blue Bottle repeatedly traded in the securities of those companies, including options trading and long and short equities trading.
3. Upon information and belief, the Defendants have gained access to material non-public information contained in these news releases through fraudulent devices, schemes, or artifices, which may include, but are not limited to, hacking into computer networks or otherwise improperly obtaining electronic access to systems that contain information about imminent news releases.

4. Upon information and belief, with the material non-public information in hand, the Defendants repeatedly traded ahead of the public dissemination of that information, realizing profits of over \$2.7 million.

5. By engaging in the conduct described in this Complaint, Defendants Blue Bottle and Stokes violated, and unless restrained and enjoined will continue to violate, Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)] and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5], thereunder.

### **JURISDICTION**

6. The Commission brings this action, pursuant to Section 20 of the Securities Act [15 U.S.C. § 77t(b)] and Sections 21(d) and (e) and 21A of the Exchange Act [15 U.S.C. §§ 78u(d) and (e) and § 78u-1], to enjoin such acts, practices, and courses of business; obtain disgorgement and civil penalties; and obtain other appropriate relief.

7. This Court has jurisdiction over this action pursuant to Section 22 of the Securities Act [15 U.S.C. § 77v] and Section 27 of the Exchange Act [15 U.S.C. § 78aa].

8. Certain of the acts, practices, and courses of business constituting the violations alleged herein occurred within the Southern District of New York and elsewhere, and were effected, directly or indirectly, by making use of the means and instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange.

## DEFENDANTS

9. Blue Bottle Limited is a corporation chartered in Hong Kong and was incorporated through a Memorandum and Articles of Association dated August 30, 2006. In documents submitted in connection with the opening of an account at Interactive Brokers LLC (“account opening documents”), Blue Bottle identified its principal address as 1 Kings Avenue, Winchmore Hill, London, N21 3NA, London. While Blue Bottle’s Memorandum and Articles of Association do not identify Blue Bottle’s business, the account opening documents identify its business as accounting services and tax consultation.

10. Matthew Charles Stokes, age 30, is a citizen of Guernsey. Stokes is the sole owner and chief executive of Blue Bottle; however, others may have a direct or indirect interest in, control, or assist in the control of the day-to-day conduct of Blue Bottle and its business. In the account opening documents, Stokes, or someone purporting to be Stokes, listed his residential address as 1 Kings Avenue, Winchmore Hill, London, N21 3NA, London. That address, however, is occupied by a firm of accountants and an insolvency practitioner. Blue Bottle’s Memorandum and Articles of Association identifies an address for Stokes in Dubai, United Arab Emirates.

## RELEVANT ENTITIES

11. Interactive Brokers LLC is headquartered in Greenwich, Connecticut, and is an on-line broker registered with the Commission. The Defendants opened and maintain a margin account at Interactive Brokers through which Blue Bottle has done the trading in question.

12. Bank of Cyprus Limited is located in Nicosia, Cyprus. Blue Bottle has a bank account at the Bank of Cyprus. Money from this account has been transferred into

