

Author: Michael A. Nagy, Esq.

Date: October 11, 2010

CHiPS Actor Busted by FBI and Charged with Securities Fraud by SEC

The Securities and Exchange Commission¹ (“SEC”) filed a 15-page Complaint in the United States District Court for the Southern District of Florida, Miami Division, alleging that actor Larry Wilcox² perpetrated a kickback scheme involving his company, The UC Hub Group³, along with two other penny stock company executives.

The SEC Complaint alleges that from May of 2008 through March of 2009, Defendants Anthony Mellone, Tri-Star Holdings, Inc., Alex Parsinia, Zcom Networks, Inc., Larry Wilcox, and The UC Hub Group engaged in three related fraudulent kickback schemes for their respective companies’ stock in violation of the federal securities laws. The schemes were allegedly created in an effort to generate the appearance of market interest in their respective companies, induce public purchases of their stock, and rapidly increase their stock’s trading price.

The basic scheme involved kickbacks paid to purportedly corrupt pension fund managers or stockbrokers, who would use their clients’ accounts to purchase the publicly traded stock of microcap issuers controlled or promoted by the Defendants. What the Defendants did not know was that the people with whom they arranged these illegal transactions were actually undercover FBI agents or confidential sources participating in undercover operations.

The SEC alleges that Wilcox paid a kickback to a purportedly corrupt pension fund trustee for the purchase of 800,000 restricted shares of his company, The UC Hub Group. It is further alleged that Wilcox later agreed to pay another kickback for a second purchase of 800,000 restricted shares. In reality, the pension fund trustee was an undercover FBI agent.

Moreover, the SEC has alleged that, in each instance, the Defendants attempted to conceal the kickbacks by entering into a consulting agreement with a phony company the trustee purportedly created to receive the kickbacks. Unbeknownst to the Defendants, this company was also a fiction the FBI created for purposes of the sting operation.

¹ The Securities and Exchange Commission oversees the key participants in the securities world, including securities exchanges, securities brokers and dealers, investment advisors, and mutual funds. The SEC is concerned primarily with promoting the disclosure of important market-related information, maintaining fair dealing, and protecting against fraud. Crucial to the SEC’s effectiveness is its enforcement authority. Each year the SEC brings hundreds of civil enforcement actions against individuals and companies for violation of the securities laws.

² Larry Wilcox is an American actor, best known for his role as Officer Jonathan “Jon” Baker in the television series CHiPs. CHiPs was a television series about motorcycle officers of the California Highway Patrol. The show aired from September of 1977 to June of 1983, with 139 episodes over 6 seasons. Wilcox played the straight-laced partner to Officer Francis “Ponch” Poncherello, played by Erik Estrada. Ironically, “Jon” was the more level-headed one trying to keep his partner “Ponch” out of trouble with the duo’s commanding officer.

³ The UC Hub Group is a Nevada corporation with its principal place of business in West Hills, California. It purports to be in the mining, energy, and global Web television business. Its common stock is traded on the Pink Sheets under the symbol “UCHB,” and is registered with the SEC pursuant to Section 12(g) of the Exchange Act. It is a “penny stock” as defined by the Exchange Act. At all times relevant, the stock traded at under four cents per share.

The SEC contends that the Defendants violated Section 17(a) of the Securities Act of 1933 (15 U.S.C. § 77q(a)), Section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. § 78j(b)) and Rule 10b-5 thereunder (17 C.F.R. § 240.10b-5).

The Complaint against Larry Wilcox was one of six separate Complaints filed by the SEC against more than a dozen penny stock promoters and their companies as a result of working closely with the U.S. Attorney's Office for the Southern District of Florida and the Federal Bureau of Investigation. The schemes were uncovered through undercover operations conducted by the FBI. The six Complaints filed by the SEC can be viewed in their entirety on the SEC website at www.sec.gov.

Contact the Author

Michael A. Nagy, Esq.

412-391-2515 (Phone)

412-391-2762 (Fax)

michael.nagy.esq@gmail.com