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19 Attorneys for Plaintiffs

20 **IN THE UNITED STATES DISTRICT COURT**  
21 **DISTRICT OF ARIZONA**

22 BLOOMFIELD, INC., on behalf of itself  
23 and all others similarly situated,  
24 Plaintiff,

25 v.

26 SYNTAX-BRILLIAN CORP., VINCENT  
SOLLITTO, JR., JAMES LI and WAYNE  
PRATT,

Defendants.

**NO.**

**CLASS ACTION COMPLAINT**

(Jury Trial Demanded)

**CLASS ACTION COMPLAINT**

Plaintiff, Bloomfield, Inc., on behalf of itself and all other persons and entities similarly situated, by its undersigned attorneys, alleges upon personal knowledge as to itself and its own acts, and information and belief as to all other matters, based upon, *inter alia*,

1 the investigation conducted by and through its attorneys, which included, among other  
2 things, a review of the public documents and announcements made by the defendants, with  
3 the Securities and Exchange Commission (“SEC”), and press releases regarding Syntax-  
4 Brilliant Corp. (“Syntax-Brilliant” or the “Company”) and a review of other publicly  
5 available information. Plaintiff believes that substantial evidentiary support will exist for  
6 the allegations set forth herein after a reasonable opportunity for discovery.  
7

### 8 PRELIMINARY STATEMENT

9  
10 1. This is a class action brought by plaintiff on behalf of itself and a class  
11 consisting of all other persons and entities who purchased or otherwise acquired the  
12 common stock of Syntax-Brilliant pursuant to and/or traceable to the Company’s *secondary*  
13 offering (the “Offering”) on or about May 24, 2007 of 25.6 million shares of its common  
14 stock at \$5.75 per share (the “Class”). In connection with the Offering, defendants made  
15 materially false and misleading statements in the Registration Statement and Prospectus  
16 regarding the Company’s business and financial condition. As a result of its purchase of  
17 Syntax-Brilliant’s common stock, plaintiff and other members of the Class suffered  
18 damages.  
19

20  
21 2. In the Offering, the Company sold 23 million shares to the public for gross  
22 proceeds of approximately \$124.6 million; the other selling shareholders received proceeds  
23 of approximately \$14.1 million.  
24

25 3. The Offering materials, described below, contained misleading statements of  
26 material fact because they failed to disclose adverse facts concerning Syntax-Brilliant’s

1 business and financial results, specifically relating to demand for the Company's products in  
2 China. During the first half of 2007, Syntax-Brilliant shipped hundreds of thousands of  
3 liquid crystal display ("LCD ) televisions to its exclusive distributor in Asia and  
4 immediately recorded these shipments as revenue. Real demand (or "sell-through ) for the  
5 Company's products in China, however, was significantly less than what the Company's  
6 shipments and the immediate recognition of revenue indicated.  
7

8  
9 4. On September 12, 2007, Syntax-Brilliant issued a press release announcing its  
10 full year 2007 results for the quarter ended June 30, 2007. The Company warned in the  
11 press release that the results for its first quarter 2008, ending on September 30, 2007, would  
12 be significantly below expectations. The Company projected first quarter 2008 revenues of  
13 between \$170-180 million, when analysts were expecting the Company to report revenues  
14 of \$254 million, a shortfall of more than 25%.  
15

16 5. Syntax-Brilliant stated in the press release that the current business outlook  
17 "reflects Syntax-Brilliant's decision to take a more cautious approach to sales in Asia. The  
18 Company also blamed a tighter credit environment in Asia for the revenue shortfall. Also  
19 on September 12, 2007, in a separate press release, the Company announced the resignation  
20 of defendant Wayne Pratt ("Pratt ), who was the Company's Chief Financial Officer.  
21

22 6. The next day, Syntax-Brilliant's common stock declined more than 33% to  
23 \$4.01 on volume of more than 36 million shares.  
24

25 7. The Company's weak sales in China did not become fully apparent until  
26 the Company reported its financial results for the first quarter of 2008 ended September

1 30, 2007. On November 11, 2007, the Company announced that revenues for the  
2 quarter was \$150.6 million, a decline of 26.6% from the previous quarter, and that  
3 LCD revenue from China in the first quarter 2008 was \$14.6 million, compared with  
4 \$96.8 million in the prior quarter, a decline of approximately 85%.

5  
6 8. The Company also announced on November 11, 2007, that it ended its  
7 exclusive relationship with its distributor in China, South China House of Technology  
8 (“SCHOT”). In its first quarter 2008 Form 10-Q, filed with the SEC on November 15,  
9 2007, the Company also indicated that SCHOT still owed the Company large sums of  
10 money for the LCDs shipped in prior quarters. As of September 30, 2007, SCHOT  
11 owed the Company \$123.2 million, of which \$98 million was more than 120 days past  
12 due as of November 8, 2007.  
13  
14

#### 15 **JURISDICTION AND VENUE**

16 9. The claims alleged herein arise under and pursuant to Sections 11, 12(a)(2)  
17 and 15 of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77K, 771(a)(2) and  
18 77o].  
19

20 10. This Court has jurisdiction over the subject matter of this action pursuant to  
21 Section 22 of the Securities Act, [15 U.S.C. §77v] and 28 U.S.C. 1331.

22 11. Venue is proper in this District pursuant to Section 22 of the Securities Act  
23 and 28 U.S.C. §1391(b) and (c). Many of the acts and transactions alleged herein occurred  
24 in substantial part in this District and the Company is headquartered in this District.  
25  
26



1 public statements on behalf of Syntax-Brilliant, were and are controlling persons, and had  
2 the power and influence to cause and did cause Syntax-Brilliant to engage in the unlawful  
3 conduct complained of herein.  
4

5 19. By reason of their positions with the Company, the Individual Defendants had  
6 access to internal Company documents, reports and other information, including the adverse  
7 non-public information concerning the Company's Offering and business, and attended  
8 management and/or Board meetings. The Individual Defendants were responsible for the  
9 truthfulness and accuracy of the Company's public filings and press releases described  
10 herein.  
11

12 20. Syntax-Brilliant, and the Individual Defendants as officers and/or directors of a  
13 publicly-held company, had a duty to disseminate promptly truthful and accurate  
14 information with respect to the Company and to correct promptly any public filings or  
15 statements issued by or on behalf of the Company which had become false or misleading.  
16

### 17 **SUBSTANTIVE ALLEGATIONS**

18 21. The Company sells its LCD and HDTV (high definition televisions)  
19 televisions under the brand-name Olevia in the United States directly to retailers and  
20 through distributors to consumer electronics retailers, such as Circuit City, CompUSA,  
21 Sears, Target, Amazon.com, and RadioShack.com. In Asia, Syntax-Brilliant sold its  
22 televisions exclusively through SCHOT, its sole Asian distributor.  
23  
24

25 22. In fiscal year 2007 ended June 30, 2007, LCD television sales to SCHOT  
26 accounted for approximately 48% of the Company's total revenues. In fiscal year 2006,

1 sales to SCHOT represented only 16% of the Company's total revenue and, in fiscal year  
2 2005, SCHOT was not even a customer of the Company's. In the last two fiscal years,  
3 therefore, sales to SCHOT were a substantial factor in the Company's reported growth in  
4 revenues and profitability.  
5

6 23. On February 8, 2007, Syntax-Brilliant reported its results for the second fiscal  
7 quarter of 2007 for the quarter ended December 31, 2006 ("Second Quarter 2007"). For the  
8 quarter, Syntax-Brilliant reported "record revenue of \$242.5 million, up 303% from the  
9 year-ago quarter. Net income for the quarter was \$14.8 million compared with a net loss of  
10 \$1.3 million for the second fiscal quarter of 2006. In announcing these results, Sollitto  
11 stated that "I am extremely pleased with the performance of our team this quarter. . . .  
12 Revenue and earnings hit new records as sell-through of the Olevia brand at the retail level  
13 continues to exceed our expectations and we expand distribution into new national  
14 channels.  
15  
16

17 24. For the Second Quarter 2007, the Company reported account receivables of  
18 \$123.5 million from SCHOT, with DSO at 89.3 days. In the prior quarter ended September  
19 30, 2006, account receivables from SCHOT was \$53.4 million. The account receivables  
20 owed to the Company from SCHOT increased by \$70.1 million, or more than 130%, from  
21 the prior fiscal quarter. The increase in the Second Quarter 2007 account receivables due  
22 from SCHOT also represented approximately 29% of the Company's total revenue reported  
23 for the quarter.  
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1           25.    On February 12, 2007, the Company filed its Form 10-Q with the SEC for the  
2 Second Quarter 2007, which was signed by Sollitto and Pratt and repeated the Company's  
3 previously announced financial results.    The 10-Q stated that "[t]he accompanying  
4 unaudited condensed consolidated financial statements have been prepared in accordance  
5 with accounting principles generally accepted in the United States for interim financial  
6 information and the instructions to Form 10-Q and Article 10 of Regulation S-X. . . . In our  
7 opinion, all adjustments, which include only normal recurring adjustments, necessary to  
8 present fairly the financial position, results of operations, and cash flows for all periods  
9 presented have been made.

10  
11  
12           26.    In the Second Quarter 2007 10-Q, the Company also indicated that for the first  
13 six months of fiscal year 2007 ended December 31, 2006, the Company's cash flow from  
14 operations was a negative \$46.5 million.    The Company stated that "[t]he operating cash  
15 outflow during the six months ended December 31, 2006 was primarily the result of  
16 increases in account receivables and inventories. . . . The Company assured investors,  
17 however, that "[w]e believe that the cash from operations and the increased credit facilities  
18 will be sufficient to sustain operations at the current level for the next 12 months.    The  
19 Company reported \$83.8 million owed and outstanding under its various credit facilities as  
20 of December 31, 2006.

21  
22  
23           27.    The Company's Second Quarter 2007 Form 10-Q also contained certifications  
24 signed by Sollitto and Pratt that stated, in part, that "[t]he information contained in the  
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26

1 Report fairly presents, in all material respects, the financial condition and results of  
2 operations of the Company.

3  
4 28. On or about April 6, 2007, Syntax-Brilliant filed a Form S-3/A Registration  
5 Statement (the "Registration Statement) with the SEC for the Offering.

6 29. On May 10, 2007, Syntax-Brilliant reported its results for the third fiscal  
7 quarter of 2007 for the quarter ended March 31, 2007 ("Third Quarter 2007 ). For the  
8 quarter, Syntax-Brilliant reported "record revenue of \$162.9 million, up 257% from the  
9 year-ago quarter. Net income for the quarter was \$5.5 million compared with a net loss of  
10 \$13.4 million for the third fiscal quarter of 2006. In announcing these results, Sollitto stated  
11 that "I am extremely pleased with the results this quarter. . . . our revenue outlook for the  
12 full calendar year has now been increased to a range of \$975 million to \$1.1 billion.  
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15 30. For the Third Quarter 2007, the Company reported account receivables of  
16 \$170.8 million from SCHOT. The account receivables owed to the Company from SCHOT  
17 increased by \$47.3 million from the prior fiscal quarter. In the Third Quarter 2007, sales to  
18 SCHOT accounted for 39% of the Company's total revenue.  
19

20 31. On May 11, 2007, the Company filed its Form 10-Q with the SEC for the  
21 Third Quarter 2007, which was signed by Sollitto and Pratt and repeated the Company's  
22 previously announced financial results. The 10-Q stated that "[t]he accompanying  
23 unaudited condensed consolidated financial statements have been prepared in accordance  
24 with accounting principles generally accepted in the United States for interim financial  
25 information and the instructions to Form 10-Q and Article 10 of Regulation S-X. . . . In our  
26

1 opinion, all adjustments, which include only normal recurring adjustments, necessary to  
2 present fairly the financial position, results of operations, and cash flows for all periods  
3 presented have been made.  
4

5 32. In the Third Quarter 2007 10-Q, the Company also indicated that for the nine  
6 months of fiscal year 2007 ended March 31, 2007, the Company's cash flow from  
7 operations was a negative \$58.3 million. The Company stated that "[t]he operating cash  
8 outflow during the nine months ended March 31, 2007 was primarily the result of increases  
9 in account receivables and inventories. . . The Company further stated that "[t]he large  
10 increase in account receivables in the nine months ended March 31, 2007 was primarily a  
11 result of the significant increase in net sales to our Asian distributor during the quarters  
12 ended December 31, 2006 and March 31, 2007.  
13  
14

15 33. In the Third Quarter 2007 Form 10-Q, the Company reported \$73.9 million  
16 owed and outstanding under its various credit facilities as of March 31, 2007, and the  
17 Company "did not have any unused availability under our credit facilities as of that date.  
18

19 34. The Company's Third Quarter 2007 Form 10-Q also contained certifications  
20 signed by Sollitto and Pratt that stated, in part, that "[t]he information contained in the  
21 Report fairly presents, in all material respects, the financial condition and results of  
22 operations of the Company.  
23

### 24 **The Offering**

25 35. On May 23, 2007, the Company announced the pricing of the Offering at  
26 \$5.75 per share. In the Offering, the Company intended to sell 23 million shares for gross

1 proceeds of approximately \$124.6 million; the other selling shareholders expected to reap  
2 proceeds of approximately \$14.1 million.

3  
4 36. On or about May 24, 2007, the Company filed a Prospectus with the SEC in  
5 connection with the Offering. The Prospectus incorporated by reference the Form 10-Qs for  
6 the Second and Third Quarter 2007. In the Prospectus, the Company touted its reported  
7 250% increase in revenues from shipments of its LCD televisions during the nine months  
8 ended March 31, 2007. It states that:

9  
10 LCD HDTV revenue of \$461.8 million represented an increase of 250%  
11 from \$131.8 million for the comparable nine months of the previous year.  
12 The increase in LCD HDTV revenue was a result of increased unit  
13 shipments. During the nine months ended March 31, 2007, we shipped  
approximately 721,000 units compared with approximately 195,000 units in  
the nine months ended March 31, 2006.

14 37. The Prospectus also highlighted the growing importance of sales to SCHOT to  
15 the Company's reported growth in revenues and profitability. The Prospectus stated that  
16 "[n]et sales in Asia [SCHOT] totaled \$249.5 million, or 50.7% of total net sales, for the first  
17 three quarters of fiscal 2007 compared with \$12.9 million, or 9.7% of total net sales, for the  
18 first three quarters of fiscal 2006.

19  
20 38. In the "Liquidity and Capital Resources" section of the Prospectus, the  
21 Company discussed its negative working capital for the period ended March 31, 2007. It  
22 states that "[n]et cash used by operating activities for the nine months ended March 31, 2007  
23 was \$58.3 million compared with \$30.9 million net cash used by operating activities for the  
24 comparable period of the prior year. The operating cash outflow for the nine months ended  
25  
26

1 March 31, 2007 was primarily a result of increases in accounts receivable and due from  
2 factor and inventories .

3  
4 39. The Company also disclosed that SCHOT was past-due on a portion of the  
5 money owed to the Company. Nonetheless, the Company attributed the past due accounts  
6 to temporary “seasonal factors. The Prospectus states:

7 As of March 31, 2007, accounts receivable from our Asian distributor totaled  
8 \$170.8 million, of which approximately \$47.2 million was past due. From  
9 April 1, 2007 through May 9, 2007, we collected \$37.7 million of these  
10 accounts receivable but more invoices became past due. As of May 9, 2007,  
11 \$69.0 million of the accounts receivable from our Asian distributor were past  
12 due. We believe that this payment lag from our distributor is seasonal in  
13 nature and anticipate a return to compliance with payment terms by June 30,  
14 2007.

15 40. The statements referenced above in paragraphs 25-27, 31-32, 34, and 36-39  
16 were materially false and misleading, or omitted to state other facts necessary to make the  
17 statements made not misleading, because: 1) the Company’s reported revenue, net income  
18 and LCD units sold for the second and third quarters of 2007 were artificially inflated; 2)  
19 there was insufficient end-user demand in China to warrant the quantity of LCD televisions  
20 shipped to SCHOT during the second and third quarters of 2007; 3) the second and third  
21 quarter 2007 Form 10-Qs did not fairly present, in all material respects, the financial  
22 condition and results of operations of the Company; 4) the Company’s negative working  
23 capital and cash flow was caused by SCHOT’s failure to pay for televisions that it received  
24 but was unable to sell; and 5) the Company’s cash from operations and credit facilities were  
25 not sufficient to sustain operations.  
26

1 **The Company Drastically Cuts its Revenue and Earnings Forecast**

2 41. After the market closed on September 12, 2007, Syntax-Brilliant reported its  
3 results for the year-end and fiscal fourth quarter 2007 ended June 30, 2007 (“Fourth Quarter  
4 2007”). Revenue for the Fourth Quarter 2007 was \$205.3 million and net income was \$8.4  
5 million, which met expectations.  
6

7 42. For the Fourth Quarter 2007, account receivables from SCHOT was \$138.1  
8 million, with none of the receivables purportedly past due more than 120 days. The  
9 Company also had \$78.1 million outstanding under its credit line as of June 30, 2007 which,  
10 according to a statement made by Pratt in the follow-up conference call, was “virtually all of  
11 [Syntax-Brilliant’s] borrowing base capacity.  
12

13 43. For the first quarter 2008 ending September 30, 2007, the Company projected  
14 revenue of \$170 - \$180 million, which was significantly below the Company’s prior  
15 projection of revenues of \$254 million. The Company also projected revenues for calendar  
16 year 2007 of \$1.0 to \$1.1 billion, which was also significantly below the Company’s  
17 previous guidance given just two months earlier. For the first quarter, the Company also  
18 projected shipments of LCD televisions of between 270,000 to 290,000 units.  
19

20 44. In the press release, Syntax-Brilliant stated that the current business outlook  
21 “reflects Syntax-Brilliant’s decision to take a more cautious approach to sales in Asia. The  
22 Company also blamed a tighter credit environment in Asia for the revenue shortfall. During  
23 a conference call with analysts the same day, Sollitto stated that the Company was scaling  
24 back on shipments to China.  
25  
26

1           45. Also on September 12, 2007, in a separate press release, the Company  
2 announced the resignation of Pratt. The Company announced that Pratt had accepted a  
3 position at a start-up company in Tempe, Arizona and expected to relinquish his  
4 responsibilities at the Company by the end of September.  
5

6           46. The next day, Syntax-Brilliant's common stock declined more than 33% to  
7 \$4.01 on volume of more than 36 million shares.  
8

9           47. On October 1, 2007, Syntax-Brilliant announced that Sollitto was replaced as  
10 Chief Executive Officer by Li, who also retained his title as President of the Company.  
11 Syntax-Brilliant also announced that Sollitto would remain as Executive Chairman of the  
12 Company's Board.  
13

14           48. On October 30, 2007, Syntax-Brilliant announced that it has secured a five-  
15 year \$250 million senior secured credit facility arranged by Silver Point Finance. The  
16 facility will be used to repay and extinguish approximately \$80 million drawn against  
17 existing credit facilities, purchase LCD panels and for general corporate and working capital  
18 purposes. Interest on the credit facility will be paid at an annual rate equal to, at the  
19 company's option, LIBOR plus 6% or Prime plus 5%. Silver Point Finance will receive ten-  
20 year warrants exercisable into approximately 5.28 million shares of common stock at an  
21 exercise price of \$0.01 per share.  
22

23 **First Quarter 2008**  
24

25           49. On November 8, 2007, Syntax-Brilliant announced its results for the first  
26 fiscal quarter of 2008 for the period ended September 30, 2007 ("First Quarter 2008").

1 The results were significantly worse than what had even been announced by the  
2 Company on September 12, 2007, when there was less than three weeks left in the  
3 quarter. LCD sales in China were \$14.6 million, a decline of approximately 85% from  
4 the Fourth Quarter 2007.  
5

6 50. Syntax-Brilliant also announced, for the first time, that it had ended its  
7 exclusive distributor agreement with SCHOT. Rather than manufacturing and shipping  
8 televisions directly to SCHOT, and immediately recording the revenue, Syntax-Brilliant  
9 announced that it would now license the “Olevia” brand in Asia to a third-party, Olevia  
10 Far East. Olevia Far East would be responsible for all aspects of selling the televisions  
11 in Asia – manufacturing, marketing and selling – and Syntax-Brilliant would just  
12 receive a fee for each television sold.  
13  
14

15 51. In the First Quarter 2008, Syntax-Brilliant also made little progress in  
16 collecting payments on televisions shipped to SCHOT during the prior fiscal quarters.  
17 Despite the fact that the Company ended shipments of LCDs to SCHOT altogether in  
18 the First Quarter 2008, account receivables owed from SCHOT was \$123.2 million as  
19 of September 30, 2007, which was only \$14.9 million less than the \$138.1 million that  
20 SCHOT owed the Company as of June 30, 2007.  
21

22 On November 15, 2007, before the market opened, Syntax-Brilliant filed its Form 10-Q  
23 for the First Quarter 2008. In the Form 10-Q, the Company revealed that, of the  
24 \$123.2 million owed to the Company by SCHOT, \$98 million of that was more than  
25 120 days past due as of November 8, 2007. The Company also indicated in the Form  
26

1 10-Q that its Chief Accounting Officer left the Company in October 2007. On  
2 November 15, 2007, shares of Syntax-Brilliant closed at \$2.89, a decline of  
3 approximately 10% from the prior day's closing price.  
4

### 5 CLASS ACTION ALLEGATIONS

6 52. Plaintiff brings this action as a class action pursuant to Federal Rules of Civil  
7 Procedure 23(a) and (b)(3) on behalf of the Class consisting of all persons and entities who  
8 purchased or otherwise acquired the common stock of Syntax-Brilliant on the Offering.  
9 Excluded are defendants, any entity in which defendants have a controlling interest or is a  
10 parent or subsidiary of or is controlled by the Company, and the officers, directors,  
11 employees, affiliates, legal representatives, heirs, predecessors, successors and assigns of  
12 defendants.  
13  
14

15 53. The members of the Class are so numerous that joinder of all members is  
16 impracticable. While the exact number of Class members is unknown to plaintiff at this  
17 time and can only be ascertained through appropriate discovery, plaintiff believes there are  
18 thousands of members of the Class.  
19

20 54. Questions of law and fact are common to all members of the Class and  
21 predominate over any questions affecting solely individual members of the Class. Among  
22 the questions of law and fact common to the Class are:

- 23 (a) whether the federal securities laws were violated by  
24 defendants' acts as alleged herein;  
25  
26

1 (b) whether the Company issued false and misleading financial  
2 statements in connection with the Offering; and

3 (c) whether plaintiff and the other members of the Class have  
4 sustained damages and, if so, what is the proper measure of  
5 damages.  
6

7 55. Plaintiff's claims are typical of the claims of the members of the Class as  
8 plaintiff and the other members of the Class each sustained damages arising out of the  
9 defendants' wrongful conduct in violation of federal law as complained of herein.  
10

11 56. Plaintiff will fairly and adequately protect the interests of the members of the  
12 Class and has retained counsel competent and experienced in class actions and securities  
13 litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.  
14

15 57. A class action is superior to other available methods for the fair and efficient  
16 adjudication of the controversy because joinder of all members of the Class is impracticable.  
17 Furthermore, because the damages suffered by the individual Class members may be  
18 relatively small, the expense and burden of individual litigation make it impossible for the  
19 Class members individually to redress the wrongs done to them. Plaintiff anticipates no  
20 unusual difficulties in the management of this action as a class action.  
21

22 **COUNT I**

23 **VIOLATION OF SECTION 11 OF THE**  
24 **SECURITIES ACT AGAINST ALL DEFENDANTS**

25 58. Plaintiff repeats and reiterates each and every allegation contained above, as if  
26 fully set forth herein.

1           59. This claim is brought by plaintiff, on behalf of itself and other members of the  
2 Class, who purchased Syntax-Brilliant's common stock pursuant and/or traceable to the  
3 Registration Statement and Prospectus. Each Class member acquired their shares pursuant  
4 and/or traceable to the Registration Statement and Prospectus.  
5

6           60. Defendants are liable under this claim because the Registration Statement and  
7 Prospectus contained untrue statements or omitted material facts required to be stated or  
8 necessary to make the statements not misleading.  
9

10           61. Syntax-Brilliant is the issuer of the stock sold via the Registration Statement  
11 and Prospectus. As issuer of the stock, the Company is strictly liable to plaintiff and the  
12 Class for the material misstatements and omissions therein.  
13

14           62. The Individual Defendants, as signatories to the Registration Statement and/or  
15 Prospectus, as directors, and/or officers and controlling persons of the issuer, owed to the  
16 holders of the stock obtained through the Registration Statement and Prospectus the duty to  
17 make a reasonable and diligent investigation of the statements contained in the Registration  
18 Statement and Prospectus at the time they become effective to ensure that such statements  
19 were true and correct and that there was no omission of material facts required to be stated  
20 in order to make the statements contained therein not misleading. Defendants failed to  
21 exercise reasonable care in connection with issuing the Registration Statement and  
22 Prospectus for the Offering. As such, defendants are liable to the Class.  
23  
24

25           63. None of the defendants made a reasonable investigation or possessed  
26 reasonable grounds for the belief that the statements contained in the Registration Statement

1 and Prospectus were true or that there was no omission of material facts necessary to make  
2 the statements made therein not misleading.

3  
4 64. Defendants issued and disseminated, caused to be issued and disseminated,  
5 and participated in the issuance and dissemination of, material misstatements to the  
6 investing public which were contained in the Registration Statement and Prospectus, which  
7 misrepresented or failed to disclosed, *inter alia*, the facts set forth above. By reason of the  
8 conduct herein alleged, each defendant violated and/or controlled a person who violated §11  
9 of the Securities Act.  
10

11 65. At the time they obtained their shares of Syntax-Brilliant, the plaintiff and  
12 members of the Class did so without knowledge of the facts concerning the misstatements or  
13 omissions alleged herein.  
14

15 66. This action is brought within one year after discovery of the untrue statements  
16 and omissions in and from the Registration Statement and Prospectus should have been  
17 made through the exercise of reasonable diligence, and within three years of the effective  
18 date of the Registration Statement and Prospectus.  
19

20 67. By virtue of the foregoing, plaintiff and the other members of the class are  
21 entitled to damages under Section 11 as measured by the provisions of Section 11(e), from  
22 defendants and each of them, jointly and severally.  
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**COUNT II**

**VIOLATIONS OF SECTION 12(a)(2) OF THE SECURITIES  
ACT AGAINST ALL DEFENDANTS**

68. Plaintiff repeats and reiterates each and every allegation contained above, as if fully set forth herein.

69. This Count is brought pursuant to Section 12(a)(2) of the Securities Act on behalf of the Class, against all defendants.

70. Defendants were sellers and offerors and/or solicitors of purchasers of the shares offered pursuant to the Registration Statement and Prospectus.

71. The Registration Statement and Prospectus contained untrue statements of material facts, omitted to state other facts necessary to make the statements made not misleading and concealed and failed to disclose material facts. The Individual Defendants' actions of solicitation included participating in the preparation and dissemination of the false and misleading Registration Statement and Prospectus.

72. Defendants owed to the purchasers of Syntax-Brilliant shares, including plaintiff and other class members, the duty to make a reasonable and diligent investigation of the statements contained in the Offering materials, including the Registration Statement and Prospectus contained therein, to ensure that such statements were true and that there was no omission to state a material fact required to be stated in order to make the statements contained therein not misleading. Defendants, in the exercise of reasonable care, should have known of the misstatements and omissions contained in Offering materials as set forth above.





1 **JURY DEMAND**

2 Plaintiff demands a trial by jury.

3 DATED this 5<sup>th</sup> day of February, 2008.

4 PLATTNER VERDERAME, PC

5 By \_\_\_\_\_ s/ Frank Verderame

6 Frank Verderame

7 P. O. Box 36570

8 Phoenix, AZ 85067-6570

9 **ZWERLING, SCHACHTER**

10 **& ZWERLING, LLP**

11 Richard A. Speirs

12 Kevin M. McGee

13 41 Madison Avenue-32<sup>nd</sup> Floor

14 New York, NY 10010

15 Tel.: (212) 223-3900

16 Fax: (212) 371-5969

17 *Attorneys for Plaintiff*

**CERTIFICATION OF BLOOMFIELD, INC.**

Bloomfield, Inc. ("Plaintiff") declares that:

1. Plaintiff has reviewed the complaint regarding Syntax-Brilliant Corp. and has authorized Zwerling, Schachter & Zwerling, LLP to file it on its behalf.

2. Plaintiff did not purchase any security, which is the subject of this action, at the direction of counsel or in order to participate in this private action.

3. Plaintiff is willing to serve as a representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.

4. Plaintiff's transactions in the security that is the subject of this action during the class period are as follows:

a. on May 24, 2007, Plaintiff purchased 2,000 shares of Syntax-Brilliant's common stock at \$5.75 per share;

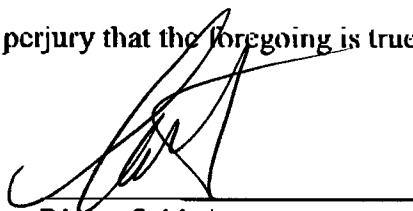
b. on June 12, 2007, Plaintiff sold 2,000 shares of Syntax-Brilliant's common stock at \$5.63 per share.

5. During the three years prior to the date of this Certification, Plaintiff has served, or sought to serve, as a representative party for a class in the following actions: *Bloomfield, Inc. v. Xinhua Finance Media Ltd., et al.*, 1:2007-cv-04727 (S.D.N.Y.); *Tsirekidze v. Syntax-Brilliant Corp.*, 2:07-cv-02204 (D. Az.).

6. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond my pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the Court.

Plaintiff declares under penalty of perjury that the foregoing is true and correct.

February 1, 2008

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right, positioned above a solid horizontal line.

Bloomfield, Inc.

# CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

### I. (a) PLAINTIFFS

**BLOOMFIELD, INC.**

(b) County of Residence of First Listed Plaintiff Miami-Dade  
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

**PLATTNER VERDERAME PC, P.O. BOX 36570, Phoenix, AZ 85067-6570, (602) 266-2002**

### DEFENDANTS

**SYNTAX-BRILLIAN CORP., VINCENT SOLLITTO, JR., JAMES LI and WAYNE PRATT**

County of Residence of First Listed Defendant \_\_\_\_\_  
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

### II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
- 3 Federal Question (U.S. Government Not a Party)
- 2 U.S. Government Defendant
- 4 Diversity (Indicate Citizenship of Parties in Item III)

### III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

	PTF	DEF		PTF	DEF
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6

### IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Unemployment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liabilities <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
<b>REAL PROPERTY</b> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<b>CIVIL RIGHTS</b> <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer w Disabilities - Employment <input type="checkbox"/> 446 Amer w Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	<b>PRISONER PETITIONS</b> <input type="checkbox"/> 510 Motions to Vacate Sentence <b>Habeas Corpus:</b> <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	<b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl Ret Inc Security Act	<b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (13951D) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405g) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405g) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609
		<b>IMMIGRATION</b> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions		

### V. ORIGIN

(Place an "X" in One Box Only)

- 1 Original Proceeding
- 2 Removed from State Court
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred from another district (specify)
- 6 Multidistrict Litigation
- 7 Appeal to District Judge from Magistrate Judgment

### VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
5 USC 78(b), 5 USC 78(a)

Brief description of cause:  
Securities Class Action; Fraud

### VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$ \_\_\_\_\_

CHECK YES only if demanded in complaint:  
JURY DEMAND:  Yes  No

### VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE Sedwick; Judge Silver

DOCKET NUMBER 2:07-2204; 2:07-2454

DATE  
02/05/2008

SIGNATURE OF ATTORNEY OF RECORD  
s/ Frank Verderame

FOR OFFICE USE ONLY

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_

UNITED STATES DISTRICT COURT

District of Arizona

BLOOMFIELD, INC.

SUMMONS IN A CIVIL ACTION

V.

SYNTAX-BRILLIAN CORP., VINCENT SOLLITTO, JR., JAMES LI and WAYNE PRATT

CASE NUMBER:

TO: (Name and address of Defendant)

James Li
c/o Syntax-Brilliant Corp.
1600 North Desert Dr.
Tempe, AZ 85281

YOU ARE HEREBY SUMMONED and required to serve on PLAINTIFF'S ATTORNEY (name and address)

Frank Verderame, Esq.
PLATTNER VERDERAME PC
P. O. Box 36570
Phoenix, AZ 85067-6570

an answer to the complaint which is served on you with this summons, within 20 days after service of this summons on you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint. Any answer that you serve on the parties to this action must be filed with the Clerk of this Court within a reasonable period of time after service.

CLERK

DATE

(By) DEPUTY CLERK

<b>RETURN OF SERVICE</b>		
Service of the Summons and complaint was made by me <sup>(1)</sup>	DATE	
NAME OF SERVER (PRINT)	TITLE	
<i>Check one box below to indicate appropriate method of service</i>		
<input type="checkbox"/> Served personally upon the defendant. Place where served:  <input type="checkbox"/> Left copies thereof at the defendant's dwelling house or usual place of abode with a person of suitable age and discretion then residing therein. Name of person with whom the summons and complaint were left:  <input type="checkbox"/> Returned unexecuted:  <input type="checkbox"/> Other (specify):		
<b>STATEMENT OF SERVICE FEES</b>		
TRAVEL	SERVICES	TOTAL \$0.00
<b>DECLARATION OF SERVER</b>		
I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.		
Executed on _____ <div style="display: flex; justify-content: space-around;"> <span>Date</span> <span>Signature of Server</span> </div>  <div style="text-align: center;">                         _____                          Address of Server                     </div>		

(1) As to who may serve a summons see Rule 4 of the Federal Rules of Civil Procedure

UNITED STATES DISTRICT COURT

District of Arizona

BLOOMFIELD, INC.

SUMMONS IN A CIVIL ACTION

V.

SYNTAX-BRILLIAN CORP., VINCENT SOLLITTO, JR., JAMES LI and WAYNE PRATT

CASE NUMBER:

TO: (Name and address of Defendant)

Wayne Pratt
c/o Syntax-Brilliant Corp.
1600 North Desert Dr.
Tempe, AZ 85281

YOU ARE HEREBY SUMMONED and required to serve on PLAINTIFF'S ATTORNEY (name and address)

Frank Verderame, Esq.
PLATTNER VERDERAME PC
P. O. Box 36570
Phoenix, AZ 85067-6570

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		\$0.00
<b>DECLARATION OF SERVER</b>		
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Executed on _____	_____	
Date	<i>Signature of Server</i>	
	_____	
	<i>Address of Server</i>	

(1) As to who may serve a summons see Rule 4 of the Federal Rules of Civil Procedure.

UNITED STATES DISTRICT COURT

District of Arizona

BLOOMFIELD, INC.

SUMMONS IN A CIVIL ACTION

V.

SYNTAX-BRILLIAN CORP., VINCENT SOLLITTO, JR., JAMES LI and WAYNE PRATT

CASE NUMBER:

TO: (Name and address of Defendant)

Vincent Sollitto, Jr.
c/o Syntax-Brilliant Corp.
1600 North Desert Dr.
Tempe, AZ 85281

YOU ARE HEREBY SUMMONED and required to serve on PLAINTIFF'S ATTORNEY (name and address)

Frank Verderame, Esq.
PLATTNER VERDERAME PC
P. O. Box 36570
Phoenix, AZ 85067-6570

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<b>STATEMENT OF SERVICE FEES</b>	
TRAVEL	TOTAL \$0.00
SERVICES	
<b>DECLARATION OF SERVER</b>	
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Executed on _____	_____
Date	<i>Signature of Server</i>
	_____
	<i>Address of Server</i>

(1) As to who may serve a summons see Rule 4 of the Federal Rules of Civil Procedure.

UNITED STATES DISTRICT COURT

District of Arizona

BLOOMFIELD, INC.

SUMMONS IN A CIVIL ACTION

V.

SYNTAX-BRILLIAN CORP., VINCENT SOLLITTO, JR., JAMES LI and WAYNE PRATT

CASE NUMBER:

TO: (Name and address of Defendant)

Syntax-Brilliant Corp.
1600 North Desert Dr.
Tempe, AZ 85281

YOU ARE HEREBY SUMMONED and required to serve on PLAINTIFF'S ATTORNEY (name and address)

Frank Verderame, Esq.
PLATTNER VERDERAME PC
P. O. Box 36570
Phoenix, AZ 85067-6570

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TRAVEL	SERVICES	TOTAL \$0.00
<b>DECLARATION OF SERVER</b>		
<p style="text-align: center;">I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.</p> <p>Executed on _____ Date      _____ <i>Signature of Server</i></p> <p style="text-align: center;">_____ <i>Address of Server</i></p>		

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