

SEC files against former videogame exec

19 May 2006

The U.S. Securities and Exchange Commission this week charged a former chief executive officer of Infinium Labs for his role in a fraudulent junk fax scheme.

The agency alleges that Timothy M. Roberts, the former CEO of the Seattle-based videogame developer, authorized the fax promotion and gained more than \$400,000 by unloading his Infinium Labs shares in the ensuing run-up in trading volume.

According to the complaint filed in the U.S. Court for the Middle District of Florida, Roberts hired a stock promoter in November 2004 to send faxes to thousands of potential investors nationwide, in which the faxes were made to appear as if Infinium Labs were on the verge to launch its flagship product -- a home videogame system called the "Phantom," the SEC said.

The SEC also said the company lacked the financial resources for technology and manufacturing hurdles if it were to market the game system.

Additionally, the faxes also falsely predicted that Infinium Labs' stock price would rise as much as 3,000 percent in coming weeks and that the company was headed by a developer of the Microsoft Xbox, according to the SEC.

Moreover, it alleges that Roberts took advantage of the increased trading volume in stock by selling about \$422,500 of his personal stock holdings, with many of his stock sales unreported to the public, and had paid the promoter with 4 million shares of his own stock in violation of the registration provisions of the federal securities laws.

Copyright 2006 by United Press International

APA citation: SEC files against former videogame exec (2006, May 19) retrieved 22 January 2021 from <https://phys.org/news/2006-05-sec-vidgame-exec.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.