

Don Bauder

Paper trail hints Zandria hardly is worth a nickel



A San Diego venture company named Zandria and its affiliate, LevelRed.com, face eviction from their building — as well as a bunch of angry shareholders. Zandria stock peaked at \$6.325 in April and steadily plunged, closing at 5.5 cents

yesterday.

For a nickel stock with barely any discernible income, if any at all, it has a most fascinating paper trail, leading to far-off tax havens, through prisons and battles with regulatory authorities.

I have placed at least eight calls to Zandria and LevelRed.com and the telemarketing firm that is believed to control them now. None of the calls was returned.

"We have served LevelRed.com with a five-day notice that it has to pay rent or quit, and we plan to proceed with an unlawful detainer action if necessary," said Sherry Bahrambeygi, attorney for the owner of the building on Front Street that Zandria and LevelRed.com occupy.

Zandria describes itself in print as a company that provides services to start-up firms. It controls LevelRed.com, an Internet operation.

Zandria appears to have grown out of a shell corporation named Longhorn Inc. Zandria's 10-K405 report, filed with the Securities and Exchange Commission for the period ended Dec. 31, 1999, explained that the company (then named Longhorn) had no income, and was in search of businesses to buy.

"In all likelihood, the company's management will be inexperienced in the area in which potential businesses will be investigated and in which the company may make an acquisition or invest-

ment," confessed the document.

In its quarterly report for the period ended June 30, Zandria still had no income, but had a large loss.

The principal shareholder at the time of the 10-K405 was Utah-based Capital General Corp., a private venture firm. In 1997 in Pennsylvania, a former officer of Capital General, David R. Yeaman, was convicted of conspiracy, wire and securities fraud and sentenced to 14 months in prison, says the document. He served time in Nevada.

The president of Capital General, Krista Nielson, had been told to cease and desist from further securities violations by the SEC, according to the document. Capital General's parent is a company named Yeaman Enterprises, whose principal shareholders are David R. Yeaman's adult children.

On Jan. 26, 2000, Zandria drew up a contract with Shesado Ltd., based in the obscure West Indies tax haven of Nevis. Through its legal counsel — San Diego's Gage, Frasier & Teeple — Shesado was to assist Zandria in locating a shell by which it could go public. Presumably that shell was Longhorn.

Prior to unearthing the document on Shesado, I had asked Grant Teeple of the law firm about his firm's role in Zandria. He said the firm had once represented Zandria, but no longer did, and in any case, "we never did any of the securities work," he insisted. Hmmm.

I called back Teeple yesterday and left a voice message telling him I had found the Shesado document. What did he have to say now? He didn't call back.

Recently, Antonio L. Alvarez of Lancaster filed

suit against Zandria and the La Jolla telemarketing firm, which has several names, including Technology Ventures Group and First Choice Productions. The fraud suit also names principals of the telemarketing firm Todd DiRoberto, Brian Lee, Lonnie Dragon and Trevor Watson. According to the suit, Alvarez bought into a private placement of Zandria at \$5, but was not told that the telemarketing firm, through another company, is the controlling shareholder of Zandria, and insiders had received their shares for less than \$1 each.

The intra-governmental Boiler Room Task Force has had complaints about Technology Ventures and DiRoberto, according to Jan K. Caldwell, FBI spokesperson here.

The San Diego Better Business Bureau asked Technology Ventures about its operation, "but the company failed to provide information," said bureau president Gerry Wilson.

Zandria and LevelRed "burned through \$2 million in the last year," said San Diego attorney Edwin Shustak, who represents Alvarez.

Alvarez came to San Diego Friday to meet with Zandria. "Some of the people didn't show up," he said, although others are there working. "You can't throw a blanket over them and say they are all bad people."

"I feel I don't know anything," complained Alvarez. Shareholders posing chat room messages have the same gripe: "This is one alleged Information Age company that doesn't provide information."

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