

**UNITED STATES DISTRICT COURT  
DISTRICT OF COLORADO**

**Case No. 24-cv-01304**

**SECURITIES AND EXCHANGE COMMISSION,**

Plaintiff,

v.

**ROBERT TYE COURNOYER  
GREEN EQUITY GROUP, LLC  
RS GROUP HOLDINGS, LLC**

Defendants.

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**COMPLAINT AND JURY TRIAL DEMAND**

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Plaintiff Securities and Exchange Commission (the “SEC”), for its Complaint against Robert Tye Cournoyer (“Cournoyer”), Green Equity Group, LLC (“Green Equity”), and RS Group Holdings, LLC (“RS Group”) (collectively, “Defendants”), alleges as follows:

**SUMMARY OF ALLEGATIONS**

1. Cournoyer, acting through entities he controlled, Green Equity and RS Group, raised over \$1.2 million from dozens of investors and, contrary to his promises to those investors, misappropriated at least \$755,000 of that money. Except for one \$5000 payment, the investors have never been repaid.

2. Cournoyer, who was the sole manager of Green Equity and RS Group, committed to investors that he would invest their money in various projects, including a bottling plant, hemp and CBD products, and hand sanitizer production. However, Cournoyer used a large portion of investor funds for personal expenses, including gambling, rent, and luxury purchases such as

designer watches and clothing, and also made substantial cash withdrawals of investor funds.

3. Cournoyer, through Green Equity offering and marketing documents provided to investors, made other false and misleading statements claiming that he graduated from law school from the University of Florida when he had not and touting his industry experience without informing investors that the SEC previously charged him with fraud and a court sanctioned him for that conduct.

4. Cournoyer also told investors that Green Equity was operating when it had been defunct since 2019.

5. As a result of the conduct described herein, the Defendants 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 thereunder [17 C.F.R. § 240.10b-5].

6. The SEC seeks, against all Defendants, (i) permanent injunctions; (ii) disgorgement of all ill-gotten gains from the unlawful activity set forth in this Complaint under Sections 21(d)(3), (5), and (7) of the Exchange Act [15 U.S.C. § 78(d)(3), (5), and (7)] together with prejudgment interest; (iii) civil penalties under Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]; and, with respect to Cournoyer, (iv) an order barring him from serving as an officer or director of a public company pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)(2)]; and (v) an injunction prohibiting him from participating in the issuance, purchase, offer or sale of any security in an unregistered offering by an issuer pursuant to Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Sections 21(d)(1) and 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(1)-(5)].

## DEFENDANTS

7. **Robert Tye Cournoyer**, age 56, is the sole managing member of Green Equity and RS Group. From approximately May 2018 to May 2020, Cournoyer resided in Dallas, Texas, and from approximately May 2020 to May 2023 in Southlake, Texas. Cournoyer's last known residential address, as of December 2023, was in Arlington, Texas. In 2004, Cournoyer was enjoined from violating certain provisions of the federal securities laws and from participating in any offering of penny stock, *SEC v. GetAnswers, Inc.* No. 03-cv-20048 (S.D. Fla., filed Jan. 2003), and the SEC barred Cournoyer from association with any broker or dealer, *In the Matter of Robert Cournoyer*, Exchange Act Release No. 34-49720 (May 18, 2004) (Order). Cournoyer filed bankruptcy in September 2022. Cournoyer failed to respond to valid subpoenas issued by the SEC seeking information relevant to the SEC investigation that led to this civil action.

8. **Green Equity Group, LLC** is a Colorado limited liability company ("LLC") formed in November 2017 with principal places of business in Walsenburg, Colorado and Dallas, Texas. Green Equity stopped operations in 2019. Green Equity failed to respond to a valid subpoena issued by the SEC seeking information relevant to this matter.

9. **RS Group Holdings, LLC** is a Nevada LLC formed in July 2018 with a principal place of business in Dallas, Texas. RS Group ceased operations in 2020. RS Group failed to respond to a valid subpoena issued by the SEC seeking information relevant to this matter.

## JURISDICTION AND VENUE

10. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d), and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d), and 77v(a)] and Sections 21(d), 21(e),

and 27(a) of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa(a)].

11. Venue lies in this Court pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], Section 27(a) of the Exchange Act [15 U.S.C. § 78aa(a)], and 28 U.S.C. § 1391(b). Green Equity is a Colorado limited liability company that conducted business in this district, including soliciting investor funds for a bottling facility located in Walsenburg, Colorado.

12. Each Defendant entered into a tolling agreement to toll the running of any statute of limitations against them from December 6, 2023 through March 5, 2024.

## **FACTS**

### **I. Background**

13. Cournoyer formed Green Equity in November 2017 to capitalize on opportunities in the hemp industry.

14. Soon after, Cournoyer partnered with a Colorado-based hemp business (the “Colorado Business”), which agreed to find hemp-related opportunities that Cournoyer, acting through Green Equity, would fund by finding and soliciting investors.

15. In October 2018, the Colorado Business acquired an inoperative bottling facility (the “Bottling Plant”), with the intent to retrofit the plant into a bottling facility for CBD-infused products, which would be funded by Green Equity investors. Although Green Equity helped fund the purchase of the Bottling Plant in 2018, the facility was (and still is) owned by the Colorado Business.

16. After some initial efforts to get the plant up and running, Green Equity and the Colorado Business abandoned the Bottling Plant project in 2019, and the facility was never made operational.

**II. Green Equity and RS Group Raised Money From Investors.**

17. Between March 1, 2019 and February 2, 2022, Cournoyer, through Green Equity and RS Group, raised approximately \$1,277,000 from approximately 38 investors via investment contracts and notes, both of which are “securities” under the Securities Act and the Exchange Act.

18. Cournoyer was the sole manager of Green Equity and RS Group between 2019 and 2022, and also was the sole signatory on the bank accounts into which Green Equity and RS Group investors’ funds were deposited. Investors were entirely reliant on Green Equity’s efforts to generate returns. Cournoyer, not the Green Equity investors, had control over Green Equity.

19. Between at least January 2019 and July 2020, Green Equity offered and sold securities in the form of “membership units” (or portions of units) in Green Equity, including “Founder Unit[s],” “Common Unit[s],” and “C unit[s],” which were convertible to shares of common stock in a future public entity. Green Equity stated that it would use the funds for a variety of projects, including the Bottling Plant, a CBD-extraction facility, and hemp biomass purchases.

20. Investors made an investment of money in exchange for the Green Equity membership units.

21. In subscription agreements signed by Cournoyer on behalf of Green Equity, at least some investors were directed to make payments to an RS Group bank account for their Green Equity investments. Green Equity investors’ funds were pooled in Green Equity (and RS Group) bank accounts and their fortunes were collectively linked to Green Equity’s efforts and expertise with respect to the opportunities they presented, including the Bottling

Plant.

22. In addition to the funds RS Group received from Green Equity investors, between at least December 2019 and February 2020, RS Group offered and sold to at least six investors “Cash Forward Contracts,” which purported to sell an interest in a certain number of acres of hemp biomass, which RS Group promised to process and sell and to then repay the investor principal along with 100% interest.

23. Investors made an investment of money in exchange for an interest in returns generated from the processed hemp biomass.

24. Investor funds were pooled together by RS Group and Cournoyer.

25. RS Group investors relied solely on RS Group’s efforts and expertise to generate profits.

26. RS Group’s cash forward contracts were debt instruments through which RS Group investors reasonably expected a significant profit (*i.e.*, 100% interest) based solely on RS Group’s efforts.

**III. The Defendants Engaged in Fraudulent and Deceptive Acts by Misappropriating Investor Money for Personal Use.**

27. Rather than using investor funds as promised (*i.e.*, for corporate projects), the Defendants misappropriated investor funds for Cournoyer’s personal use.

28. Green Equity and RS Group received approximately \$1,277,000 in investor funds between March 1, 2019 and February 2, 2022. Of this amount, Cournoyer misappropriated at least \$755,000, using investor money for personal expenses, including gambling, rent for his personal residence, and luxury purchases such as designer watches and clothing, and also making substantial cash withdrawals of investor funds. Additionally, Cournoyer transferred some of the \$755,000 of investor money to another entity he controls

and used those funds on similar personal expenses.

29. Cournoyer was gambling full time starting in 2019 or 2020.

30. In many instances, cash withdrawals, gambling, residential lease payments, and luxury purchases happened in very close proximity to (and sometimes on the same day as) investor deposits.

31. On multiple occasions, investor funds were deposited into bank accounts with a near-zero balance and then spent, in the same month, on the personal expenses listed above. For example, on June 1, 2019, a Green Equity bank account had a balance of \$501.37. The bank account received at least \$90,000 in investor deposits that month, which Cournoyer spent, for example, at the Mirage and the Bellagio in Las Vegas, Panerai luxury boutique in Las Vegas, Hugo Boss in Dallas, and for his personal residence's lease payment and personal credit card payments. On June 30, 2019, the account had an ending balance of \$8,955.12.

32. At all relevant times, Cournoyer was the sole signatory on the bank accounts into which Green Equity and RS Group investors funds were deposited. He also was the sole manager of these entities.

33. While Cournoyer was misappropriating investor money, he did not have a personal bank account.

34. Cournoyer knew or was reckless in not knowing, and should have known, that he was deceiving investors by falsely representing that he would use their funds for "corporate endeavors," as described below, when, in fact, he intended to use a significant portion of those funds on personal expenses. Cournoyer's intent is evidenced by, among other things, the instances in which he spent investor funds on personal expenses soon after their deposit.

35. Cournoyer’s scienter may be imputed to Green Equity and RS Group because he was their sole manager.

36. The amounts misappropriated were material because a reasonable investor views the use of their money as important to an investment decision and here, investors understood that their funds would be used for business ventures, as represented by Cournoyer, and not for personal expenses.

#### **IV. The Defendants Made False and Misleading Statements.**

##### **A. Defendants made False and Misleading Statements about the Use of Investor Funds.**

37. Cournoyer, through Green Equity and RS Group, told investors that their funds would be spent on corporate projects. These statements were false and misleading because, as alleged above, the Defendants instead misappropriated a significant portion of investor funds.

38. Specifically, with respect to the use of proceeds raised from selling Green Equity’s “C units,” at least two 2020 Green Equity subscription agreements stated: “The company will use proceeds of this purchase for the benefit of expanding the bottling plant, [and] for general expenses for corporate endeavors. In addition, if necessary, proceeds will be used to pay for expenses incurred for corporate operations.”

39. Similarly, a 2019 Green Equity investor presentation, which Cournoyer sent to at least one investor, stated that the “Founders Units” and “Common Units” were used for similar purposes – to purchase a 127-acre Colorado property with the Bottling Plant on site, “pursue a public entity,” and “secure . . . biomass.”

40. RS Group’s cash forward contracts offered and sold between at least December 2019 and February 2020 sold an interest in “[a]cres of hemp biomass” and promised to repay



investors their “principal amount . . . with an interest of 100%” after RS Group processed and sold the hemp biomass.

41. Cournoyer represented to at least one RS Group investor that funds raised through these contracts would be the seed money he needed to enter into agreements with farmers in Montana to grow hemp.

42. These statements about the use of investor funds were false and misleading. As alleged above, between at least March 1, 2019 and February 2, 2022, instead of using investor funds as described, the Defendants misappropriated a significant portion of investor funds for Cournoyer’s personal expenses.

43. Cournoyer knew or was reckless in not knowing, and should have known, that his statements concerning the intended use of investor funds were false and misleading at the time they were made to investors and potential investors because he was the entities’ sole manager and, as the sole signatory on their bank accounts, had knowledge about the use of investor funds.

44. Cournoyer signed the Green Equity subscription agreements and the RS Group cash forward contracts on each entity’s behalf and transmitted them to investors using a Green Equity email address.

45. Cournoyer’s scienter may be imputed to Green Equity and RS Group because he was their sole manager.

46. The statements about the use of investor funds were material to investors because reasonable investors would consider it important that the Defendants did not use their funds on the Bottling Plant and/or other CBD-adjacent projects but, instead, used a significant portion of their funds for personal use.

**B. Cournoyer and Green Equity made False and Misleading Statements About Green Equity's Business.**

47. Despite the Bottling Plant project being abandoned in 2019 and never becoming operational and Green Equity not conducting any business activities since 2019, Cournoyer, through Green Equity, continued to lull investors and solicit investments by making false and misleading statements about Green Equity's business activities after 2019.

48. Specifically, between at least January 2019 and July 2020, Cournoyer, through Green Equity, sold securities in the form of membership units via Green Equity subscription agreements that Cournoyer signed and sent to investors claiming to use those funds "for the benefit of expanding the bottling plant, [and] for general expenses for corporate endeavors."

49. Further, in April 2020, Cournoyer emailed potential investors and wrote that additional funds were needed to "get our facility up and running," which would temporarily "produc[e] high grade hand sanitizer" in light of the Coronavirus pandemic and from which investors would "see revenues almost immediately[.]"

50. In January 2021, Cournoyer claimed to one investor in an email that "sanitizer production [was] underway" at the Bottling Plant and that he was working to partner with casinos to sell hand sanitizer and provide CBD coffee.

51. These statements about Green Equity's ongoing business activities were false and misleading because it had not conducted any business since 2019.

52. Cournoyer knew or was reckless in not knowing, and should have known, that his statements concerning Green Equity's business activities were false and misleading at the time they were made to investors and potential investors because he had not worked with the Colorado Business on the Bottling Plant project since 2019.

53. Cournoyer's scienter may be imputed to Green Equity because he was its sole manager.

54. The statements about Green Equity's business activities were material to investors because reasonable investors who were considering investments in Green Equity after 2019 would consider it important that Green Equity had not conducted any business since 2019.

**C. Cournoyer and Green Equity made False and Misleading Statements Regarding Cournoyer's Background.**

55. Cournoyer and Green Equity also made false and misleading statements to investors regarding Cournoyer's educational background and industry experience.

56. The 2019 Green Equity investor presentation that Cournoyer emailed to at least one investor in June 2019 claimed that Cournoyer obtained a Juris Doctor degree from the University of Florida.

57. This statement regarding Cournoyer's legal education was false because Cournoyer did not have a Juris Doctor degree from the University of Florida.

58. The 2019 presentation also stated that Cournoyer had "over twenty-five years of experience in private equity," including on Wall Street, as well as Series 3, 7, and 63 licenses.

59. These statements regarding Cournoyer's experience were false and misleading because the 2019 presentation omitted the material facts that he was previously barred by the SEC and enjoined by a federal court in connection with violations of federal securities laws.

60. Cournoyer knew or was reckless in not knowing, and should have known, that his statements concerning his education and industry experience were false and misleading because he knew that he did not obtain a law degree from the University of Florida and he also knew his

disciplinary history.

61. The statements about Cournoyer’s education and industry experience were material to investors because reasonable investors would consider it important that Cournoyer had not obtained a law degree from the University of Florida and that he had previously been enjoined by a court and sued and barred by the SEC for violations of federal securities laws.

**V. Green Equity and RS Group Offered and Sold Securities.**

62. Section 2(a)(1) of the Securities Act and Section 3(a)(10) of the Exchange Act define “security” as including “any note, stock” and “investment contract[.]” An investment contract involves: (i) an investment of money, (ii) in a common enterprise, (iii) with an expectation of profits derived from the efforts of others.

**A. Green Equity Membership Units Are Securities.**

63. Green Equity membership units are investment contracts because: (i) investors made an investment of money in exchange for the units; (ii) Green Equity investors’ funds were pooled in Green Equity (and RS Group) bank accounts and their fortunes were collectively linked to Green Equity’s efforts and expertise with respect to the opportunities they presented, including the Bottling Plant; and (iii) investors were entirely reliant on Green Equity’s efforts to generate returns.

**B. RS Group’s Cash Forward Contracts Are Securities.**

64. RS Group’s cash forward contracts are investment contracts because: (i) investors made an investment of money in exchange for an interest in returns generated from processed hemp biomass; (ii) investor funds were pooled together to allow RS Group to enter into the relevant hemp biomass agreements with Montana farmers; and (iii) investors relied solely on RS Group’s efforts and expertise with respect to the purported purchase, processing,

and sale of the hemp biomass.

65. RS Group's cash forward contracts are also notes because the parties understood them to be debt instruments through which RS Group investors reasonably expected a significant profit (i.e., 100% interest) based solely on RS Group's efforts.

**VI. The Defendants' Conduct was in the Offer or Sale, and in Connection with the Purchase or Sale, of Securities, and Done Using Interstate Commerce.**

66. The misstatements alleged herein were made by the Defendants and disseminated to induce investors to buy the securities alleged above.

67. Further, the misstatements described above were made in written communications soliciting investments and contained in agreements, emails, and investor presentations provided to investors in connection with their investments.

68. As such, Defendants' conduct, including their material misstatements and Cournoyer's deceptive conduct, were in the offer or sale of securities as defined in Section 2(a)(1) of the Securities Act and in connection with the purchase or sale of securities as defined in Section 3(a)(10) of the Exchange Act.

69. In connection with the conduct alleged in this Complaint, Defendants, directly or indirectly, singly or in concert with others, made use of the means or instruments of transportation or communication in interstate commerce, the means or instrumentalities of interstate commerce, or of the mails, including soliciting investors by providing documents containing false and misleading statements via email, and obtaining funds from those investors through interstate commerce.

**FIRST CLAIM FOR RELIEF**  
**Fraud—Violation of Section 10(b) of the Exchange Act  
and Rule 10b-5 thereunder**  
**[15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5]**  
**(Against All Defendants)**

70. The SEC realleges and incorporates by reference paragraphs 1 to 69, as though fully set forth herein.

71. By engaging in the conduct described above, Defendants, directly or indirectly, in connection with the purchase or sale of a security, and by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, knowingly or severely recklessly: employed devices, schemes, or artifices to defraud; made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person.

72. By virtue of the foregoing, Defendants violated and, unless restrained and enjoined, will again violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

**SECOND CLAIM FOR RELIEF**  
**Fraud—Violation of Section 17(a) of the Securities Act**  
**[15 U.S.C. § 77q(a)]**  
**(Against All Defendants)**

73. The SEC realleges and incorporates by reference paragraphs 1 to 72 as though fully set forth herein.

74. By engaging in the conduct alleged above, Defendants, directly or indirectly, in the offer or sale of securities by the use of means or instruments of transportation or communication in interstate commerce or by use of the mails: employed devices, schemes, or

artifices to defraud; obtained money or property by means of untrue statements of a material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

75. With regard to violations of Section 17(a)(1), Defendants engaged in the conduct intentionally, knowingly, or with severe recklessness. With regard to violations of the Sections 17(a)(2) and 17(a)(3), Defendants acted at least negligently.

76. By virtue of the foregoing, Defendants violated and, unless restrained and enjoined, will again violate Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

### **RELIEF SOUGHT**

**WHEREFORE**, the SEC respectfully requests that this Court:

#### **I.**

Find that the Defendants committed the violations alleged in this Complaint;

#### **II.**

Enter an injunction, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently restraining and enjoining the Defendants from violating, directly or indirectly, the laws and rules they are alleged to have violated in this Complaint;

#### **III.**

Order that the Defendants disgorge any and all ill-gotten gains, together with pre-judgment interest, derived from the improper conduct set forth in this Complaint;

#### **IV.**

Order that the Defendants pay civil penalties pursuant to Section 20(d) of the Securities

Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] in an amount to be determined by the Court, plus post-judgment interest;

**V.**

Order that Cournoyer be prohibited from acting as an officer or director of a public company pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)(2)];

**VI.**

Enter an injunction permanently restraining and enjoining Cournoyer from directly or indirectly, including, but not limited to, through any entity owned or controlled by him, participating in the issuance, purchase, offer, or sale of any security in an unregistered offering by an issuer, provided, however, that such injunction would not prevent him from purchasing or selling securities for his own personal account; and

**VII.**

Grant such other relief as this Court may deem just or appropriate.

**JURY DEMAND**

The SEC demands a trial by jury on all claims so triable.



Dated: May 10, 2024.

Respectfully submitted,

*s/ Jodanna Haskins*

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Jodanna Haskins

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