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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, **Plaintiff,** **-against-** **JAMES ROBINSON and DAVID KENNEDY,** **Defendants,**	**COMPLAINT** **22 Civ. 22-10200** **ECF CASE** **JURY TRIAL DEMANDED**

Plaintiff Securities and Exchange Commission ("Commission"), for its Complaint against James Robinson ("Robinson") and David Kennedy ("Kennedy") (collectively, "Defendants"), alleges as follows:

SUMMARY

1. From approximately September 2015 through approximately July 2016 (the "Relevant Period"), Defendants Robinson and Kennedy recruited a network of sales agents to sell fraudulent investments and served as the sales agents' liaisons to the entities offering the

fraudulent investments, Bar Works, Inc. ("Bar Works") and Bar Works 7th Avenue, Inc. ("7th Avenue" and, together with Bar Works, the "Bar Works Companies").

2. Via their company United Property Group ("UPG"), Defendants recruited and operated the network of sales agents to sell the investments by using the Bar Works Companies' false and misleading offering materials.

3. Defendants knew that these offerings were false and misleading. Among other things, the offering materials touted the background of a chief executive officer—"Jonathan Black" —who Robinson and Kennedy knew did not exist. At the same time, the offering materials intentionally omitted any mention of Renwick Haddow, the actual individual controlling the entities, because, as Robinson and Kennedy knew, Haddow had previously been sanctioned by the United Kingdom Financial Conduct Authority (the "FCA") for a prior fraudulent investment scheme ostensibly involving the sales of interests in African farmland.

4. On June 30, 2017, the Commission filed a complaint, naming Haddow and the Bar Works Companies as defendants and alleging that they committed securities fraud, in a related enforcement action, *SEC v. Renwick Haddow, et al.*, No. 17-cv-04950 (LGS) (S.D.N.Y.) (hereinafter "*SEC v. Haddow*").

5. During the Relevant Period, Defendants, through sales agents that they recruited, raised over $7.5 million from at least one hundred investors for the fraudulent investments.

6. These investments are now effectively worthless due to the fraudulent scheme, including Haddow's misappropriation of investor funds for his own personal use.

7. In return for their role in selling the fraudulent investments, Defendants received through UPG—a company that they jointly owned and controlled—commissions that totaled at least $2 million from the Bar Works Companies.

VIOLATIONS

8. By virtue of the foregoing conduct and as alleged further herein, Defendants Robinson and Kennedy have violated 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 Rules 10b-5(a) and (c) thereunder [17 C.F.R. § 240.10b-5(a) and (c)]; and have aided and abetted violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], and 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].

9. Unless Defendants are restrained and enjoined, they will engage in the acts, practices, transactions, and courses of business set forth in this Complaint or in acts, practices, transactions, and courses of business of similar type and object.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

10. The Commission brings this action pursuant to the authority conferred upon it by Securities Act Sections 20(b) and 20(d) [15 U.S.C. §§ 77t(b) and 77t(d)] and Exchange Act Section 21(d) [15 U.S.C. § 78u(d)].

11. The Commission seeks a final judgment: (a) permanently restraining and enjoining Defendants from violating the federal securities laws and rules this Complaint alleges they have violated; (b) ordering Defendants to disgorge or return ill-gotten gains or unjust enrichment and pay prejudgment interest thereon pursuant to Exchange Act Sections 21(d)(3), (5) and (7) [15 U.S.C. §§ 78u(d)(3), (5) and (7)]; (c) ordering Defendants to pay civil money

penalties pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)], and Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)]; and (d) ordering any other and further relief the Court may deem just and proper.

JURISDICTION AND VENUE

12. This Court has jurisdiction over this action pursuant to Securities Act Section 22(a) [15 U.S.C. § 77v(a)] and Exchange Act Section 27 [15 U.S.C. § 78aa].

13. Defendants, directly and indirectly, have made use of the means or instrumentalities of interstate commerce or of the mails in connection with the transactions, acts, practices, and courses of business alleged herein.

14. Venue lies in this District under Securities Act Section 22(a) [15 U.S.C. § 77v(a)] and Exchange Act Section 27 [15 U.S.C. § 78aa]. Certain of the transactions, acts, practices, and courses of business constituting the violations alleged herein occurred within the Southern District of New York. Among other things, Robinson and Kennedy conducted certain unlawful practices through one or more meetings in New York, New York, by sending emails into New York, New York, including emails to Haddow and other representatives of the entities Haddow controlled, and by causing money to be sent to bank accounts of the fraudulent entities Haddow controlled located in New York, New York.

DEFENDANTS

15. **Robinson**, age 44, is a citizen of the United Kingdom ("U.K.") and lived in Marbella, Spain during the Relevant Period. Robinson was the Chief Operating Officer and co-founder of UPG, of which he was a 50 percent owner. During the Relevant Period, Robinson, through UPG, served as a "master agent" for the Bar Works entities offering the fraudulent investments.

16. **Kennedy**, age 45, is a citizen of the U.K. and lived in Marbella, Spain during the Relevant Period. Kennedy was a co-founder of UPG, of which he was a principal and 50 percent owner. During the Relevant Period, Kennedy, through UPG, served as a "master agent" for the Bar Works entities offering the fraudulent investments.

OTHER RELEVANT INDIVIDUALS AND ENTITIES

17. **UPG** was a Spanish corporation, with offices in London, U.K., and Marbella, Spain, which served as a master agent for the Bar Works Companies during the Relevant Period. Prior to that, UPG functioned as a real estate firm. Robinson and Kennedy were the principals and owners of UPG.

18. **Haddow**, age 53, is a citizen of the U.K. who is currently imprisoned and is awaiting the disposition of a federal criminal proceeding against him, *United States v. Renwick Haddow*, 17-mj-04939 (UA) (S.D.N.Y.) (hereinafter "*U.S. v. Haddow*"). From approximately 2014 through May 2017, Haddow resided in New York, New York. On June 30, 2017, the Commission filed its complaint, alleging that Haddow committed securities fraud in *SEC v. Haddow*. The same day, a criminal complaint against Haddow, which alleged facts arising out of the same conduct alleged in *SEC v. Haddow*, was unsealed in *U.S. v. Haddow*. On April 13, 2018, Haddow was arrested upon his extradition from Morocco. On May 8, 2019, Haddow pled guilty to two counts of conspiracy to commit wire fraud in violation of 18 U.S.C. §1349, and two counts of wire fraud in violation of 18 U.S.C. §§1343 and 2 in *U.S. v. Haddow*. On September 10, 2019, in *SEC v. Haddow*, the district court entered a final judgment by consent against Haddow, permanently enjoining him from future violations of Section 17(a) of the Securities Act; Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder; and Section 15(a) of the Exchange Act, and leaving open monetary relief to be determined at a later date. In a separate

administrative proceeding, instituted by the Commission on November 22, 2019, Haddow agreed to be barred from the securities industry.

19. **Bar Works** is a Delaware corporation whose principal place of business was in New York, New York at all relevant times. Haddow owns and at all relevant times controlled Bar Works, which offered short-term, shared office space in renovated bars in New York City and San Francisco. The Commission's complaint in *SEC v. Haddow* named Bar Works as a defendant and alleged that it committed securities fraud. On January 18, 2018, the Commission obtained a final default judgment against Bar Works. The default judgment ordered Bar Works to pay disgorgement and prejudgment interest, jointly and severally with 7th Avenue, of over $37 million and a civil penalty of over $4.5 million.

20. **7th Avenue** is a New York corporation whose principal place of business was in New York, New York at all relevant times. Haddow formed and at all relevant times controlled 7th Avenue, which appears to have been created in connection with a Bar Works' location on 7th Avenue in Manhattan. The Commission's complaint in *SEC v. Haddow* named 7th Avenue as a defendant and alleged that it committed securities fraud. On January 18, 2018, the Commission obtained a final default judgment against 7th Avenue. The default judgment ordered 7th Avenue to pay disgorgement and prejudgment interest, jointly and severally with Bar Works, of over $37 million and a civil penalty of over $4.5 million.

21. **Bar Works Management, Inc. ("Bar Works Management")** is a New York corporation that Haddow founded and whose principal place of business was in New York, New York at all relevant times. During the Relevant Period, Bar Works held out Bar Works Management as Bar Works' wholly-owned subsidiary.

22. **James Moore**, age 60, is a citizen of the U.K. who is currently in a federal

detention center in connection with the dispositions of two federal criminal proceedings against him: (1) *United States v. Moore et al.*, 17-cr-00187 (M.D. Fl.) (hereinafter, "*U.S. v. Moore I*"); and (2) *United States v. Moore*, 18-cr-759 (RMB) (S.D.N.Y.) (hereinafter, "*U.S. v. Moore II*"). On August 27, 2018, the SEC filed its complaint, alleging that Moore had aided and abetted Haddow's violations of the securities laws. *See SEC v. Moore et al.*, 18-cv-7803 (S.D.N.Y.). That same day, a criminal complaint against Moore, which alleged facts arising out of the same conduct alleged in *SEC v. Moore et al.,* was unsealed in *U.S. v. Moore II.* At the time this criminal complaint was unsealed, Moore was already in federal detention in connection with an unrelated matter, *U.S. v. Moore I*.

FACTS

I. HADDOW AND THE BAR WORKS COMPANIES DEFRAUDED INVESTORS.

A. Haddow Gained Notoriety in the U.K. for Previous Misconduct.

23. In approximately November 2008, the U.K.'s Insolvency Service—a U.K. government agency whose work includes administering bankruptcies and disqualifying unfit directors in corporate failures—disqualified Haddow from serving as a director of a company for eight years.

24. Haddow's misconduct as finance director of Branded Leisure plc, a company that purportedly operated certain venues targeted at women ages 18 to 35, served as the basis of the disqualification.

25. On December 10, 2008, the U.K.'s Insolvency Service issued a news release announcing the disqualification and noted: "The Schedule of Unfit Conduct which formed a part of the Disqualification Undertaking given by Mr. Haddow included…that he caused and/or allowed [Branded Leisure] to make inaccurate and misleading announcements…as to the

progress of the company's building work, sales performance of the company, and the financial performance of the company . . . [and] [t]hat he caused and/or allowed the company to make false representations in a Board minute . . . in particular as to the financial position and prospects of the company, which caused investors to lose £500,000 in [a certain fund]."

26. Shortly afterwards, the British press published articles about Haddow's disqualification.

27. In July 2013, the FCA, the Commission's approximate counterpart in the U.K., filed a court action against Haddow and others based on misconduct—unrelated to Branded Leisure or the conduct alleged in *SEC v. Haddow*—involving ostensible investments in African farmland.

28. The FCA alleged that Haddow and others unlawfully promoted or operated "collective investment schemes" involving African farmland in Sierra Leone when Haddow (and others) were not authorized under U.K. law to do so, and that the investment schemes were sold through the use of misleading statements.

29. In February 2014, after holding a trial on the preliminary issue of whether the schemes were "collective investment schemes," the United Kingdom High Court of Justice, Chancery Division, ruled that they were.

30. On approximately February 17, 2014, the FCA's public website announced the High Court's ruling on the preliminary issue: "The [U.K.] High Court agreed with the FCA that the schemes were unauthorised collective investment schemes and could not be lawfully operated by the defendants."

31. In March 2015, the British Court of Appeal rejected Haddow's appeal of that preliminary judgment, and the FCA later announced that news on its website.

B. Haddow Controlled the Bar Works Companies.

1. Haddow Founded, Owned, and Controlled Bar Works.

32. On approximately July 24, 2015, Bar Works was incorporated in Delaware.

33. On July 29, 2015, Haddow purchased all of Bar Works' shares.

34. On August 5, 2015, Haddow opened two bank accounts in Bar Works' name.

35. The account opening forms for both accounts listed Haddow as the owner of Bar Works and as the sole authorized signatory on the accounts.

36. On December 21, 2015, Haddow instructed a Brooklyn-based tax firm (the "Tax Firm") to register Bar Works Management as a corporation.

37. On approximately December 24, 2015, Haddow opened two additional bank accounts in Bar Works' name.

38. Haddow signed the account opening forms for both accounts as Bar Works' president and again listed himself on the account opening forms as the sole authorized signatory for both accounts.

39. On approximately December 29, 2015, Haddow opened another bank account in Bar Works' name.

40. The account opening forms listed Haddow as Bar Works' "President/Chairperson," represented that Haddow owned 100 percent of Bar Works, and made clear that Haddow was the only authorized signatory on the account.

41. On approximately February 5, 2016, Bar Works submitted an annual Delaware franchise tax report, which, authorized by Haddow under penalty of perjury, listed Haddow as Bar Works' only officer and director and listed his title as Bar Works' president.

2. Haddow Formed and Controlled 7th Avenue.

42. On January 26, 2016, Haddow emailed the Tax Firm and asked it to set up a new company, 7th Avenue, "for a new property we are taking on."

43. The same day, the Tax Firm filed 7th Avenue's certificate of incorporation, which Haddow signed as 7th Avenue's incorporator, with New York State.

44. On approximately February 4, 2016, Haddow opened two bank accounts for 7th Avenue.

45. Haddow signed account opening forms for both accounts as 7th Avenue's president, and the forms listed Haddow as the only authorized signatory on the accounts.

C. The Bar Works Companies Offered Securities Primarily in the Form of Coupled Leases and Sub-Leases, which Functioned as Investment Notes.

46. In a press release dated September 8, 2015 (the "September 2015 Press Release"), Bar Works claimed to be "a new venture in the work space market, aiming to bring real vibrancy to the flexible working scene by adding full-service work spaces to former bar and restaurant premises in central city locations."

47. In the September 2015 Press Release, Bar Works announced that in October 2015, it expected to open its first location, at 47 West 39th Street in New York, New York (the "39th Street Location"), which would "offer up to 200 work units, plus meeting and networking areas."

48. The September 2015 Press Release claimed that it would earn revenue by "charg[ing] a flat monthly fee to users of [its] work spaces" —customers such as "entrepreneurs, freelancers and travelling employees" who wanted a workspace outside their homes—through monthly membership fees that included not only regular access to a workspace but also services such as internet access, photocopying, coffee, "[h]eavily discounted" alcoholic drinks, and technical support.

49. The September 2015 Press Release stated that Bar Works expected to raise $440,000 in financing by “offering 20 work space units” at the 39th Street Location that it would offer “to investors on 10-year leases.”

50. From approximately October 2015 through April 2017, Bar Works primarily raised funds from investors by offering “leases” coupled with “sub-leases” on individual workspaces in at least five different Bar Works locations—often before Bar Works had opened the locations for business—in at least New York City and San Francisco.

51. Bar Works generally offered investors a ten-year lease (the “Lease”)—typically entitled a “Wealth Builder Lease Agreement”—on a numbered workspace in a particular Bar Works location named in the Lease.

52. The Leases typically purported to include the signature (or a blank space for the signature) of Bar Works’ fictitious Chief Executive Officer, “Jonathan Black,” on behalf of the Bar Works’ affiliate serving as the counterparty on the Lease.

53. To purchase a Lease on an individual workspace, investors paid Bar Works or a Bar Works affiliate an up-front, one-time purchase price generally ranging from $22,000 to $30,000, depending on the location of the workspace.

54. Along with each Lease, each investor also signed a sub-lease (“Sub-Lease”)—typically entitled a “Wealth Builder Sub-Lease Agreement”—for the Bar Works workspaces set out on the investor’s Lease.

55. The Sub-Leases typically purported to include the signature (or a blank space for the signature) of “Jonathan Black” on behalf of the Bar Works’ affiliate serving as the counterparty on the Sub-Lease.

56. Under the terms of each Sub-Lease, Bar Works or its affiliate agreed to pay the

investor a fixed monthly "rental" fee, typically 14% to 16% of the investor's original Lease purchase price annually, for the duration of the Lease's term, which was usually ten years.

57. Under the terms of each Sub-Lease, Bar Works or its affiliate typically agreed to pay each investor at least the designated monthly rental fee for the Lease's duration, regardless of whether Bar Works or its affiliate could obtain a paying customer for the workspaces purportedly covered by the investor's Lease—that is, whether or not Bar Works received revenue from the relevant workspaces.

58. Haddow and the Bar Works Companies received and pooled the investors' funds together in at least three United States bank accounts in the names of Bar Works and 7th Avenue.

D. Haddow and the Bar Works Companies Defrauded Investors, Including By Touting a Fictitious CEO to Conceal Haddow's Control of the Companies.

1. Bar Works' False and Misleading Investor Materials.

59. The September 2015 Press Release announcing Bar Works' venture identified Bar Works' founder and chief executive as "Jonathan Black."

60. The press release contained a quote from "Jonathan Black" and claimed that "Jonathan [Black] and his team have already secured US$500,000 of funding from a Silicon Valley backer."

61. The press release touted "Jonathan Black's" purported experience: "Jonathan has a background in finance and start-up ventures. He was a finance director/financial controller of two chains of bars in the UK (Regent Inns Plc – market value US$400m). He has also set up a number of new ventures, including recently 'Car Share', a car sharing APP."

62. Similarly, a January 2016 Bar Works Press Release identified "Jonathan Black" as the CEO of Bar Works, and provided his contact information for further information.

63. During at least the Relevant Period, Bar Works also operated a website:

www.barworks.nyc.

64. Haddow's name appeared nowhere in any of the Bar Works press releases or on Bar Works' website during the Relevant Period.

65. To sell Leases and Sub-Leases for particular Bar Works locations, Bar Works also typically provided potential investors—including through sales agents Defendants recruited—with one or more private placement memoranda specific to a particular Bar Works location (collectively, the "Bar Works Lease Memoranda").

66. The Bar Works Lease Memoranda typically contained general content about the Bar Works Companies that varied little from memorandum to memorandum, in addition to information specific to the Bar Works location featured in each memorandum.

67. At least one version of the Bar Works Lease Memoranda described Bar Works' Leases and Sub-Leases as follows: "Bar Works Wealthbuilder Program is the brand owned by Bar Works™ Inc. in which investors can purchase their own workspace on a 10 year lease and lease this back to Bar Works™ Management Inc. (its wholly owned subsidiary) for a fixed rental income."

68. Haddow determined the content of the Bar Works Lease Memoranda and controlled their distribution.

69. The Bar Works Lease Memoranda typically began with a "Letter from the Directors," purportedly signed by "Jonathan Black" as "Chief Executive, Bar Works Inc."

70. Haddow's name appeared nowhere in the Bar Works Lease Memoranda.

71. The representations and omissions described above in at least the September 2015 Press Release, the January 2016 Press Release, the Bar Works' website, the Bar Works Lease Memoranda, and the Lease and Sub-Lease agreements themselves were false or misleading.

72. In reality, "Jonathan Black" was a fictitious name for a person who did not exist, and Haddow in fact founded, controlled, and owned the Bar Works Companies and their affiliates.

2. Haddow's Misappropriation and the Scheme's Unraveling.

73. The Bar Works Companies and their affiliates stopped paying Lease investors monthly interest fees after approximately April 2017.

74. In June 2017, Haddow left the United States as his scheme unraveled.

75. Bar Works, 7th Avenue, and Bar Works Management are now defunct, and the Bar Works Leases and Sub-Leases sold to investors are effectively worthless.

II. DEFENDANTS PARTICIPATED IN THE FRAUD COMMITTED BY HADDOW AND BAR WORKS.

A. Defendants Knew that Haddow Controlled Bar Works.

76. Moore had known Haddow since approximately 2010.

77. In approximately the summer of 2015, Haddow told Moore about a new project Haddow was working on involving selling leases in co-working spaces to investors.

78. Moore pitched Haddow on the idea of partnering on the project together.

79. Haddow made clear to Moore that he wanted to control the whole business.

80. Moore and Haddow eventually agreed that Moore would recruit a "master agent" company that had a global network of sales agents to sell Bar Works' work-space leases. Moore and Haddow agreed that this master agent would receive a commission and that Moore would receive an additional significant sales commission for master agent's sales to investors.

81. In or about September 2015, Moore asked Robinson and Kennedy if UPG, which Robinson and Kennedy owned and controlled, was interested in becoming a master agent for Bar Works. Moore explained that as master agent, UPG would be responsible for finding agents to

sell the Bar Works leases to investors primarily outside of the U.S.

82. Moore had previously worked in real estate sales in Europe and had a prior business relationship with Robinson and Kennedy.

83. In or about October 2015, UPG entered into an agreement with Bar Works to become a master agent for Bar Works, with UPG earning a 30% commission for each Bar Works Lease that its agents sold.

84. Pursuant to a side agreement with Haddow, Moore would also earn an additional 35% commission on any lease that UPG sold.

85. In September and early October 2015, Moore served as an intermediary between Defendants and Haddow and would forward to Defendants emails from Haddow and vice versa.

86. By mid-October 2015, however, Robinson and Kennedy emailed with Haddow directly, using his email address "renwick@renwickhaddow.com."

87. Robinson and Kennedy knew that Haddow owned and controlled all aspects of Bar Works, including the content of the company's marketing materials and other documents distributed to potential investors.

88. For example, on September 3, 2015, Moore forwarded to Robinson and Kennedy an email from Haddow that stated, "Take a look at this" and attached a draft form Certificate of Ownership, as well as Terms and Conditions, relating to a lease in Bar Works workspaces.

89. Indeed, in November 2015, Robinson and Kennedy traveled to New York City to meet with Haddow, Moore, and another individual in person. During this three-day trip, Robinson and Kennedy toured several Bar Works locations and also gave a presentation to Haddow about UPG's ability to sell interests in Bar Works to investors.

90. Following this trip, on November 21, 2015, Robinson emailed Haddow and

others, copying Kennedy, and wrote, "Great to meet you too. David and I were really impressed with what you have done and the model you have built is simply exceptional."

91. Robinson and Kennedy subsequently worked with Haddow to devise a marketing scheme called the "Wealth Builder Program" whereby investors would receive greater returns if they invested in multiple work spaces.

92. Robinson and Kennedy knew, however, that Haddow had ultimate authority over the rates of returns that would be offered to investors.

93. For example, in late November 2015, Haddow considered increasing the rate of annual fixed return the Bar Works Leases would offer investors, based on a comment from a Bar Works sales person. Specifically, Haddow became concerned that an 8% fixed return would not be sufficient to persuade investors to purchase Leases.

94. On November 27, 2015, Robinson emailed Haddow at "renwick@renwickhaddow.com," copying Moore, Kennedy and another agent, "Please confirm once you are happy with the 12.5, 14, 15 & 16 and we will build the Wealth Accelerator assets accordingly." Haddow replied and expressed his decision to offer investors fixed returns ranging from 13% to 16%, depending on how many work space Leases an investor bought, stating: "I have increased the single unit to 13% other than that I am happy."

95. Similarly, on December 21, 2015, Robinson emailed a Bar Works employee, copying Haddow and Moore, regarding the structure of an investment from a new investor, and stated, "I have copied Ren as it is worth having a chat with him in regards to returns . . . I imagine Ren will give the decision on what he would like to do there but from our side [the investor] is expecting a 15% return, across the board for the leases . . ."

96. Robinson and Kennedy also understood that Haddow controlled the amount of

commission Bar Works paid to its agents and resolved disputes among agents regarding commissions.

97. For example, on January 9, 2016—following a second trip taken by Robinson and Kennedy to New York City to meet with Haddow—Kennedy emailed Haddow, copying Robinson, Moore and another individual, to thank Haddow for the previous evening and confirm the details of a commission agreement for sub-agents they had discussed.

98. Robinson and Kennedy also understood that Haddow had access to and control of the Bar Works bank accounts.

99. For example, on February 15, 2016, Robinson emailed Haddow, copying Kennedy and Moore, and attached an invoice dated February 11, 2016, which reflected UPG's total commissions for selling Bar Works leases to 12 investors. Robinson told Haddow that UPG had amended the attached invoice "as requested" and asked Haddow to let him know when the invoice had been paid.

B. The Defendants Knew, or Recklessly Disregarded, that "Jonathan Black" Was Fictitious and that Haddow used the "Jonathan Black" Alias to Conceal his Involvement with Bar Works.

100. During the Relevant Period, Robinson and Kennedy knew or recklessly disregarded that Haddow used "Jonathan Black" as a fake name to conceal his involvement in Bar Works, due to the FCA's regulatory action against him.

101. For example, on September 4, 2015, Robinson responded to an email sent by Moore, which contained two attachments, including a draft Bar Works Certificate of Ownership. In his email to Moore, Robinson copied Kennedy and stated, "Its [sic] obvious that the first attachment is some sort of attempt at a client feeling like they hold a deed, but as its [sic] a certificate it reminds me of carbon credits in a big way . . ."

102. "Capital Carbon Credits" was the name of one of the Haddow-affiliated ventures

that was determined by courts in the U.K. to be a "collective investment scheme."

103. Similarly, on October 14, 2015, Robinson emailed Moore, copying Kennedy and another individual, and wrote, "I wonder if Renwick would care more about people knowing Bar Works is his and his history in carbon credits and lost investments for huge amount of clients would damage his Bar Works reputation."

104. Approximately one month later, on November 12, 2015, Robinson emailed Moore, copying Kennedy, to ask if Bar Works could issue a letter stating that UPG was authorized to sell Bar Works Leases. Robinson referred to the letter as an example of something that "would allow people to sell [Leases] without Renwick being exposed at all."

105. In addition to knowing about Haddow's past investment schemes, from at least November 2015, Robinson and Kennedy also knew or recklessly disregarded that Black, the purported CEO of Bar Works, was not a real person.

106. During the November 2015 gathering in New York City, Haddow, Moore, Robinson, and Kennedy had dinner at a restaurant and discussed, among other things, using the "jonathan.black@barworks.nyc" email address to facilitate discussions with Bar Works' purported CEO—the fictitious Jonathan Black—and investors.

107. Therefore, Robinson and Kennedy knew that, in an attempt to conceal his identify, Haddow utilized the email account "jonathan.black@barworks.nyc" and replied from this address as "Jonathan Black."

108. For example, on July 6, 2016, Robinson replied to an email sent to him from the jonathan.black@barworks.nyc and wrote, "Morning Ren!"

109. Robinson and Kennedy were also aware that Haddow would often pretend to be Jonathan Black on calls with investors and helped to facilitate those calls in order to sell Leases

to investors.

110. For example, on November 27, 2015, Haddow emailed Robinson, Kennedy and Moore and offered to have a potential Bar Works investor ("Investor 1") speak with "JB." Robinson replied to the email and asked, "Just to clarify when you said JB do you mean Jonathan Black?" Haddow responded, "Yes Jonathan. How about Tuesday?" On November 30, 2015, Robinson replied again to the email chain and wrote to Haddow, "thanks Ren – we will let [Investor 1] know to expect JB's call at 10am your time tomorrow."

111. The next day, Investor 1 spoke to Haddow, pretending to be Jonathan Black, on the phone.

112. In or about December 2015, Investor 1 made a $600,000 investment in Bar Works.

113. On December 20, 2015, a sales agent from UPG noted in an email to Haddow, Moore, Robinson, and Kennedy that the "personal call with JB seemed to do the trick" for Investor 1.

C. The Defendants Facilitated the Sales of Bar Works Leases to Investors Through False and Misleading Marketing Materials and Statements.

114. During the Relevant Period, UPG's sales agents sold Bar Works Leases to more than 100 investors around the world at prices ranging from $10,000 to $30,000 per lease using the Bar Works marketing materials that Haddow had provided to them.

115. As the owners and principals of UPG, Robinson and Kennedy directed UPG's sales agents and knowingly provided them with Bar Works marketing materials to distribute to investors and prospective investors that omitted any mention of Haddow and instead misleadingly referenced the fictitious Jonathan Black as the Bar Works CEO.

116. For example, on October 13, 2015, a Bar Works employee emailed Robinson and

Kennedy, attaching a copy of a Bar Works Private Placement Memorandum, and stated, "These are for investors." The attached Private Placement Memorandum contained a "Letter from the Directors," purportedly signed by "Jonathan Black" as "Chief Executive, Bar Works Inc.," as well as a biography for Jonathan Black. Haddow's name appeared nowhere in this memorandum. UPG's agents subsequently sent this memorandum to prospective investors.

117. After an investor had wired the money to Bar Works, Robinson, Kennedy, and other UPG agents would send the investor, among other documents, "certificates of ownership" for the leases, signed by Jonathan Black.

118. On November 12, 2015, Robinson sent an email to UPG's sales agents stating that he and another UPG associate had come up with their own written "Bar Works Pitch" for "clients and agents questioning the [Bar Works] guarantee" that the sales agents should "use, or extract from accordingly, as required." It stated in part:

> The rental guarantee is clearly shown and stated in the terms and conditions and worth noting that America is the most regulated country in the world for any investment. . . . The CEO, Jonathan Black, has set up and financially controlled PLCs in the UK previously . . . His professional track record is exemplary and that can be validated online and therefore clearly in the public domain….

119. Later that day, a UPG sales agent copied and pasted this "Bar Works Pitch" into an email he sent Investor 1.

D. Defendants Received Compensation for Their Role in the Fraudulent Bar Works Scheme.

120. The efforts by Robinson and Kennedy on behalf of Bar Works led to the sale of over $7.5 million of Bar Works leases from over one hundred investors globally.

121. From October 2015 through May 2016, Robinson and Kennedy received approximately $2 million in compensation from Bar Works—through bank accounts in the name of UPG, which Robinson and Kennedy owned and controlled—for the sales of Leases to Bar

Works Investors.

FIRST CLAIM FOR RELIEF
Violations of Securities Act Section 17(a)
(Both Defendants)

122. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 121.

123. Defendants, directly or indirectly, singly or in concert, in the offer or sale of securities and by the use of the means or instruments of transportation or communication in interstate commerce or the mails, (1) knowingly or recklessly have employed one or more devices, schemes or artifices to defraud, (2) knowingly, recklessly, or negligently have obtained money or property by means of one or more untrue statements of a material fact or omissions of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and/or (3) knowingly, recklessly, or negligently have engaged in one or more transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

124. By reason of the foregoing, Defendants, directly or indirectly, singly or in concert, have violated and, unless enjoined, will again violate Securities Act Section 17(a) [15 U.S.C. § 77q(a)].

SECOND CLAIM FOR RELIEF
Violations of Exchange Act Section 10(b) and Rules 10b-5(a) and (c) Thereunder
(Both Defendants)

125. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 121.

126. Defendants, directly or indirectly, singly or in concert, in connection with the purchase or sale of securities and by the use of means or instrumentalities of interstate

commerce, or the mails, or the facilities of a national securities exchange, knowingly or recklessly have (i) employed one or more devices, schemes, or artifices to defraud, and/or (ii) engaged in one or more acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

127. By reason of the foregoing, Defendants, directly or indirectly, singly or in concert, have violated and, unless enjoined, will again violate Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rules 10b-5(a) and (c) thereunder [17 C.F.R. § 240.10b-5(a) and (c)].

THIRD CLAIM FOR RELIEF
Aiding and Abetting Violations of Securities Act Section 17(a)
(Both Defendants)

128. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 121.

129. As alleged above, Haddow, Bar Works, and/or 7th Avenue violated Securities Act Section 17(a) [15 U.S.C. § 77q(a)].

130. Defendants knowingly or recklessly provided substantial assistance to Haddow, Bar Works, and/or 7th Avenue with respect to its violations of Securities Act Section 17(a) [15 U.S.C. § 77q(a)].

131. By reason of the foregoing, Defendants are liable pursuant to Securities Act Section 15(b) [15 U.S.C. § 77o(b)] for aiding and abetting the violations of Securities Act Section 17(a) [15 U.S.C. § 77q(a)] by Haddow, Bar Works, and/or 7th Avenue and, unless enjoined, Defendants will again aid and abet these violations.

FOURTH CLAIM FOR RELIEF
Aiding and Abetting Violations of Exchange Act Section 10(b) and Rule 10b-5
(Both Defendants)

132. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 121.

133. As alleged above, Haddow, Bar Works, and/or 7th Avenue violated Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

134. Defendants knowingly or recklessly provided substantial assistance to Haddow, Bar Works, and/or 7th Avenue with respect to its violations of Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

135. By reason of the foregoing, Defendants are liable pursuant to Exchange Act Section 20(e) [15 U.S.C. § 78t(e)] for aiding and abetting the violations of Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder by Haddow, Bar Works, and/or 7th Avenue and, unless enjoined, Defendants will again aid and abet these violations.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court enter a Final Judgment:

I.

Finding Defendants violated the securities laws and rules as alleged against them here;

II.

Permanently enjoining Defendants and their agents, servants, employees and attorneys and all persons in active concert or participation with any of them from violating, directly or indirectly, Securities Act Section 17(a) [15 U.S.C. § 77q(a)] and Exchange Act Section 10(b) [15 U.S.C. §§ 78j(b)] and Rules 10b-5(a) and (c) thereunder [17 C.F.R. § 240.10b-5(c) and (c)];

III.

Ordering Defendants to disgorge or return ill-gotten gains or unjust enrichment obtained as a result of the violations alleged in the Complaint, and ordering them to pay prejudgment interested thereon, under Exchange Act Sections 21(d)(3), 21(d)(5) and 21(d)(7) [15 U.S.C. § 78u(d)(3), (d)(5) and (d)(7)];

IV.

Ordering Defendants to pay civil monetary penalties under Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)]; and

V.

Granting any other and further relief this Court may deem just and proper.

Dated: New York, New York
December 1, 2022

Thomas P. Smith Jr.

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