


Karen L. Martinez (7914)  
Thomas M. Melton (4999)  
Lindsay S. McCarthy (5216)  
Attorneys for Plaintiff  
Securities & Exchange Commission  
15 West South Temple, Suite 1800  
Salt Lake City, Utah 84101  
Tel. 801-524-5796

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IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF UTAH, CENTRAL DIVISION

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SECURITIES AND EXCHANGE COMMISSION,

COMPLAINT

PLAINTIFF,

v.

NOVUS TECHNOLOGIES, LLC, a Utah limited liability  
company, RALPH W. THOMPSON, JR., DUANE C.  
JOHNSON, RCH2, LLC, a Utah limited liability company,  
ROBERT CASEY HALL and ERIC J. WHEELER,

DEFENDANTS,

and

U.S. VENTURES, LC, a Utah limited liability compan  
U.S. VENTURES INTERNATIONAL, LLC, a Utah  
limited liability company, ROBERT L. HOLLOWAY,  
ONLINE STRATEGIES GROUP, INC., a Delaware  
corporation, and DAVID STORY,

RELIEF DEFENDANTS.

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Judge Paul G. Cassell  
DECK TYPE: Civil  
DATE STAMP: 04/11/2007 @ 08:32:15  
CASE NUMBER: 2:07CV00235 PGC

Plaintiff, Securities and Exchange Commission (the "Commission"), for its  
Complaint against Defendants alleges as follows:

**INTRODUCTION**

1. This matter involves an ongoing offer and sale of unregistered securities by Novus Technologies, LLC and its principals Ralph W. Thompson, Jr., Duane C. Johnson and RCH2, LLC and its principal Robert Casey Hall which have raised at least \$4.8 million from over 50 investors.
2. Novus and RCH2 market themselves as business consulting companies specializing in helping clients generate cash flow. Novus, Thompson and Johnson solicit investors through Novus' website [www.novus-tech.com](http://www.novus-tech.com), referrals from current investors, and sales presentations at a local shopping mall.
3. RCH2 and Hall solicit investors through referrals from current investors.
4. Both Novus and RCH2 entered into six-month promissory notes with investors paying between 3% and 15% interest per month.
5. Investors who lacked the funds to invest with Novus or RCH2 were referred to Eric Wheeler, a small business relationship manager with JP Morgan Chase Bank, N.A. Wheeler arranged for investors to obtain small business lines of credit through the use of fraudulent loan applications. Once investors obtained the loan, Wheeler transferred the entire balance from the lines of credit to Novus or RCH2.
6. Novus and RCH2 claim they can invest client funds in various opportunities that they have available that generate more money than necessary to pay the monthly interest payments. Investors are told that their investments are safe and a majority is invested in low-risk strategies such as real estate and hard money lending.

7. Instead of investing client funds as represented, Novus and RCH2 transferred the bulk of investor funds to high-risk commodities trading accounts in the name of U.S. Ventures, LC which have lost over \$9 million in the last year. Investors are not paid from profits generated by Novus and RCH2, but are paid from newly-invested funds in a massive Ponzi scheme.

#### **JURISDICTION AND VENUE**

8. This Court has subject matter jurisdiction by authority of Sections 20 and 22 of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. §§ 77t and 77v] and Sections 21 and Section 27 of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §§ 78u and 78aa].
9. Defendants, directly and indirectly, singly and in concert, have made use of the means and instrumentalities of interstate commerce and the mails in connection with the transactions, acts and courses of business alleged herein, certain of which have occurred within the District of Utah.
10. Venue for this action is proper in the District of Utah under Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and under Section 27 of the Exchange Act [15 U.S.C. § 78aa] because certain of the transactions, acts, practices, and courses of business alleged in this Complaint took place in this district and because certain of the defendants reside in and transact business in this district.
11. Defendants, unless restrained and enjoined by this Court, will continue to engage in the transactions, acts, practices, and course of business alleged herein and in transactions, acts, practices, and courses of business of similar purport and object.
12. Defendants conduct took place in connection with the offer, purchase and/or sale of Novus or RCH2 securities in the form of Promissory Notes or Joint Venture Agreements.

**DEFENDANTS**

13. **Novus Technologies, LLC** ("Novus") is a Utah limited liability company. Novus claims to be a business consultant, specializing in helping clients generate cash flow. Novus has its principal place of business at 1568 South 500 West, Suite 102, Woods Cross, Utah. **Ralph W. Thompson, Jr.** is the managing member and registered agent of Novus.
14. **Ralph W. Thompson, Jr.** ("Thompson"), age 43, is a Utah resident. Thompson is the managing member of Novus and its registered agent. Thompson is listed on the Novus website as the point of contact for the Novus "Money Technologies and Business Dev." section. Thompson conducts weekly investor meetings and personally participates in the solicitation of investors on behalf of Novus.
15. **Duane C. Johnson** ("Johnson"), age 50, is a Utah resident. Johnson is listed on the Novus website as the point of contact for Novus' real estate and portfolio development. Johnson personally participates in the solicitation of investors on behalf of Novus.
16. **RCH2, LLC** ("RCH2") is a Utah limited liability company. RCH2 has its principal place of business at 14032 Canyon Vista Lane, Draper, Utah. RCH2 claims to be engaged in activities related to real estate.
17. **Robert Casey Hall** ("Hall"), age 34, is a Utah resident. Hall is a member and registered agent for RCH2. Hall solicited investors on behalf of RCH2.
18. **Eric J. Wheeler** ("Wheeler"), age 26, is a Utah resident. Wheeler was employed by JP Morgan Chase Bank, N.A. as a Small Business Banking Relationship Manager at the Broadway Branch of Chase. Wheeler resigned from Chase in the wake of an internal fraud investigation by Chase.

**RELIEF DEFENDANTS**

19. **U.S. Ventures, LC** ("US Ventures") is a Utah limited liability company with its principal place of business at 3899 East Parkview Dr., Salt Lake City, Utah. US Ventures purports to be in the business of generating profits through investment in the futures markets. US Ventures received investor funds from Novus and RCH2.
20. **U.S. Ventures International, LLC** ("USVI") is a Utah limited liability company with its principal place of business at 358 South 700 East, Suite B217, Salt Lake City, Utah. USVI received investor funds from Novus and RCH2.
21. **Robert L. Holloway** ("Holloway"), age 49, is a Utah resident. Holloway is the manager and registered agent of US Ventures and USVI. Holloway claims to be an investment advisor. Holloway transferred funds from US Ventures accounts that US Ventures received from Novus and RCH2 to entities he controlled and used the funds for personal expenses.
22. **Online Strategies Group, Inc.** ("Online") is a Delaware corporation with its principal place of business at 871 Coronado Circle Center Drive, Henderson, Nevada. Online received Novus and RCH2 investor funds from US Ventures and/or USVI.
23. **David Story** ("Story"), age 36, is a Nevada resident. Story is the Attorney-in-Fact for Online. Story controlled the Online account that received funds from Novus and RCH2. Story used those funds for apparent personal purposes.

**BACKGROUND**

24. Novus and RCH2 sold unregistered securities to over 50 investors, raising at least \$4.8 million. Novus and RCH2 marketed themselves as business consulting companies specializing in helping clients generate cash flow.

25. Novus, Thompson and Johnson solicited investors through Novus' website [www.novus-tech.com](http://www.novus-tech.com), referrals from current investors and sales presentations at a local shopping mall.
26. The Novus website listed Thompson as the point of contact for the Novus "Money Technologies and Business Dev." section. Johnson is listed on the Novus website as the point of contact for Novus' real estate and portfolio development.
27. Thompson conducts the sales presentations at the shopping center during which he encourages potential investors to take out home equity lines of credit to invest.
28. Beginning in at least August 2006 and continuing through the present, Thompson and Johnson met with individual investors to describe the Novus investment program.
29. RCH2 and Hall solicit investors through referrals from current investors. Hall continues to solicit investors for RCH2.
30. Novus and RCH2 entered into six-month promissory notes with investors paying between 3% and 15% interest per month. The monthly return is "guaranteed."
31. Thompson signs the Novus promissory notes.
32. The RCH2 promissory notes are one and one-half pages in length. The only variations between the notes are the name of the investor, the amount of the investment and the interest rate to be paid. Hall executes the promissory notes on behalf of RCH2.
33. Novus and RCH2 claim they can invest client funds in various opportunities that they have available that generate more money than necessary to pay the monthly interest payments.

34. According to Novus and RCH2, these investments include real estate, S&P 500 options or futures, foreign currency futures and stocks.
35. Novus also provides a balance sheet to investors with assets including \$37 billion in gold mining claims, \$600,000 in cash and \$7 million in marketable securities. Novus claims these assets form the security for the promissory notes investors enter into with Novus.
36. The listed assets include real estate – none of which is held in the name of Novus. The bulk of the real estate appears to be the primary residence of Johnson. The balance sheet also fails to indicate the over \$4 million in mortgages against that property.
37. The balance sheet also includes an apartment building in which Novus owns a 25% interest. The balance sheet reflects no shared ownership interest.
38. The balance sheet also lists \$37 billion in gold mining claims in Southern Utah. Investors are shown an assay report valuing the claims which grossly exaggerates the value, if any, of the mining claims. Novus further claims that it is undertaking efforts to commercialize the mines. That information is also false. The Bureau of Land Management, which manages the claims, has no record of anyone attempting to commercialize those mining claims.

#### **RECRUITING INVESTORS**

39. Novus recruits investors through weekly sales presentations held at a local shopping mall, through its website and referrals from current investors.
40. The investors attend seminars offered by Equidigm Financial Group, Inc. (“Equidigm”), a Utah corporation. Equidigm claims to be a financial services marketing company that generates leads for the financial services industry. Thompson is the president of Equidigm.
41. On its website, Equidigm offers complimentary tickets (a \$75 value) to its investment seminars. The seminars are held weekly at a Salt Lake City

shopping mall. The website also touts Equidigm seminars offered throughout the United States. Thompson is one of the presenters at these seminars.

42. The seminars offer information regarding how to "be your own bank" and the "safest and best investments" for retirement. During the presentation, Thompson encourages investors to obtain loans, usually through home equity lines of credit, to invest.
43. Thompson steers investors who make further inquires regarding specific investment opportunities to Novus.
44. Novus also solicits investors through its own website. Novus' website states that its program is "Too Good NOT To Be True." The site brags that Novus "excels at helping companies & corporations maximize and maintain their cash flow and profits." Novus claims to have developed "Money Technologies" which generate cash flow.
45. Novus states you must be a business entity to participate in its loan program. However, Novus solicits individual investors who in many cases create business entities for the sole purpose of participating in Novus' investment program.
46. RCH2 solicits investors through referrals from current investors.
47. RCH2 investors enter into promissory notes with RCH2 which are signed by Hall. These promissory notes guarantee 10-15% interest per month.

#### **NOVUS SALE OF PROMISSORY NOTES**

48. Novus, and specifically Thompson and Johnson, tells investors that they can "loan" Novus funds through Promissory Notes. These notes are for a six-month term and pay between 3% and 10% interest per month.
49. Novus tells investors that the funds will be used to invest in all of Novus' business activities, including manufacturing opportunities in China and Taiwan, television stations, stocks, foreign currency futures and real estate.



50. Investors are told the minimum investment is \$50,000 or \$100,000.
51. To encourage investment, Novus tells investors that their investments are safer than a 401(k) plan or a conventional mortgage.
52. In some cases, Novus explains that it pools an investor's funds with those from other individuals and invests only the interest earned on those funds. Others are told only 25% of their money is at risk.
53. Novus tells other investors it has liquid assets on hand to cover at least six months worth of promissory notes. Consequently, there is no risk to the principal. Novus tells investors that their principal is 100% safe.
54. Investors are not asked by Novus whether they are accredited. Many of the investors do not meet the requirements for accreditation.

#### **RCH2 SALE OF PROMISSORY NOTES**

55. RCH2, through Hall, encourages investors to purchase RCH2 promissory notes that guarantee interest payments of 10-15% per month. Hall represents that the RCH2 promissory notes are a relatively low risk investments. Hall claims to invest the proceeds from the promissory notes in a diversified portfolio with a majority of the funds invested in real estate.
56. RCH2 tells investors generates the profits necessary to pay the monthly "interest" payments by making real estate loans, through hard money lending, or from commodities trading.

#### **FRAUDULENT LINES OF CREDIT**

57. Novus and RCH2 directed those investors who lacked the liquid assets to meet the minimum required investment of \$50,000 or \$100,000 to Wheeler, Small Business Banking Relationship Manager at the Salt Lake City Broadway Branch ("Broadway Branch") of JP Morgan Chase Bank, National Association ("Chase").

58. Novus and RCH2 explained that the investor could obtain a small business line of credit from Chase and then use those funds to invest with Novus and/or RCH2.
59. Hall acted as a go-between for Novus investors and Chase. Hall provided the same service for individuals who invested with RCH2 directly.
60. Johnson and Thompson provided information on a daily basis to Hall regarding potential new Novus investors. Johnson and Thompson gave Hall small business loan applications for Chase lines of credit for potential investors. Hall then forwarded those applications to Wheeler. Hall received information regarding approximately five (5) potential investors from Johnson and/or Thompson each day.
61. Hall also sent loan applications to Wheeler for individuals or entities that invested directly with RCH2.
62. Wheeler opened numerous checking and savings accounts for the business entities Hall referred to him. Wheeler formed those accounts for the purpose of investing with Novus and/or RCH2. Those entities applied for small business lines of credit with Chase, usually for \$100,000. The investors guaranteed the lines of credit.
63. Wheeler communicated with Hall regarding the lines of credit rather than with the actual customer.
64. Wheeler used his position at Chase to ensure that the Novus and RCH2 investors' line of credit applications were approved. Wheeler and other Chase employees falsified information on the business loan applications, including inflating revenue/net income and increasing the number of years an entity had been in business.
65. Wheeler knew that he could get the loan applications approved because the then current Chase practices did not require the applicant to produce

supporting documentation for small business line of credit applications in the amount of \$100,000 or less if the entity had been in business two or more years and had a net sales activity of \$300,000 or more.

66. On November 17, 2006, Chase instituted an investigation into possible code of conduct violations by Wheeler and others. As a result of the investigation, Chase discovered approximately 50 fraudulently obtained lines of credit for Novus and RCH2 investors.
67. Transfers from the suspect business lines of credit to Novus, RCH2, or Hall totaled \$4.8 million.
68. Wheeler also solicited other Chase employees to invest with Hall. This conduct violated Chase's code of conduct which prohibited bank employees from investing with customers. Chase terminated several bank employees for investing with Hall in violation of its code of conduct.

#### **USE OF INVESTOR FUNDS**

69. Instead of the low risk investment opportunity promoted by Novus and RCH2, Novus' and RCH2's bank records reflect that almost all the funds from investors, including the \$4.8 million from the lines of credit, were transferred immediately to US Ventures, who deposited the funds into a trading account with Fortis Clearing Americas, LLC ("Fortis") and invested in high-risk currency futures or S&P 500 futures.
70. US Ventures' accounts with Fortis lost over \$9 million in the last year. Currently, the accounts have a cash balance of approximately \$7 million and a margin deficit of about the same amount. The accounts have no open positions and no trades can be placed in the accounts due to the margin balance.
71. The balance of investor funds have either been withdrawn to make monthly "interest" payments directly to investors from US Ventures' accounts or used

by Thompson, Johnson, Hall, Holloway or Story for apparent personal purposes, such as paying credit card bills, jewelry store charges, mortgage payments, car or airplane purchases, or transferring almost \$20,000 to a local pool and spa dealer.

72. For example, Holloway transferred investor funds from the US Ventures account with Fortis to accounts held by US Ventures and USVI at Key Bank.
73. Holloway also made substantial transfers from the US Ventures accounts for apparent personal expenses such as \$13,650.96 to American Express, a Nordstrom bill in excess of \$11,000 as well as payments to Tiffany's and his spouse.
74. US Ventures also transferred funds to an account in the name of Online Strategies Group, Inc. which was controlled by Story. From that account, Story made payments to Intermountain Air LLC (a local Piper aircraft dealer) and approximately \$19,000 to Sundance Pools and Spas.
75. Although Holloway represented to Key Bank employees that he acted as an investment advisor, Key Bank recognized that the activity in Holloway's accounts, including US Ventures and USVI, was inconsistent with that of an investment advisor, since only about one-third of the funds deposited were used for investment purposes.
76. Hall used investor funds deposited in the RCH2 account with Chase bank for apparent personal purposes, including mortgage payments, medical bills, tithing to the Church of Jesus Christ of Latter-day Saints or to other entities he controlled.
77. Johnson and Thompson used investor funds deposited in the Novus account with Chase for apparent personal purposes such as payments to business entities Johnson controlled, mortgage payments and direct payments to Thompson.

### **MISREPRESENTATIONS AND OMISSIONS**

78. Novus and RCH2 do not tell investors about the significant losses incurred in the US Ventures' accounts. Nor do they explain to investors that almost 100% of the invested funds will be immediately transferred to US Ventures for the purpose of high-risk futures trading.
79. Thompson, Johnson and Hall do not tell investors that US Ventures has lost over \$9 million during the last year through its futures trading. Nor do they tell investors that their interest payments represent deposits from new investors rather than from profits on investment activity.
80. Instead, Novus represents that investor funds are not at risk. Novus claims its investments are safer than a 401(k) plan and a traditional mortgage.
81. Novus and RCH2 also failed to inform investors that their funds would be used by Thompson, Johnson, Hall, Holloway or Story for apparent personal purposes.
82. Thompson, Johnson and Hall knew how the money was spent because they had control of the Chase bank accounts.
83. Novus also fails to disclose to investors that it misrepresented its assets on its balance sheet. Novus does not have over \$7,000,000 in marketable securities. Novus does not own the real estate listed on its asset list. The homes are owned by the principals of Novus and were purchased with investor funds. Novus also exaggerates the equity held in these homes; most are mortgaged for almost the full value of the property.
84. Novus also fails to disclose that the \$37 billion in gold mining claims listed as a Novus asset on its balance sheet is a gross exaggeration. Novus provides a false and misleading assay report to potential investors valuing its mining claims at over \$200,000,000,000.

85. These misrepresentations and omissions would be important to a reasonable investor when making his or her investment decision and are material.
86. Novus, Thompson and Johnson knew or were reckless in not knowing that these representations or omissions were false or misleading.
87. One telephone call to the Bureau of Land Management (the "BLM") would have revealed that the assay report provided to investors was not reliable. Moreover, Thompson and Johnson knew that no work had been performed to prepare the mining claims for operation, because they would have needed to contact the BLM in order to proceed with any commercialization of those claims.
88. Thompson, Johnson and Hall knew or should have known that US Ventures lost over \$9 million in investor funds during the last year. Thompson, Johnson and Hall authorized the transfer of investor funds to US Ventures. As a result, they had a duty to determine whether those funds were invested as represented. A review of US Ventures account statements with Fortis easily reveals the extent of the losses.
89. On December 1, 2006, Novus sent a letter to its investors reiterating its claim that Novus is a business consulting company that focuses on helping clients generate cash flow. Novus reminds its clients that they should not describe the "loans" they purportedly made to Novus as "investments."
90. Novus explains in the December 1, 2006 letter that Chase is "having very serious internal bank problems." As a result, Novus indicates that the investor may be contacted by Chase regarding their lines of credit. This statement is false. Chase was not having serious internal bank problems. Instead, Chase was investigating the lines of credit obtained through the fraud of Novus and RCH2.

91. Novus did not disclose to investors that its contact at Chase, Wheeler, had resigned in the face of Chase's investigation or that its new customer relations manager, Timothy Beckstrand ("Beckstrand"), also resigned from Chase in the face of the investigation. Beckstrand processed many of the fraudulent line of credit applications while with Chase before joining Novus.
92. The letter does not disclose the substantial losses in the US Ventures' futures trading accounts.
93. Beginning on or about March 2007, Novus changed its investment program from offering Promissory Notes to Joint Venture Agreements. The substance of Novus' representations to investors is the same; the form of the investment is new.
94. Both investments offer a fixed rate of return for a six month period generated through investment by Novus. While styled as a joint venture agreement, Novus clearly explains to the investor that any profit on the investment in the joint venture will be generated by Novus.

**FIRST CAUSE OF ACTION**  
**EMPLOYMENT OF A DEVICE, SCHEME OR ARTIFICE TO DEFRAUD**  
**Violation of Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)]**

95. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 94, above.
96. Defendants Novus, RCH2, Thompson, Johnson and Hall, and each of them, by engaging in conduct described in Paragraphs 1 through 94, above, directly or indirectly, in the offer or sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, with scienter, employed devices, schemes, or artifices to defraud.

97. By reason of the foregoing, Defendants, and each of them, directly or indirectly, violated, and unless restrained and enjoined by this Court, will continue to violate Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

**SECOND CAUSE OF ACTION**  
**FRAUD IN THE OFFER AND SALE OF SECURITIES**  
**Violations of Section 17(a)(2) and (3) of the Securities Act**  
**[15 U.S.C. § 77q(a)(2) and (3)]**

98. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 94, above.
99. Defendants Novus, RCH2, Thompson, Johnson and Hall, and each of them, by engaging in the conduct described in Paragraphs 1 through 94, above, directly and indirectly, in the offer and sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, obtained money or property by means of untrue statements of 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 operate or would operate as a fraud or deceit upon the purchaser.
100. By reason of the foregoing, Defendants, and each of them, directly or indirectly, violated, and unless restrained and enjoined will continue to violate, Section 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].



**THIRD CAUSE OF ACTION  
FRAUD IN CONNECTION WITH THE PURCHASE AND  
SALE OF SECURITIES**

**Violations of 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]**

101. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 94, above.
102. Defendants Novus, RCH2, Thompson, Johnson and Hall, and each of them, by engaging in the conduct described in Paragraphs 1 through 94, above, directly or indirectly, by the use of means or instrumentalities of interstate commerce or use of the mails, in connection with the purchase or sale of securities, with scienter, (1) employed devices, schemes, or artifices to defraud; (2) made untrue statements of material fact or omitted to state a material fact necessary in order to make statements made, in light of the circumstances under which they were made not misleading; or (3) engaged in acts, practices, or courses of business that operated or would operate as a fraud and deceit upon other persons.
103. By reason of the foregoing, Defendants, and each of them, violated, and unless restrained and enjoined will continue to 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].

**FOURTH CAUSE OF ACTION  
OFFER AND SALE OF UNREGISTERED SECURITIES**

**Violation of Sections 5(a) and (c) of the Securities Act [15 U.S.C. § 77e(a) and (c)]**

104. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 94, above.
105. Defendants Novus, RCH2, Thompson, Johnson and Hall, and each of them, by engaging in the conduct described in paragraphs 1 through 94, above, directly or

indirectly, through use of the means or instruments of transportation or communication in interstate commerce or the mails, offered to sell or sold Novus or RCH2 securities or, directly or indirectly, or carried such securities through the mails or in interstate commerce, for the purpose of sale or delivery after sale.

106. No registration statement has been filed with the Commission or has been in effect with respect to these securities.
107. By reason of the foregoing, the defendants, directly or indirectly violated, and unless enjoined will continue to violate Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

**FIFTH CAUSE OF ACTION  
OFFER AND SALE OF SECURITIES BY AN  
UNREGISTERED BROKER OR DEALER  
Violation of Section 15(a) of the Exchange Act [15 U.S.C. § 780(a)]**

108. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 94, above.
109. Defendants Thompson, Johnson and Hall, directly or indirectly, made use of the mails or the means or instrumentalities of interstate commerce to effect transactions in, or to induce or attempt to induce the purchase and sale of, securities in Novus and/or RCH2 without being registered as a broker or dealer with the Commission or associated with a broker-dealer registered with the Commission.
110. By reason of the foregoing, Defendants Thompson, Johnson and Hall violated, and unless restrained and enjoined will continue to violate, Section 15(a) of the Exchange Act [15 U.S.C. 780(a)].

**SIXTH CAUSE OF ACTION  
AIDING AND ABETTING FRAUD IN THE OFFER,  
PURCHASE OR SALE OF SECURITIES**

**Violations of Section 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].**

111. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 94, above.
112. As set forth above, Defendants Novus, RCH2, Thompson, Johnson and Hall violated the federal securities laws.
113. Defendant Wheeler was generally aware that his role in obtaining lines of credit for small business entities referred to him by Hall through the use of false information was part of an overall activity that was improper.
114. Defendant Wheeler violated Chase's internal code of conduct and applicable banking regulations by falsifying information on the line of credit applications for the purpose of obtaining funds for individuals to invest with Novus and/or RCH2.
115. Defendant Wheeler knew that the proceeds from the lines of credit would be transferred to Novus or RCH2 for investment purposes, because Wheeler himself had invested with Hall and had encouraged other Chase employees to invest with Hall as well.
116. Defendant Wheeler's conduct provided substantial assistance to Novus, RCH2, Thompson, Johnson and Hall in the achievement of their primary violations of the federal securities laws. Without the lines of credit Wheeler arranged through the use of false information, investors would have lacked the funds necessary to invest with Novus or RCH2.
117. By reason of the foregoing, Defendant Wheeler aided and abetted violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and unless restrained and enjoined will continue to violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

**SEVENTH CAUSE OF ACTION  
UNJUST ENRICHMENT**

118. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 94, above.
119. As a result of the unlawful conduct of Defendants Novus, RCH2, Thompson, Johnson, and Hall, Relief Defendants US Ventures, USVI, Holloway, Story and Online have thus been unjustly enriched, and it would be unjust and inequitable for them to retain those funds and/or property.

**RELIEF REQUESTED**

WHEREFORE, the Commission respectfully requests that this Court:

**I**

Issue findings of fact and conclusions of law that the Defendants committed the violations charged herein.

**II**

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure orders that temporarily restrain, and preliminarily and permanently enjoin, Defendants Thompson, Johnson and Hall, and their officers agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from engaging in transactions, acts, practices, and courses of business described herein, and from engaging in conduct of similar purport and object in violation of Sections 5(a), 5(c) and 17(a) of the Securities Act, and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder.

**III**

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure orders that temporarily restrain, and preliminarily and permanently enjoin, Defendants

Novus and RCH2, and their officers agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from engaging in transactions, acts, practices, and courses of business described herein, and from engaging in conduct of similar purport and object in violation of Sections 5(a), 5(c) and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

IV

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure orders that temporarily restrain, and preliminarily and permanently enjoin, Defendant Wheeler and his officers agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from engaging in transactions, acts, practices, and courses of business described herein, and from engaging in conduct of similar purport and object in aiding and abetting violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

V

Issue, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, orders that temporarily, preliminarily and permanently enjoin Defendants Novus, Thompson, Johnson, RCH2 and Hall and Relief Defendants U.S. Ventures, USVI, Holloway, Online and Story, and their officers, agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from: (A) transferring, changing, wasting, dissipating, converting, concealing, or otherwise disposing of, in any manner, any funds, assets, claims, or other property or assets owned or controlled by, or in the possession or custody of these Defendants and/or

Relief Defendants; and (B) transferring, assigning, selling, hypothecating, or otherwise disposing of any assets of Novus and/or RCH2.

**VI**

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure orders that temporarily, preliminary and permanently restrain and enjoin Defendants, and each of them, and their officers agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, books, records, computer programs, computer files, computer printouts, correspondence, including e-mail, whether stored electronically or in hard-copy, memoranda, brochures, or any other documents of any kind that pertain in any manner to the business of the Defendants.

**VII**

Enter an order directing Defendants, and each of them, to pay civil money penalties pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act.

**VIII**

Enter an order directing Defendants to disgorge all ill-gotten gains received during the period of violative conduct and pay prejudgment interest on such ill-gotten gains.

**IX**

Declare and impose a constructive trust on all property received by Relief Defendants US Ventures, USVI, Holloway, Online and Story, and require them to disgorge the property they obtained from Novus, Thompson, Johnson, RCH2 and Hall as a result of the illegal conduct alleged herein.

X


Grant such further equitable relief as this Court deems just, appropriate, and necessary, including, but not limited to, a freeze of assets and the acceleration of discovery, including the forthwith production of documents.

XI

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

Dated this 11<sup>th</sup> day of April 2007.

Respectfully submitted,

  
Karen L. Martinez  
Thomas M. Melton  
Lindsay S. McCarthy  
Attorneys for Plaintiff  
Securities and Exchange Commission

JS 44 (Rev. 11/04)

**CIVIL COVER SHEET**

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement by local rules of court. This form, approved by the Judicial Conference of the United States in the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

DEFENDANTS,  
 NOVUS TECHNOLOGIES, LLC, a Utah limited liability company,  
 RALPH W. THOMPSON, JR., an individual,  
 DUANE C. JOHNSON, an individual, and ERIC J. WHELAN, an individual  
 ROBERT CASEY HALL an individual and ERIC J. WHELAN, an individual

RELIEF DEFENDANTS  
 U.S. VENTURES, LC, a Utah limited liability company,  
 U.S. VENTURES INTERNATIONAL, LLC, a Utah limited liability company,  
 ROBERT L. HOLLOWAY, an individual  
 ONLINE STRATEGIES GROUP, Inc, a Delaware Corporation,  
 and DAVID STORY, an individual

County of Residence of First Listed Defendant Davis County  
 Attorneys  
 Novus Technologies LLC: Bruce S Frank

**I. (a) PLAINTIFFS**  
 Securities and Exchange Commission

(b) County of Residence of First Listed Plaintiff \_\_\_\_\_  
 (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)  
 Karen L. Martinez, Securities and Exchange Commission  
 15 W South Temple, Suite 1800 Salt Lake City, Utah 84101 801-524-5796

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

- 1 U.S. Government Plaintiff
- 2 U.S. Government Defendant
- 3 Federal Question (U.S. Government Not a Party)
- 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)

- |   |                            |                            |   |                            |                            |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| 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 Overpayment 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 <hr/> <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>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' Liability <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 <hr/> <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>PERSONAL INJURY</b> <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <hr/> <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability <hr/> <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	<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 <hr/> <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	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <hr/> <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <hr/> <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <hr/> <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	<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

**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.)  
 15 USC §§ 77q(a), 77e(a), 77e(c); 15 USC §§ 78j and 78o(a) and 17 C.F.R. § 240.100-5.  
 Brief description of cause:  
 Violations of the antifraud, securities registration and broker dealer registration of the federal securities laws.

**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 \_\_\_\_\_ DOCKET NUMBER \_\_\_\_\_

DATE 4/11/07  
 SIGNATURE OF ATTORNEY OF RECORD  


FOR OFFICE USE ONLY  
 RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFF \_\_\_\_\_

Judge Paul G. Cassell  
 DECK TYPE: Civil  
 DATE STAMP: 04/11/2007 @ 08:32:15  
 CASE NUMBER: 2:07CV00235 PGC