JUDGE SWAIN

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14 CV 5441

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,	
Plaintiff,	**COMPLAINT**
v.	**ECF CASE**
CHRISTOPHER PLUMMER, LEX M. COWSERT, and CYTOGENIX, INC.,	
Defendants.	

Plaintiff Securities and Exchange Commission (the "Commission") alleges the following against defendants Christopher Plummer ("Plummer"), Lex M. Cowsert ("Cowsert") and CytoGenix, Inc. ("CytoGenix") (collectively, "Defendants"):

SUMMARY OF ALLEGATIONS

1. This case involves a series of frauds that materially misled investors about the true business operations and finances of two publicly traded microcap companies, CytoGenix and Company A. The frauds were spearheaded by Plummer, who acted as a purported business

partner of both companies. Plummer worked together with Cowsert, who was then the chief executive officer of CytoGenix, and with the chief executive officer of Company A ("Executive A") to issue multiple press releases falsely portraying the two companies as successful ventures with valuable assets. In fact, both CytoGenix and Company A were failing enterprises that did not own the assets touted in the press releases. Plummer and Cowsert also defrauded CytoGenix investors by misappropriating the proceeds of stock offerings that they told investors would be used for the development of CytoGenix's joint venture with an entity controlled by Plummer, and for other corporate purposes.

2. Plummer is a recidivist felon currently serving a 51-month prison term after pleading guilty to conspiracy and wire fraud charges brought by the United States Attorney's Office for the District of Connecticut ("USAO") for unrelated conduct dating back to 2007. Plummer has two prior convictions for fraud-related offenses. Plummer separately approached Company A and CytoGenix in or about 2009 and 2010, and proceeded to engage in the frauds alleged herein with the two companies.

3. Plummer, together with Cowsert and Executive A, disseminated false information to the public that Franklin Power & Light LLC ("Franklin"), a retail electricity provider purportedly operated by Plummer, had supposedly formed joint ventures with Company A and then later with CytoGenix. Company A and CytoGenix made extravagant claims in press releases about the expected revenue and other benefits flowing from the financial and other contributions made by Franklin to the joint ventures, but Franklin was essentially a sham, possessing none of the revenue, assets or financing it supposedly contributed to the joint ventures.

4. Cowsert and Executive A simply reiterated in their respective companies' press

releases Plummer's false and unsupported claims about Franklin's assets and the joint ventures' anticipated profitability. While lacking any factual basis for the statements, Executive A caused Company A to issue a series of press releases touting a joint venture to own and operate solar energy farms across the country on land purportedly owned and developed by Franklin. Cowsert caused CytoGenix to issue similarly false and misleading press releases without having any evidence supporting Plummer's claims about Franklin, touting the formation of a new CytoGenix subsidiary that would operate as a joint venture with Franklin to develop biologically-based technologies for energy production and be funded through a "shared revenue agreement" with Franklin in untapped retail electrical markets.

5. Cowsert also made material misstatements about CytoGenix's business operations that had nothing to do with Franklin. CytoGenix was in dire financial straits when Plummer came along, having lost all its assets a few months earlier in litigation with two former employees, including all of the rights that it held to various vaccine patents and other intellectual property featured in its press releases. Although Cowsert knew that CytoGenix had lost all of its vaccine patents and other intellectual property, he nevertheless caused CytoGenix to continue issuing press releases that not only failed to disclose the loss of those critical assets, but that instead touted outdated test results and a non-existent new laboratory for testing the vaccine products that it claimed to be developing and made other materially false and misleading statements.

6. The materially false press releases had a significant market impact. For example, MSGI's stock price approximately doubled during the two-week period in which the press releases about its purported joint venture with Franklin were issued in March 2010. CytoGenix's stock price increased even more dramatically following the press releases about its purported

joint venture with Franklin in August 2010, rising from $0.02 to $0.16 in a one-month period. In 2011, the Commission suspended trading in Company A and CytoGenix. Despite the efforts to portray the companies as rapidly growing and hugely promising technology ventures, Company A remains essentially dormant with little or no capital and CytoGenix is now totally defunct.

7. By virtue of the conduct alleged herein, (a) each of the Defendants, directly or indirectly, singly or in concert, violated Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], 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]; (b) Plummer aided and abetted the violations committed by Company A and Executive A of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5]; (c) Plummer and Cowsert aided and abetted each other's violations, and the violations committed by CytoGenix, of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5]; (d) Cowsert is liable as a controlling person pursuant to Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)] for the violations committed by CytoGenix of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5]; and (e) Plummer violated Section 20(b) of the Exchange Act [15 U.S.C. § 78t(b)].

8. Unless the Defendants are permanently restrained and enjoined, they will again engage in the acts, practices, transactions and courses of business set forth in this complaint and in acts, practices, transactions and courses of business of similar type and object.

JURISDICTION AND VENUE

9. The Commission brings this action pursuant to authority conferred by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d)(1) of the Exchange Act [15

U.S.C. § 78u(d)(1)], and seeks to restrain and permanently enjoin the Defendants from engaging in the acts, practices, transactions and courses of business alleged herein. The Commission also seeks a final judgment ordering the Defendants to disgorge their ill-gotten gains, together with prejudgment interest thereon, and pay civil monetary 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)], and a final judgment against Plummer and Cowsert imposing officer-and-director bars under Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and penny stock bars under Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)].

10. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1331, Sections 20(b), 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d), 77v(a)], and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

11. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(2), Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Certain of the events constituting or giving rise to the alleged violations occurred in the Southern District of New York, where Company A maintained its principal office during the relevant period and where Plummer held meetings with Cowsert and others from CytoGenix.

12. In connection with the conduct alleged in this complaint, the Defendants, directly or indirectly, have made use of the means or instruments of transportation or communication in, and the means or instrumentalities of, interstate commerce, or of the mails, or of the facilities of a national securities exchange.

DEFENDANTS

13. **Plummer**, age 53, was CEO of Franklin and affiliated entities known as Franklin Energy and Madison & Wall Investments, LLC ("Madison & Wall") during the relevant period.

He resided in Old Lyme, Connecticut prior to his incarceration in federal prison, where he is serving a 51-month sentence imposed on October 15, 2012 after he plead guilty to conspiracy and wire fraud charges brought by the USAO for unrelated conduct dating back to 2007. His criminal history includes two prior convictions for fraud-based offenses.

14. **Cowsert**, age 62, is the former CEO of CytoGenix. He resides in New Braunfels, Texas. According to corporate filings, Cowsert has degrees from two universities and previously worked as chief science officer and in similar capacities at various pharmaceutical research companies.

15. **CytoGenix** is an inactive Nevada corporation that purported to be a biopharmaceutical company headquartered in Houston, Texas during the relevant period. Its securities were formerly registered with the Commission pursuant to Section 12(g) of the Exchange Act. Its common stock was quoted on the Pink Sheets until June 7, 2011, when the Commission issued an order temporarily suspending trading in its securities. CytoGenix was required to file periodic reports with the Commission pursuant to Section 13(a) of the Exchange Act during the relevant period, but it did not file any periodic reports after filing its Form 10-Q for the quarter ended March 31, 2009, on May 20, 2009. On August 1, 2012, the Commission issued an order revoking its registration pursuant to Section 12(j) of the Exchange Act. Other than the mutual ties to Plummer, there is no affiliation between CytoGenix and Company A.

RELEVANT PERSONS AND ENTITIES

16. **Company A** is a Nevada corporation purportedly headquartered in New York, New York, among other locations. During the relevant period, Company A claimed to be "a provider of proprietary solutions to commercial and government organizations." Company A's common stock was registered pursuant to Section 12(g) of the Exchange Act and traded on the

OTC Bulletin Board ("OTCBB") until June 7, 2011, when the Commission issued an order temporarily suspending trading in its securities. Company A's stock is currently trading in the so-called "grey market."

17. **Executive A** is the Chairman and CEO of Company A.

18. **BioEnergy, Inc.** ("BioEnergy") is a Nevada corporation that was formed in 2010 as a joint venture between CytoGenix and Franklin. During the relevant period, Cowsert was its president and Plummer was a member of its board of directors.

19. **Franklin** purportedly was a Delaware limited liability company run by Plummer and supposedly affiliated with a purported entity called Franklin Energy, also run by Plummer. He conducted both companies' activities out of an office building in Middletown, Connecticut.

THE DEFENDANTS' FRAUD

Overview

20. In 2010, CytoGenix and Company A independently issued several press releases that contained materially false and misleading statements relating to purportedly lucrative business ventures and financing transactions with private companies controlled by Plummer and other matters. Both CytoGenix and Company A also maintained websites that contained some of the same materially false and misleading statements. Cowsert prepared and authorized the issuance of the relevant CytoGenix press releases and posted the website content. Plummer played a role in the preparation and issuance of some of the relevant press releases for both companies and supplied the materially false and misleading information about Franklin and himself that appeared in those press releases and on the websites. Plummer also was quoted in some of the Company A press releases making materially false and misleading statements about Franklin and its purported joint venture with Company A. The false Company A and CytoGenix

press releases and other fraudulent conduct by Cowsert and Plummer are described in detail below.

Plummer's Fraud With Company A

21. On Company A's website, which was taken down only after the events at issue transpired, Company A promoted itself as a security company that used technology, such as encryption software and video surveillance systems, "for actionable surveillance and intelligence monitoring." Company A stated that it was "viewed by its customers as an important partner in the fight against crime and terrorism." However, in October 2009, Company A announced that it would focus on renewable energy and medical testing using nanotechnology. In March 2010, Company A announced, as more fully detailed below, that it was now also developing solar energy farms through a joint venture with Plummer's companies.

22. These statements about Company A's business activities were false by the start of 2009. Company A had not actually produced or sold any security products, or any products at all, since 2008. Company A was in dire financial straits and lacked the financial or logistical capability after 2008 to produce commercially any product of any kind, let alone to develop the solar energy farms referred to in its press releases and on its website in 2010. In fact, Company A had no operating business, no customers, and no revenue at all during this period.

23. While purportedly transforming itself from a security firm to a nanotechnology company to a solar energy producer, Company A issued several press releases and posted information on its website touting specific business developments involving Plummer and Franklin with purportedly huge near term profit potential. As detailed blow, the statements made in these press releases and postings by Company A, Plummer and Executive A lacked a factual basis and were materially false and misleading.

24. In a rapid-fire series of press releases issued by Company A from March 15 through March 23, 2010, and also published on Company A's website, Plummer and Executive A made several materially false and misleading statements regarding a purported joint venture between Company A and Franklin Energy, supposedly a subsidiary of Franklin, the retail electricity provider controlled by Plummer. Plummer wrote at least two of the press releases, either on his own or together with Executive A, and was the source of the information conveyed in the press releases about the Franklin entities. Executive A authorized the issuance of those press releases to advance his and Plummer's objective of portraying the purported joint venture between Company A and Franklin as a lucrative business opportunity for both entities. In the press releases, Company A, Executive A, Plummer and Franklin claimed that the joint venture would build, own, and operate solar energy farms across the United States beginning as early as the latter part of 2010.

25. For example, Company A issued press releases dated March 15 and 17, 2010, stating that Franklin Energy "owns and controls extensive Solar Energy and Geothermal Energy assets in the United States," and that Company A and Franklin "will form and operate solar farms across America fueled by stimulus grants provided by the American Recovery and Reinvestment Act of 2009." In the press release dated March 17, 2010, Plummer is quoted as saying that the joint venture will be a "top-tier energy company that will assume a key leadership role in the future of our industry," and that the "vast real estate land holdings of Franklin Energy and its affiliated companies" will enable an "aggressive expansion of Solar and Geothermal Operations in the coming year."

26. One week later, in a press release dated March 23, 2010, Company A announced that it "will build and operate 'Solar One'" located on a "parcel of land owned by Franklin

Energy" in Connecticut, claiming that "Solar One is the first of more than ten solar farms that [Company A] will establish in partnership with Franklin Energy during 2010." More specifically, the press release claimed that Company A and Franklin Energy "expect to break ground by June 1, 2010 and will submit the paperwork for stimulus grants to the United States Treasury by May 1, 2010," and that the "first megawatt of power will be online in the next 120 days." According to the press release, "[a]ll solar farms will produce revenue in the year in which they are installed."

27. All the statements in these press releases were false, as Franklin did not have vast real estate holdings or existing solar or geothermal energy assets of any kind. Nor did Franklin have the financial means to fund the development of any such assets. Moreover, none of the Franklin entities actually engaged in any of the business activities described in the press releases, and Franklin did not even have its own functional computer network, relying instead on Plummer's personal laptop to generate crude documents.

28. In authorizing the issuance of the foregoing press releases, Executive A relied on oral statements and other assertions made to him by Plummer. However, Plummer and Franklin were unable to provide, and Executive A and Company A did not obtain, any documentary or other independent factual support for any of Plummer's sweeping claims about Franklin. Not only did Company A and Franklin fail to develop or even break ground on a single solar energy farm in 2010, but neither Franklin nor Company A, nor Plummer or Executive A, possessed any documentary or other credible evidence that: (i) Franklin actually owned any real estate, much less the "vast" real estate holdings touted in the press releases; (ii) either Company A or Franklin ever applied for, much less received, stimulus grants from the government; or (iii) Company A and Franklin otherwise had the financial resources and expertise to develop solar farms or the

ability to achieve any of the supposed objectives of their partnership.

29. In fact, Franklin and Company A did not even have a written joint venture agreement. At most, Franklin and Company A had a so-called "memorandum of understanding" that was dated November 20, 2009 and, by its terms, expired either sixty or ninety days later, well before Company, Executive A and Plummer began their flurry of announcements about Company A's purported joint venture with Franklin.

30. Executive A and Plummer caused Company A to publish Plummer's extravagant -- and false -- claims about Franklin's assets and capabilities in Company A's press releases despite the absence of any documentary or other credible support for those claims. In addition, Executive A and Plummer knew, or were reckless in not knowing, that neither Company A nor Franklin had ever applied for any stimulus grants from the government. Executive A and Plummer nevertheless went ahead with the press releases.

Market Impact of the Misstatements

31. The press releases described above had a material impact on the price and trading volume of Company A's stock. For example, MSGI's stock price approximately doubled during the two-week period in which the three press releases about its purported joint venture with Franklin were issued. During the week preceding the issuance of the first such press release on March 15, 2010, the stock price closed between $0.075 and $0.137 per share. Starting on March 15, the price shot up, closing at $0.153 that day and hitting a high of $.182 on March 16. The stock price remained elevated through the period ending on March 23, during which the two other Franklin-related press release were issued, closing at $.179 on March 22 and $.160 on March 23.

32. The volume also spiked during the period from March 15 through March 23,

ranging from 1.25 million to 1.62 million shares on each day from March 15 through March 17, substantially higher than the prior week's typical daily volume. After March 23, the price slid slightly back toward its prior levels, but it still remained well above the price at which it traded before the materially false and misleading press releases were issued. The March 29, 2010 close was $0.13 and the stock closed above $0.11 for most of April 2010. The stock price did not return to its pre-March 2010 levels until July 2010, when it dropped to as low as $0.03 per share. The increase in volume also lasted until at least April 2010, and the average daily volume of 653,000 shares in March 2010 was well above that of prior months.

The CytoGenix Fraud

33. The materially false and misleading statements about CytoGenix included misstatements made by Plummer and Cowsert about its purported joint venture and energy production projects with Franklin and additional misstatements by Cowsert about purported developments in CytoGenix's vaccine research. Both Plummer and Cowsert also defrauded CytoGenix investors by misappropriating the proceeds of purported private offerings of CytoGenix stock.

Misstatements About The Joint Venture With Franklin

34. Before becoming involved with Plummer, CytoGenix described itself in public documents as a "biotechnology company developing biotechnology derived products for vaccines and therapeutic applications for human, agricultural and veterinary markets." During 2010, Plummer approached Cowsert, CytoGenix's CEO, and proposed a partnership between Franklin and CytoGenix. Cowsert agreed, and in a press release dated August 16, 2010, CytoGenix announced the formation of a subsidiary, called BioEnergy, that would operate as a joint venture with Franklin and be run by Plummer. According to the press release, BioEnergy's

mission was to "identify, evaluate, develop, and commercialize biologically based technologies for energy production," and those activities were going to be funded through a "shared revenue agreement" with Franklin in certain as yet untapped retail electrical markets.

35. CytoGenix's August 16, 2010 press release about BioEnergy was materially false and misleading, because BioEnergy's revenue sharing agreement with Franklin and its mission statement were a sham. As Cowsert knew, CytoGenix was in dire financial straits at the time and had no cash flow whatsoever. As described above, Franklin also lacked the means to generate the revenue needed to fund the development of "biologically based" -- or any -- technologies for energy production. Plummer did not supply CytoGenix with any documentary evidence of Franklin's purported capability to generate such revenue from retail electrical markets or from any other source. Despite the absence of any factual support for Plummer's claims about Franklin, Cowsert authorized the issuance of the August 16, 2010 and other CytoGenix press releases touting the nonexistent benefits of the relationship with Franklin for CytoGenix.

36. During September and October of 2010, CytoGenix also conducted a private stock offering focused on its partnership with Franklin. Plummer and others associated with CytoGenix, including Cowsert, promoted the private placement, including in a conference call with investors held on or about September 22, 2010, as a way to help fund the development of CytoGenix's joint venture with Franklin. Plummer told the investors that their money would be used to help pay for costs incurred in the development of the joint venture's purported energy business. Plummer's representations to the investors were materially false and misleading. CytoGenix and Plummer raised approximately $330,000 through this offering, but contrary to Plummer's representations to investors, none of the offering proceeds were used to fund the

development of the joint venture's purported energy business. In fact, Plummer misappropriated at least $90,000 of the investor funds for his own personal use.

37. In October 2010, Plummer requested approximately $240,000 of the private offering proceeds from CytoGenix under the pretense of needing those funds, he claimed, to purchase power licenses in several states for the CytoGenix-Franklin joint venture. Rather than use those funds to purchase power licenses or to pay for any other legitimate joint venture business expenses, Plummer misappropriated the money. Plummer convinced CytoGenix to write several checks payable to him personally totaling approximately $240,000. Plummer succeeded in cashing some of the checks, totaling at least $90,000, before CytoGenix's CFO grew suspicious and stopped payment on the rest of the checks written to Plummer. None of the private offering proceeds were ever used to purchase power licenses or for any other purpose related to the purported CytoGenix-Franklin joint venture.

Misstatements About Vaccine Development

38. As detailed below, Cowsert also had CytoGenix issue other press releases, and post information on its website, that made materially false and misleading statements about CytoGenix's purported vaccine development efforts, which had little, if anything, to do with Plummer.

39. In March 2010, a Texas state court issued a judgment awarding two former CytoGenix employees all of CytoGenix's assets, including all of the rights it held to various vaccine patents, patent applications, and other intellectual property featured in its press releases. Cowsert knew about, and received a copy of, the judgment. Nevertheless, without disclosing the loss of its intellectual property assets, Cowsert caused CytoGenix to issue press releases after March 2010 touting purportedly promising test results and a supposed new laboratory for testing

the vaccine products it claimed to be developing and making other false and misleading statements. For example, on September 14 and 17, 2010, CytoGenix, announced positive test results from purportedly ongoing animal studies of an avian influenza vaccine -- which results were actually two years old -- employing proprietary technology which, as Cowsert knew, CytoGenix no longer owned.

40. The September 14, 2010 press release, which was captioned "CytoGenix, Inc. Announces Positive Results from DNA Vaccine Study for Avian Flu," stated as follows: "CytoGenix, Inc. today announced publication of positive results of a study using CytoGenix's novel liner DNA technology." The release went on to describe positive results of a mouse study and claimed that CytoGenix uses "a low cost and more effective vaccine process than other vaccine providers, making CytoGenix's product the desired vaccine process to be used." In the release, Cowsert was quoted touting the commercial significance of the results for the company: "The results of our testing are unprecedented . . . . We feel confident that these results will convert to significant revenue for CytoGenix. As we embark on a new path to create true sustainable shareholder value, we will continue to develop other products to further our company's product line."

41. The September 17 press release, titled "CytoGenix, Inc. Initiates Ferret Testing Expecting Positive Results for Avian Flu Vaccine Study," contained similar outlandish claims, only this time touting the results of "testing CytoGenix's novel liner DNA technology on ferrets, with the expectations of a positive result, furthering the development of the vaccine candidate." The September 17 release contained the following quote from Cowsert: "[W]e fully expect that the results of our ferret test will clearly demonstrate the superior quality and effectiveness of the CytoGenix product line. The expected results of our testing will further demonstrate the

unprecedented breakthrough technology in the field of DNA vaccines. . . . [W]e feel confident that these results will convert to significant revenue for CytoGenix."

42. The statements in these press releases were materially false and misleading apart from the undisclosed loss of the intellectual property rights to the technology being touted. The mouse study touted in the September 14, 2010, press release had been conducted and published in an academic journal, *Human Vaccines*, almost two years earlier, in November 2008. The ferret study touted in the September 17, 2010, press release was also two years old, and, as the release's references to its "expected results" suggest, CytoGenix did not even know the actual results of the two-year old study, because it had failed to pay the researchers for their work. As Cowsert very well knew, CytoGenix was not engaged in, and lacked the capability to engage in, vaccine testing of any kind in September 2010. Not only had CytoGenix lost all of its prior intellectual property, it had no vaccines or any other products in development and lacked the laboratory facilities, scientists and revenue needed for product development. In fact, CytoGenix had no facilities, researchers or revenue at all.

43. Nevertheless, on September 23, 2010, Cowsert had CytoGenix issue a press release titled "CytoGenix, Inc. Moves Corporate Headquarters to New York City and Secures New Laboratory Space In Connecticut." CytoGenix announced that it was moving its headquarters from Houston to New York City and had leased "new world class laboratory facilities" in Connecticut "where it will conduct its pharmaceutical research and testing procedures." Cowsert was quoted as follows: "Having laboratory facilities like we now have in Connecticut, will enable CytoGenix to meet the requirements for FDA approval of our product line quickly and efficiently."

44. In fact, as Cowsert knew, CytoGenix did not have headquarters in New York City

to which it could move and the "world class laboratory facilities" did not exist. The "world class laboratory facilities" to which the press release referred were nothing more than an unoccupied office space in the Middletown, Connecticut office building out of which Plummer operated. Moreover, as Cowsert knew, CytoGenix lacked the extraordinary resources it would have required to create laboratory space in that location, putting aside the need to get a zoning variance for the use of hazardous chemicals and the fact that CytoGenix did not even have a "product line" at the time or the intellectual property with which to develop one.

Other Fraudulent Conduct By Cowsert and Plummer

45. While the forgoing press releases were being issued, Cowsert and Plummer defrauded CytoGenix shareholders in other ways as well.

46. From approximately mid-2009 through October 2010, Cowsert obtained funds directly from CytoGenix investors on several occasions by falsely telling them that they were investing in a private placement of CytoGenix stock. Cowsert obtained a total of approximately $91,000 in this manner, but no shares were ever issued to the investors. Cowsert asked the investors to make their checks payable to him personally, deposited the checks into his personal bank account and then used the funds to pay personal expenses. When CytoGenix's CFO discovered that Cowsert had misappropriated funds from CytoGenix investors and confronted Cowsert about it, Cowsert wrote a $63,000 check to CytoGenix, purportedly to pay back a portion of the money, but the check bounced. Cowsert resigned from CytoGenix on October 27, 2010.

47. In October 2010, Plummer defrauded a CytoGenix shareholder out of over 6.5 million free trading shares of CytoGenix stock. Plummer falsely told the shareholder that he needed the stock as collateral for a $10 million loan for CytoGenix, but there was no such loan.

CytoGenix was supposed to issue the same number of restricted shares to the investor, but the restricted shares were never issued to the investor, and would have been worthless in any event.

Departure of CytoGenix's Remaining Personnel

48. On November 18, 2010, CytoGenix announced that its board of directors had learned that all of the company's assets had been awarded to two former employees under the Texas state court judgment. The following day, CytoGenix announced the resignations of its chairman and successor CEO to Cowsert, its CFO and the other member of its board. As a result, CytoGenix was left without any officers, directors or employees.

49. Despite the resignations, the CytoGenix website remained up and continued to give the impression that the company's operations were ongoing. The website stated, among other things, that CytoGenix had several promising vaccine products in development, eleven granted patents, and eleven patent applications pending, with a top-notch management team of highly credentialed medical researchers leading the way. There was no mention of the resignations or the loss of its intellectual property and other assets.

Market Impact of the Misstatements

50. The false and misleading press releases had a material impact on CytoGenix's stock price and trading volume. Between mid-September and mid-October, 2010, CytoGenix's stock price increased dramatically, from $0.02 per share on September 9, to $0.16 on September 15, to $0.25 on October 18. Although the price started sliding back toward prior levels after October 18, it still closed as high as $0.15 per share on November 12, 2010. After the November 18 and 19, 2010, press releases announcing the loss of assets and personnel, the stock price began a nosedive and dropped down to $0.03 on November 30. The trading volume also spiked during this period, with a high of nearly 5 million shares changing hands on September 14 and

15, 2010, and 4.5 million shares changing hands on November 18, when the loss of assets was announced.

FIRST CLAIM FOR RELIEF
Violations of Section 10(b) of the Exchange Act and Rule 10b-5
(All Defendants)

51. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 50.

52. The Defendants, directly or indirectly, singly or in concert, by use of the means or instrumentalities of interstate commerce or of the mails, or of the facilities of a national securities exchange, in connection with the purchase or sale of securities, knowingly or recklessly, have: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material fact, or omitted to state material facts necessary in order to make statements made, in the light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, practices and courses of business which operated or would have operated as a fraud or deceit upon purchasers of securities and upon other persons.

53. By reason of the foregoing, the Defendants, singly or in concert, directly or indirectly, have violated, and unless 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
Violations of Section 17(a) of the Securities Act
(All Defendants)

54. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 53.

55. CytoGenix, Plummer and Cowsert, 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 by use of the mail, knowingly or recklessly have: (a) employed devices, schemes, or artifices to defraud; (b) obtained money or property by means of untrue statements of a material fact or omissions of a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

56. By virtue of the foregoing, CytoGenix, Plummer and Cowsert, directly or indirectly, have violated, and unless enjoined will again violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

THIRD CLAIM FOR RELIEF
Control Person and Aiding and Abetting Liability for CytoGenix's Violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 (Cowsert)

57. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 56.

58. CytoGenix, directly or indirectly, singly or in concert, in the offer or sale, and in connection with the purchase or sale, of securities by the use of the means of instruments of transportation or communication in interstate commerce, or of the mails or the facilities of a national securities exchange, knowingly or recklessly has: (a) employed devices, schemes, or artifices to defraud; (b) made, and obtained money or property by means of, untrue statements of a material fact or omitted to state, and obtained money or property by means of omissions of, a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser and

upon other persons.

59. CytoGenix violated Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], 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].

60. At all times relevant hereto, Cowsert was a controlling person of CytoGenix for the purposes of Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)].

61. Cowsert knowingly or recklessly engaged in fraudulent conduct that resulted in CytoGenix's violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], 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].

62. By engaging in the conduct alleged above, Cowsert knowingly or recklessly provided substantial assistance to, and was a culpable participant with, CytoGenix with respect to its violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], 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].

63. By reason of the foregoing, Cowsert is liable (a) as a controlling person pursuant to Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)] for CytoGenix's 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]; and (b) pursuant to Section 15(b) of the Securities Act [15 U.S.C. § 77o(b)] and Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)] for aiding and abetting CytoGenix's violations of Section 17(a) if the Securities Act [15 U.S.C. § 77q(a)], 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 CLAIM FOR RELIEF
Aiding and Abetting Liability for Violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 (Plummer)

64. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 56.

65. Company A and Executive A, directly or indirectly, singly or in concert, by use of the means or instrumentalities of interstate commerce or of the mails, or of the facilities of a national securities exchange, in connection with the purchase or sale of securities, knowingly or recklessly, has: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material fact, or omitted to state material facts necessary in order to make statements made, in the light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, practices and courses of business which operated or would have operated as a fraud or deceit upon purchasers of securities and upon other persons.

66. CytoGenix and Cowsert, directly or indirectly, singly or in concert, in the offer or sale, and in connection with the purchase or sale, of securities by the use of the means of instruments of transportation or communication in interstate commerce, or of the mails or the facilities of a national securities exchange, knowingly or recklessly have: (a) employed devices, schemes, or artifices to defraud; (b) made, and obtained money or property by means of, untrue statements of a material fact or omitted to state, and obtained money or property by means of omissions of, a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser and upon other persons.

67. Company A and Executive A violated 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].

68. CytoGenix and Cowsert violated Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], 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].

69. Plummer knowingly or recklessly engaged in fraudulent conduct that resulted in violations by Company A and Executive A of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5].

70. Plummer knowingly or recklessly engaged in fraudulent conduct that resulted in violations by CytoGenix and Cowsert of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], 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].

71. By engaging in the conduct alleged above, Plummer knowingly or recklessly provided substantial assistance to Company A and Executive A with respect to their 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].

72. By engaging in the conduct alleged above, Plummer knowingly or recklessly provided substantial assistance to CytoGenix and Cowsert with respect to their violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], 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].

73. By reason of the foregoing, Plummer is liable pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)] for aiding and abetting the violations by Company A and Executive A 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].

74. By reason of the foregoing, Plummer is liable pursuant to Section 15(b) of the Securities Act [15 U.S.C. § 77o(b)] and Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)] for aiding and abetting the violations by CytoGenix and Cowsert of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], 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].

FIFTH CLAIM FOR RELIEF
Violations of Section 20(b) of the Exchange Act
(Plummer)

75. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 74.

76. Plummer, directly or indirectly and knowingly or recklessly, engaged in acts through or by means of Company A, CytoGenix, Executive A and Cowsert that would have been unlawful for Plummer himself to do under 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].

77. By reason of the foregoing, Plummer directly or indirectly violated, and unless enjoined will again violate, Section 20(b) of the Exchange Act [15 U.S.C. § 78t(b)].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests a Final Judgment:

I.

Permanently enjoining Plummer, Cowsert and CytoGenix from committing the violations of the federal securities laws alleged against them in this complaint, and permanently enjoining Plummer and Cowsert from aiding and abetting or otherwise engaging in conduct that would make them secondarily liable for the violations of the federal securities laws alleged as to them in this complaint;

II.

Permanently enjoining Plummer from directly or indirectly engaging in acts through or by means of other persons that would 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] if engaged in by Plummer himself, as prohibited by Section 20(b) of the Exchange Act [15 U.S.C. § 78t(b)];

III.

Ordering Plummer, Cowsert and CytoGenix to disgorge the ill-gotten gains received as a result of the violations alleged in this complaint, and ordering each of them to each pay prejudgment interest thereon.

IV.

Prohibiting Plummer and Cowsert, pursuant to pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l], or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)];

V.

Prohibiting Plummer and Cowsert, pursuant to Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)] from participating in an offering of penny stock, as defined in Section 3(a)(51) of the Exchange Act [15 U.S.C. § 78c(a)(51)] and Rule 3a51-1 thereunder [17 C.F.R. § 240.3a51-1];

VI.

Ordering Plummer, Cowsert and CytoGenix to pay civil monetary 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)]; and

VII.

Granting such other and further relief as the Court may deem just and proper.

Dated: July 18, 2014
New York, New York

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