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17 Securities and Exchange Commission

18 **UNITED STATES DISTRICT COURT**  
19 **CENTRAL DISTRICT OF CALIFORNIA**  
20 **WESTERN DIVISION**

21 SECURITIES AND EXCHANGE  
22 COMMISSION,  
23 Plaintiff,  
24 vs.  
25 ROBERT DEWAYNE MILLIGAN,  
26 Defendant.

27 Case No.  
28 **COMPLAINT**  
**DEMAND FOR JURY TRIAL**

1 Plaintiff Securities and Exchange Commission (the “Commission”) for its  
2 complaint alleges as follows:

3 **SUMMARY**

4 1. Defendant Robert DeWayne Milligan defrauded approximately 39  
5 investors out of over \$1.3 million through his fraudulent offer and sale of  
6 unregistered securities of a purported oil and gas business enterprise under his  
7 control. Milligan claimed to be offering an investment in an oil and gas exploration  
8 venture in the Williston Basin of North and South Dakota but, in fact, was simply  
9 taking the majority of investor funds to pay for his personal expenses, which included  
10 cash withdrawals, gambling, travel, and shopping. Despite Milligan’s representations  
11 that ANE was engaged in oil and gas exploration and the fact that substantially all of  
12 the ANE investor funds have been spent, ANE has never acquired, leased, owned,  
13 drilled, or operated any oil and gas wells.

14 2. From at least May 2010 to May 2014 (the “Relevant Period”), Milligan  
15 raised funds by selling securities of Irvine, California-based America’s Natural  
16 Energy, Inc. and its predecessors, America’s Natural Energy, LLC, and ANE-  
17 Opportunity Fund I, LP (collectively, “ANE”) to investors in California and other  
18 states.

19 3. In connection with raising funds from investors, Milligan made material  
20 misstatements and omissions regarding, among other things, his use of investor funds  
21 and the status of ANE’s purported drilling projects. In addition, Milligan operated  
22 ANE as a fraudulent scheme in furtherance of which he directed payments to himself  
23 and engaged in conduct designed to prevent or delay investors from discovering his  
24 fraud.

25 4. As a result of Milligan’s misconduct, ANE’s investors have lost  
26 substantially their entire investments in ANE.

27 5. Milligan has violated Sections 5(a), 5(c), and 17(a) of the Securities Act  
28 of 1933 (“Securities Act”) [15 U.S.C. § 77e(a), e(c) and q(a)] and Section 10(b) of

1 the Securities Exchange Act of 1934 (“Exchange Act” ) [15 U.S.C. § 78j(b)] and  
2 Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder, and unless restrained and enjoined  
3 will engage in future violations of these provisions. In the alternative, Milligan is  
4 liable as a control person under Section 20(a) of the Exchange Act [15 U.S.C. §  
5 78t(a)] for ANE’s violations of Exchange Act Section 10(b) and Rule 10b-5 and  
6 unless restrained and enjoined will engage in future violations of the federal securities  
7 laws.

8 6. The Commission seeks an order restraining and enjoining Milligan from  
9 violating the federal securities laws and regulations, requiring Milligan to perform an  
10 accounting, disgorge ill-gotten gains plus prejudgment interest, and pay civil  
11 penalties, and granting such other relief as is necessary and appropriate.

12 **JURISDICTION AND VENUE**

13 7. The Commission brings this action pursuant to the authority conferred  
14 upon it by Sections 20(b) and (d) of the Securities Act [15 U.S.C. §§ 77t(b) and  
15 77t(d)] and Sections 21(d) and (e) of the Exchange Act [15 U.S.C. §§ 78u(d) and  
16 78u(e)].

17 8. This Court has jurisdiction over this action pursuant to Section 22(a) of  
18 the Securities Act [15 U.S.C. § 77v(a)], and Section 27 of the Exchange Act [15  
19 U.S.C. § 78aa], and 28 U.S.C. § 1331. Venue lies in this Court pursuant to Section  
20 22(a) of the Securities Act and Section 27 of the Exchange Act [15 U.S.C. §§ 77v(a)  
21 and 78aa]. ANE was located in this judicial district and Milligan resided in this  
22 judicial district during the majority of the Relevant Period. Certain of the offers and  
23 sales of securities and other acts and transactions constituting the violations of law  
24 alleged herein occurred within this judicial district.

25 9. In connection with the transactions, acts, practices, and courses of  
26 business described in this complaint, Milligan, directly and indirectly, made use of  
27 the means or instrumentalities of interstate commerce, of the mails, and/or of the  
28 means and instruments of transportation or communication in interstate commerce.

1 **DEFENDANT**

2 10. Robert DeWayne Milligan, age 51, is currently a resident of Waco,  
3 Texas. Milligan lived in Corona, California, during most of the Relevant Period. At  
4 all times relevant to this action, Milligan controlled ANE as its president and/or  
5 highest-ranking manager. Milligan was the sole individual at ANE responsible for  
6 investor solicitation and, for most of the Relevant Period, was ANE's only full-time  
7 employee. Until June 2010, Milligan was a licensed securities broker who offered  
8 and sold interests in another oil and gas investment. Prior to becoming a securities  
9 salesman, Milligan owned a mortgage-related business. Milligan's mortgage-related  
10 business failed and he filed for bankruptcy in 2008.

11 **THE ANE ENTITIES**

12 11. America's Natural Energy, LLC ("ANE, LLC") was a Delaware limited  
13 liability company formed in September 2010 and was headquartered in Irvine,  
14 California. Milligan was the president and a managing member of ANE, LLC. ANE,  
15 LLC is defunct and its status as a legal entity has been forfeited. ANE, LLC has  
16 never registered any securities offerings with the Commission.

17 12. ANE-Opportunity Fund I, L.P. ("ANE, LP") was a Delaware limited  
18 partnership formed in November 2010 and was headquartered at the same office in  
19 Irvine, California, as ANE, LLC. Milligan controlled ANE, LP through a subsidiary  
20 of ANE, LLC. ANE, LP is defunct and its status as a legal entity has been forfeited.  
21 ANE, LP has never registered any securities offerings with the Commission.

22 13. America's Natural Energy, Inc. ("ANE, Inc.") was a Delaware  
23 corporation incorporated in May 2012 and was headquartered in the same office in  
24 Irvine, California, as ANE, LLC, and ANE, LP. Milligan was ANE, Inc.'s president.  
25 ANE, Inc. was the successor to ANE, LLC and ANE, LP. ANE, Inc. is defunct and  
26 its status as a legal entity has been forfeited. ANE, Inc. has never registered any  
27 securities offerings with the Commission.

1 **BACKGROUND OF ANE**

2 14. In approximately April 2010, Milligan formed a new oil and gas  
3 business with an investor he knew from a prior failed oil and gas project. Milligan  
4 was in charge of all investor solicitation and fundraising activities for the new  
5 enterprise, which became ANE.

6 15. Milligan began raising money from investors several months prior to the  
7 formation of ANE, LLC, in September 2010. Milligan created a brochure to solicit  
8 investments in the venture (the “Startup Class Brochure”). While the brochure refers  
9 to an entity, American Natural Energy, LP, that was never formed, Milligan used the  
10 brochure to solicit investors in ANE throughout 2010 and 2011.

11 16. Shortly after Milligan began soliciting investors, he created the content  
12 for an ANE website that went active in July 2010 (the “ANE Website”). The website  
13 describes ANE’s purported business and invites potential investors to contact ANE  
14 for investment documents. The ANE Website is accessible to the general public and  
15 has had no material revisions from the date it was first posted until the present day.

16 17. In November 2010, ANE, LP created a private placement memorandum  
17 (the “ANE PPM”), which was also used to raise money for ANE. According to the  
18 ANE PPM, ANE, LP was intended to be an oil and gas investment fund managed by  
19 ANE, LLC through its subsidiary. Milligan reviewed and approved the ANE PPM  
20 before it was distributed to potential investors.

21 18. After ANE, Inc., was incorporated in May 2012, it created an executive  
22 summary describing its business (the “ANE Executive Summary”). Milligan  
23 distributed the ANE Executive Summary to ANE investors. On May 15, 2013,  
24 Milligan sent a version of the ANE Executive Summary to 32 people, including many  
25 existing ANE investors and several unidentified persons who, on information and  
26 belief, were prospective investors.

27 19. Throughout the Relevant Period, the legal structure of the ANE  
28 enterprise was in flux and Milligan used offering materials referring to various ANE

1 entities. However, Milligan ran the ANE entities as a single business enterprise,  
2 regardless of which offering materials the investors received. For example, investor  
3 funds raised by Milligan were pooled and commingled and Milligan purportedly  
4 converted investors' interests from one ANE entity to another. Moreover, Milligan  
5 controlled each of the ANE entities, the ANE entities were engaged in the same  
6 business, and the ANE entities did not have distinct operations or assets.

7 20. Milligan had ultimate authority over statements issued by the ANE  
8 entities to investors. Milligan held the most senior positions at the ANE entities,  
9 controlled the entities, had specific responsibility for all communications with  
10 investors, and drafted and/or approved the statements.

11 **MILLIGAN AND ANE MADE NUMEROUS MATERIAL MISSTATEMENTS**  
12 **AND OMISSIONS TO ANE INVESTORS**

13 21. Milligan and ANE made repeated material misrepresentations and  
14 omissions to ANE investors regarding the use of ANE investor funds, the status of  
15 ANE's purported oil and gas projects, and Milligan's experience in the oil and gas  
16 business.

17 **Use of ANE Investor Funds for Oil and Gas Exploration and Operations**

18 22. Milligan and ANE repeatedly represented to ANE investors that investor  
19 proceeds would be used for oil and gas exploration and operations. The ANE PPM  
20 Milligan approved and used to solicit investors states that the investor funds would be  
21 used "to acquire, lease, own, drill, and operate natural gas and oil wells." Milligan  
22 also orally told certain investors that the offering proceeds would be used to pay for  
23 the mineral rights leases.

24 23. These statements were false and misleading. In fact, ANE never  
25 acquired, leased, owned, drilled, or operated any oil and gas wells in its four years of  
26 operation.

27 24. In light of Milligan's control over and management of ANE and his  
28 knowledge of the actual uses of ANE investor proceeds, Milligan knew, was reckless

1 in not knowing, and/or was negligent in not knowing that these statements were false  
2 and misleading.

3 25. The fact that ANE investor funds were not used to actually acquire or  
4 operate oil and gas wells would be significant to the investment decision of a  
5 reasonable investor because ANE investors cannot earn a return on their investments  
6 if the funds are not used to acquire or operate oil and gas wells. These statements  
7 were material to ANE investors.

8 Milligan's Use of ANE Investor Funds for his Personal Benefit

9 26. Milligan and ANE made repeated representations to ANE investors that  
10 Milligan would receive little to no compensation paid out from the investor proceeds,  
11 and that his compensation would be based on oil and gas exploration and operations.

12 27. The Startup Class Brochure states that Milligan will only receive a  
13 "stipend" and payments for travel and related expenses associated with investor  
14 solicitation. The section of the ANE PPM devoted to the compensation of the  
15 managing partner states that any management fee would be based on a percentage of  
16 profits and a percentage of capital expenditures. Milligan also specifically told at  
17 least one investor that he would not use any of the investor funds for his own  
18 compensation.

19 28. These statements were false and misleading. In fact, Milligan siphoned  
20 off the majority of the ANE investor funds for his personal use rather than using them  
21 to make capital expenditures or engage in oil and gas operations.

22 29. Throughout the Relevant Period, Milligan, in his role as the most senior  
23 officer of the ANE entities, directly or indirectly transferred investor funds from  
24 ANE's bank accounts to his personal bank accounts. In some instances, Milligan  
25 even deposited investor funds straight into his personal bank account. ANE investor  
26 funds were Milligan's only source of income throughout the Relevant Period.

27 30. After the ANE investor funds were placed into Milligan's personal bank  
28 accounts, Milligan used the funds to pay for his daily living expenses, shopping,



1 gambling at a number of casinos in California and Las Vegas, automobiles, trips to  
2 Disneyland and over \$50,000 of his daughter's wedding expenses. Milligan also took  
3 out nearly \$200,000 in cash through over 500 withdrawals from his bank accounts  
4 during the Relevant Period. Over the Relevant Period, Milligan took nearly \$900,000  
5 of the ANE investor funds (approximately 66.4%) for his personal use.

6 31. Milligan never disclosed to ANE investors that he would use a majority  
7 of their investments for his personal benefit. Likewise, Milligan never disclosed the  
8 amount of his intended or actual compensation to investors. Milligan never provided  
9 current or prospective investors with any historical financials for ANE even as he  
10 continued to solicit investor funds years after he began using a majority of investor  
11 funds for his personal benefit.

12 32. Based on Milligan's control over and management of ANE and his  
13 knowledge of his receipt and personal use of ANE investor funds, Milligan knew,  
14 was reckless in not knowing, and/or was negligent in not knowing that these  
15 statements and omissions to ANE investors regarding uses of ANE investor funds and  
16 his compensation were false and misleading

17 33. The fact that a majority of ANE investor funds were used by Milligan  
18 for his personal benefit rather than costs related to acquiring, leasing, or operating oil  
19 and gas wells would be significant to the investment decision of a reasonable investor  
20 because ANE investors cannot earn a return on their investment if the funds are not  
21 used to acquire or operate oil and gas wells. These statements and omissions were  
22 material to ANE investors.

23 The Status of ANE's Purported Oil and Gas Projects

24 34. Milligan and ANE misrepresented on the ANE Website that ANE had  
25 oil and gas projects that were already producing. The website states: "Our team has  
26 combined already producing projects with other developmental drilling projects" and  
27 "[w]hile front-loading projects with current production, the investor should begin  
28



1 receiving income within the first 3-6 months of their initial investment.” (emphasis  
2 added).

3 35. These statements are false. In fact, ANE has never had a project that  
4 commenced drilling, much less produced oil or gas.

5 36. Milligan and ANE also misrepresented the status of ANE’s lease rights.  
6 The ANE Executive Summary states that “ANE secured mineral rights for a 1,280  
7 acre spacing unit in Montrail County.” Montrail County is located within the  
8 Williston Basin’s Bakken formation. Milligan also told certain investors that ANE  
9 possessed rights to drill in the Bakken formation.

10 37. These statements were false. In fact, Milligan received a letter on May  
11 2, 2013, prior to distributing the ANE Executive Summary, declaring ANE in default  
12 of its lease acquisition agreement for the Montrail County mineral rights for non-  
13 payment.

14 38. In light of Milligan’s control over and management of ANE, Milligan  
15 knew, was reckless in not knowing, and/or was negligent in not knowing that these  
16 statements were false and misleading because ANE had not paid for any leases and  
17 thus they were never assigned to ANE.

18 39. Misstatements regarding ANE’s lease rights and rights to currently  
19 producing wells would be significant to the investment decision of a reasonable  
20 investor because they bear on ANE’s prospects for generating revenue for investors.  
21 These statements were material to ANE investors.

22 Milligan’s Business Experience

23 40. Through the ANE PPM, Milligan and ANE misleadingly touted  
24 Milligan’s relevant experience, stating: “In 2009 he [Milligan] personally spent five  
25 months living, working and managing a 24-hour drilling project (\$10 million dollar  
26 project) located in South Louisiana. Throughout his tenure in the oil and gas industry  
27 he [Milligan] was intimately involved in all operations, prospecting, purchasing,  
28 analyzing, drilling and bringing to completion each project.” (emphasis added).

1 41. In fact, Milligan had only been involved in one oil and gas project prior  
2 to ANE and, rather than being completed, that project was a “dry hole” that resulted  
3 in a total loss for its investors.

4 42. In addition, Milligan and ANE omitted material information in  
5 statements to investors regarding Milligan’s business experience.

6 43. Milligan and ANE failed to disclose Milligan’s personal bankruptcy in  
7 connection with statements to investors regarding Milligan’s background and  
8 business experience, even though it took place just two years prior to ANE’s  
9 formation.

10 44. Milligan knew, was reckless in not knowing, and/or was negligent in not  
11 knowing that these statements and omissions were false and misleading because his  
12 business and oil and gas industry experience were not accurately reflected in  
13 statements provided to investors.

14 45. Misstatements regarding Milligan’s business and oil and gas industry  
15 experience would be significant to the investment decision of a reasonable investor  
16 because they bear on Milligan’s ability to successfully manage ANE and achieve  
17 returns for investors. These statements and omissions were material to ANE  
18 investors.

19 **MILLIGAN WAS A CONTROL PERSON OF ANE**

20 46. As detailed above, Milligan had significant control over ANE during the  
21 Relevant Period.

22 47. As ANE’s president and/or highest-ranking manager, Milligan exercised  
23 control over the general operations of ANE (including each of ANE, Inc., ANE, LLC,  
24 and ANE, LP) and the specific violative activity that is the subject of this Complaint.

25 **MILLIGAN AND ANE ENGAGED IN A SCHEME TO DEFRAUD**  
26 **ANE INVESTORS**

27 48. In addition to drafting and devising numerous misstatements, Milligan  
28 and ANE engaged in a scheme to defraud ANE investors. Milligan operated ANE as

1 a scheme to defraud investors and as a fraudulent enterprise in connection with the  
2 sale of securities. As detailed above, Milligan committed numerous acts in  
3 furtherance of his fraudulent scheme.

4 49. Milligan used his control over ANE to direct payments to himself. In  
5 some instances, Milligan directed investor checks to be deposited directly into his  
6 personal account.

7 50. Milligan also engaged in conduct designed to prevent or delay investors  
8 from discovering his fraud.

9 51. By mid-2012, ANE had grossly insufficient capital to fund an oil and gas  
10 project. But rather than disbanding the business and returning any remaining capital  
11 to investors, Milligan caused ANE to pay over \$132,000 of investor funds to several  
12 purported loan brokers to supposedly obtain \$20 million to \$77 million in loans.

13 52. Milligan used the loan negotiations and accompanying letters of intent to  
14 solicit additional investor funds and to pacify earlier investors by reporting that  
15 funding, and thus drilling, was imminent.

16 53. ANE did not obtain any loans through the purported loan brokers.

17 54. Since around early 2015, Milligan has told ANE investors he has  
18 “family money” to protect them against losses.

19 **MILLIGAN OFFERED AND SOLD UNREGISTERED**  
20 **ANE SECURITIES**

21 55. During the Relevant Period, Milligan offered and sold to investors, in  
22 exchange for an investment of money, a passive interest in the business of ANE that  
23 would yield returns based on a fractional share of the profits derived from Milligan’s  
24 management of ANE’s oil and gas exploration and production activities.

25 56. Milligan told investors that he was selling them investments in the ANE  
26 entities in a variety of forms, including limited partnership interests, non-management  
27 LLC units, and stock.

28 57. The investments in ANE offered and sold by Milligan are securities.

1 58. Milligan was the sole individual responsible for offering and selling  
2 ANE securities.

3 59. From approximately May 2010 to May 2014, Milligan raised  
4 approximately \$1.3 million through the sale of ANE securities.

5 60. In connection with Milligan's offer and sale of ANE securities, he  
6 utilized a website email, mail, telephone, and the interstate wire of funds from  
7 investors.

8 **CLAIMS FOR RELIEF**

9 **FIRST CLAIM**

10 Fraud in the Offer or Sale of Securities

11 Violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)]

12 61. The Commission realleges and incorporates by reference paragraphs 1  
13 through 60, as though fully set forth herein.

14 62. By virtue of the foregoing, Milligan has, directly or indirectly, with  
15 scienter, in the offer or sale of securities, by use of the means or instruments of  
16 transportation or communication in interstate commerce or by use of the mails,  
17 employed a device, scheme, or artifice to defraud in violation of Section 17(a)(1) of  
18 the Securities Act.

19 63. By virtue of the foregoing, Milligan has, directly or indirectly, in the  
20 offer or sale of securities, by use of the means or instruments of transportation or  
21 communication in interstate commerce or by use of the mails obtained money or  
22 property by means of untrue statements of material fact or by omissions to state  
23 material facts necessary to make the statements made, in light of the circumstances  
24 under which they were made, not misleading in violation of Section 17(a)(2) of the  
25 Securities Act.

26 64. By virtue of the foregoing, Milligan has engaged in transactions,  
27 practices, or courses of business which have been or are operating as a fraud or deceit  
28

1 upon the purchasers of securities in violation of Section 17(a)(3) of the Securities  
2 Act.

3 65. Unless restrained and enjoined Milligan will, in the future, violate  
4 Section 17(a) of the Securities Act.

5 **SECOND CLAIM**

6 Fraud in the Purchase or Sale of Securities

7 Violations of Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c)  
8 Thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(a) and (c)]

9 66. The Commission realleges and incorporates by reference paragraphs 1  
10 through 60, as though fully set forth herein.

11 67. By virtue of the foregoing, Milligan has, directly or indirectly, with  
12 scienter, by use of the means or instruments of interstate commerce or by use of the  
13 mails, used or employed, in connection with the purchase or sale of securities, a  
14 manipulative or deceptive device or contrivance in contravention of the rules and  
15 regulations of the Commission or employed devices, schemes, or artifices to defraud,  
16 in violation of Section 10(b) of the Exchange Act and Rule 10b-5(a) thereunder.

17 68. By virtue of the foregoing, Milligan has, directly or indirectly, with  
18 scienter, by use of the means or instruments of interstate commerce or by use of the  
19 mails, in connection with the purchase or sale of securities, engaged in acts, practices,  
20 or courses of business which operated or would operate as a fraud or deceit upon any  
21 person in violation of Section 10(b) of the Exchange Act and Rule 10b-5(c)  
22 thereunder.

23 69. Unless restrained and enjoined Milligan will, in the future, violate  
24 Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c) thereunder.

25 **THIRD CLAIM**

26 Fraud in the Purchase or Sale of Securities

27 Violations of Section 10(b) of the Exchange Act and Rule 10b-5(b) Thereunder  
28 [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(b)]

70. The Commission realleges and incorporates by reference paragraphs 1

1 through 60, as though fully set forth herein.

2 71. By virtue of the foregoing, Milligan has, directly or indirectly, with  
3 scienter, by use of the means or instruments of interstate commerce or by use of the  
4 mails, in connection with the purchase or sale of securities, made untrue statements of  
5 material fact or omitted to state material facts necessary in order to make the  
6 statements made, in light of the circumstances under which they were made, not  
7 misleading in violation of Section 10(b) of the Exchange Act and Rule 10b-5(b)  
8 thereunder.

9 72. Unless restrained and enjoined Milligan will, in the future, violate  
10 Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder.

11 **FOURTH CLAIM (ALTERNATIVE)**

12 Control Person Liability Under Section 20(a) of the Exchange Act [15 U.S.C. §  
13 78t(a)] for ANE's Violations of Section 10(b) of the Exchange Act and Rule 10b-5  
14 Thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5]  
(Alternatively, Against Milligan)

15 73. The Commission realleges and incorporates by reference paragraphs 1  
16 through 60, as though fully set forth herein.

17 74. By virtue of the foregoing, ANE (including ANE, Inc., ANE, LLC,  
18 and/or ANE, LP) has committed violations of Section 10(b) of the Exchange Act and  
19 Rule 10b-5 thereunder, by, directly or indirectly, with scienter, by use of the means or  
20 instrumentalities of interstate commerce, or of the mails, employed devices, schemes  
21 or artifices to defraud; made untrue statements of material fact or omitted to state  
22 material facts necessary in order to make the statements made, in light of the  
23 circumstances under which they were made, not misleading; or engaged in acts,  
24 practices or courses of business which have been and are operating as a fraud or  
25 deceit upon the purchasers of securities.

26 75. As ANE's president and/or highest-ranking manager, Milligan exercised  
27 control over the general operations of ANE (including each of ANE, Inc., ANE, LLC,  
28 and ANE, LP) and the specific activity upon which ANE's violations are based.

1 76. By reason of the foregoing, Milligan is liable as a control person for  
2 ANE's violations pursuant to Section 20(a) of the Exchange Act [15 U.S.C. §78t(a)].

3 **FIFTH CLAIM**

4 Unregistered Sale of Securities

5 Violations of Sections 5(a) and 5(c) of the Securities Act

6 [15 U.S.C. §§ 77e(a) and e(c)]

7 77. The Commission realleges and incorporates by reference paragraphs 1  
8 through 60, as though fully set forth herein.

9 78. By reason of the foregoing, Milligan has, directly or indirectly, in the  
10 absence of an applicable exemption, while no registration statement was in effect,  
11 made use of the means or instruments of transportation or communication in  
12 interstate commerce or of the mails to sell securities in violation of Section 5(a) of the  
13 Securities Act.

14 79. By reason of the foregoing, Milligan has, directly or indirectly, in the  
15 absence of an applicable exemption, made use of the means or instruments of  
16 transportation or communication in interstate commerce or of the mails to offer to sell  
17 securities, while no registration statement had been filed with the Commission in  
18 violation of Section 5(c) of the Securities Act.

19 80. Unless restrained and enjoined, Milligan will, in the future, violate  
20 Sections 5(a) and 5(c) of the Securities Act.

21 **PRAYER FOR RELIEF**

22 WHEREFORE, the Commission respectfully requests that this Court:

23 I.

24 Find that Milligan committed the violations alleged;

25 II.

26 Enter an Injunction, in a form consistent with Rule 65(d) of the Federal Rules  
27 of Civil Procedure, permanently restraining and enjoining Milligan, his agents,  
28 employees, and all persons in active concert or participation with him, from violating,



1 directly or indirectly, the laws and rules alleged in this complaint;

2 III.

3 Order an accounting by Milligan;

4 IV.

5 Order that Milligan disgorge all ill-gotten gains, including pre- and post-  
6 judgment interest, in the form of any benefits of any kind received as a result of the  
7 acts and courses of conduct in this complaint;

8 V.

9 Order that Milligan pay civil penalties, including post-judgment interest,  
10 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], and Section  
11 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]; and

12 VI.

13 Order such other relief as is necessary and appropriate.

14  
15 Dated: September 17, 2015

16 Jury Trial Demanded

17  
18 Respectfully Submitted,

19  
20 /s/ Gary Y. Leung

21 Gary Y. Leung, Local Counsel  
22 SECURITIES AND EXCHANGE  
23 COMMISSION  
24 444 South Flower Street, Suite 900  
25 Los Angeles, CA 90071

26  
27 Zachary T. Carlyle  
28 (pro hac vice application to be filed)

Attorneys for Plaintiff  
SECURITIES AND EXCHANGE  
COMMISSION

## Complaints and Other Initiating Documents

[2:15-cv-07308 Securities and Exchange Commission v. Milligan](#)

UNITED STATES DISTRICT COURT for the CENTRAL DISTRICT OF CALIFORNIA

### Notice of Electronic Filing

The following transaction was entered by Leung, Gary on 9/17/2015 at 2:47 PM PDT and filed on 9/17/2015

**Case Name:** Securities and Exchange Commission v. Milligan

**Case Number:** [2:15-cv-07308](#)

**Filer:** Securities and Exchange Commission

**Document Number:** [1](#)

#### Docket Text:

**COMPLAINT No Fee Required - US Government, filed by Plaintiff Securities and Exchange Commission. (Attorney Gary Y Leung added to party Securities and Exchange Commission(pty:pla))(Leung, Gary)**

#### **2:15-cv-07308 Notice has been electronically mailed to:**

Gary Y Leung LeungG@sec.gov, berryj@sec.gov, irwinma@sec.gov, larofiling@sec.gov

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