

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

POWERTRADERSPRESS.COM, INC., ELITE
STOCK RESEARCH, INC., ERIK MATZ,
RONALD HARDY, ANTHONY VASSALLO,
STEPHANIE LEE, JEFFREY CHARTIER,
LAWRENCE D. ISEN, ROBERT GLECKMAN,
MICHAEL WATTS, BRIAN HEEPKE,
DENNIS J. VERDEROSA, EMIN COHEN,
SERGIO RAMIREZ, ASHLEY ANTOS,

Defendants,

and

HERMANN MATZ, JOSEPH MATZ,
BRITTNEY BALLESTAS, MELISSA
KURTZKE, JANINE ACOSTA, TYPE A
PARTNERS, INC., STRATEGIC CAPITAL
MARKETS, INC., MARKETBYTE LLC, SNAP
OR TAP PRODUCTIONS, LLC, DACONA
FINANCIAL LLC,
TRADEMASTERSPRO.COM, INC.,
MYSTREETRESEARCH.COM, INC.,
REVOLVING VENTURES LLC,
TRADEMASTERS CONSULTING, INC., BIG
LITTLE CONSULTING, INC., BCBALL, INC.,
GABRON TRANSPORT CORP., PTP
CONSTRUCTION CORP., TERRYVILLE
SYSTEMS, INC., MKKMMKKM, INC., TREK
PARTNERS LLC, RKRG, INC., PRICE POINT
CONSULTING, INC., DJV ENTERPRISES,
INC., LEECORP, INC., SOCCERSERGE, INC.,
ANTOS, INC.,

Relief Defendants.

Case No. 1:17-CV-04133

COMPLAINT

JURY TRIAL DEMANDED

Plaintiff Securities and Exchange Commission (the “Commission”), for its Complaint against Defendants PowerTradersPress.com, Inc., Elite Stock Research, Inc., Erik Matz, Ronald Hardy, Anthony Vassallo, Stephanie Lee, Jeffrey Chartier, Lawrence D. Isen, Robert Gleckman, Michael Watts, Brian Heepke, Dennis J. Verderosa, Emin Cohen, Sergio Ramirez, and Ashley Antos, and Relief Defendants Hermann Matz, Joseph Matz, Brittney Ballestas, Melissa Kurtzke, Janine Acosta, Type A Partners, Inc., Strategic Capital Markets, Inc., Marketbyte LLC, Snap or Tap Productions, LLC, Dacona Financial LLC, TradeMastersPro.com, Inc., MyStreetResearch.com, Inc., Revolving Ventures LLC, TradeMasters Consulting, Inc., Big Little Consulting, Inc., BCBall, Inc., Gabron Transport Corp., PTP Construction Corp., Terryville Systems, Inc., MKKMMKKM, Inc., Trek Partners LLC, RKRK, INC., Price Point Consulting, Inc., DJV Enterprises, Inc., Leecorp, Inc., Soccerserge, Inc., and Antos, Inc., alleges as follows:

SUMMARY OF ALLEGATIONS

1. Defendants engaged in a series of widespread and ongoing fraudulent schemes, beginning in at least March 2013, to manipulate the price and volume of at least four microcap securities that reaped at least \$14 million in illicit proceeds while causing more than \$10 million in losses to over one hundred victims.

2. The fraud began with the acquisition of large blocks of microcap shares by the schemes’ orchestrators, including Stephanie Lee, Jeffrey Chartier, Lawrence D. Isen, Robert Gleckman, and Michael Watts (“Orchestrator Defendants”). The Orchestrator Defendants then

hired two “boiler rooms”¹ to fraudulently promote, or “pump,” the securities. Erik Matz and Ronald Hardy controlled one boiler room operating primarily under the name Power Traders Press.com, Inc. (“Power Traders Press”), and Anthony Vassallo controlled the boiler room operating primarily under the name Elite Stock Research Inc. (“Elite Stock Research”). The Orchestrator Defendants paid Power Traders Press and Elite Stock Research in cash and often large blocks of the securities that the boiler rooms were hired to promote.

3. Power Traders Press’s and Elite Stock Research’s manipulative conduct included “marking-the-close” and executing “matched” and “wash” trades that were designed to artificially raise the securities’ market prices and trading volumes, and give the false appearance of active trading.

4. Power Traders Press and Elite Stock Research then engaged in large-scale promotional campaigns touting these securities, typically targeting the vulnerable – elderly and unsophisticated investors. Power Traders Press’s and Elite Stock Research’s boiler room “sales” personnel, including Erik Matz, Hardy, Vassallo, Heepke, Verderosa, Cohen, Ramirez, and Antos (“Boiler Room Defendants”), contacted hundreds of individuals across the United States seeking to induce investment in these securities, often by employing high-pressure tactics such as threatening potential investors and flooding them with emails and phone calls.

5. The Boiler Room Defendants fraudulently promoted these securities, soliciting victims to purchase them while failing to disclose that Elite Stock Research’s and Power Traders Press’s sole reason for aggressively soliciting investment in these securities was the boiler

¹ “‘Boiler room’ activity consists essentially of offering to customers securities of certain issuers in large volume by means of an intensive selling campaign through numerous salesmen by telephone or direct mail, without regard to the suitability to the needs of the customer, in such a manner as to induce a hasty decision to buy the security being offered without disclosure of the material facts about the issuer.” *SEC v. R.J. Allen & Assocs., Inc.*, 386 F. Supp. 866, 874 (S.D. Fla. 1974).

rooms' plans to profit from the victims' purchases. Indeed, Power Traders Press, Elite Stock Research, and the Boiler Room Defendants were compensated for promoting these securities, and they and/or their co-Defendants owned the stock they were promoting and intended to match the victims' purchases with sales that continued to artificially inflate the price and produced fraudulent profits for themselves (referred to as "scalping").

6. Rather than disclose these material facts, the Boiler Room Defendants fraudulently promoted these securities to victims as solid investments, often making material misstatements to victims, including that the securities were "guaranteed winners" and were a "buy of a lifetime." Certain Boiler Room Defendants also affirmatively misrepresented their credentials and the nature of their compensation.

7. As a result of these fraudulent schemes, Elite Stock Research, Power Traders Press, the Orchestrator Defendants, and the Boiler Room Defendants were able to "pump" the price of these securities such that they realized millions of dollars in illegal proceeds when they sold, or "dumped," these securities at artificially high prices. Meanwhile, the unsuspecting victims lost millions.

VIOLATIONS AND RELIEF SOUGHT

8. By virtue of the conduct alleged herein, Defendants have violated 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.P.R. § 240.10b-5], Section 9(a)(1) of the Exchange Act [15 U.S.C. § 78i(a)(1)], Section 9(a)(2) of the Exchange Act [15 U.S.C. § 78i(a)(2)], Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)], and/or Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)].

9. The Court should permanently enjoin Defendants from violating the securities laws; order all Defendants and Relief Defendants, on a joint and several basis, to disgorge their ill-gotten gains, together with prejudgment interest; order all Defendants to pay civil money 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)]; impose a penny stock bar pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)]; enter an officer-and-director bar against Jeffrey Chartier 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)]; and order any other relief the Court may deem just and appropriate.

JURISDICTION AND VENUE

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

11. Venue lies in this District pursuant to Section 22(a) of the Securities Act [15 U.S.C. §§ 77v(a)], and Section 27(a) of the Exchange Act [15 U.S.C. § 78aa(a)] because certain of the transactions, acts, practices and courses of conduct constituting the violations alleged herein occurred within the Eastern District of New York. Among other things, Power Traders Press's and Elite Stock Research's principal place of business while the schemes alleged in this Complaint took place was in the Eastern District of New York, and certain Defendants reside in this District.

12. In connection with the conduct alleged in this Complaint, Defendants, directly or indirectly, singly or in concert with others, have contacted investors in dozens of states, including Arizona, California, Florida, Massachusetts, Ohio, Oregon, Pennsylvania, Tennessee,

and Texas, made the use of the means or instrumentalities of interstate commerce, and made use of the means or instruments of transportation or communication in interstate commerce, and of the mails and of the facilities of a national securities exchange to carry out the unlawful conduct alleged in this Complaint.

DEFENDANTS

I. The Orchestrator Defendants

13. **Jeffrey Chartier**, age 53, is a resident of Tampa, Florida. From approximately 1997 to 2009, Chartier was associated with a number of broker-dealers, and worked in various capacities, including as a registered representative. During this time, Chartier held Series 7 and 63 licenses. Chartier obtained a Series 31 license in 1998 and a Series 24 license in 2004. Chartier serves as President and a Director of National Waste Management Holdings, Inc. (“NWMH”), and as a Director of CES Synergies, Inc (“CESX”) – companies involved in the pump-and-dump schemes alleged in this Complaint.

14. **Robert Gleckman**, age 52, is a resident of Tarzana, California. From approximately 1988 to 1999, Gleckman was a registered representative associated with different broker-dealers. During that time, Gleckman held Series 7 and 63 licenses. Gleckman is an orchestrator of at least one of the pump-and-dump schemes alleged in this Complaint.

15. **Lawrence D. Isen**, age 63, is a resident of San Diego, California. From approximately 1987 to 1995, Isen was associated with three different broker-dealers as a registered representative, including one with Gleckman. During that time, Isen held Series 7, 24, and 63 licenses. On May 18, 1995, the Commission barred Isen from associating with any broker or dealer for violations of the antifraud provisions of the Federal securities laws, and on November 16, 2000, Isen was convicted by a jury in the United States District Court for the

Southern District of New York of conspiracy to commit securities fraud and wire fraud. On December 19, 2001, Isen was sanctioned by the Commission for violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder based on the conduct underlying his criminal conviction. On December 20, 2007, Isen was sanctioned by the Commission and permanently enjoined from violating Sections 5(a), 5(c), 17(a)(2), and 17(a)(3) of the Securities Act in *SEC v. Isen*, No. 07-CV-11386 (S.D.N.Y. Dec. 19, 2007). Isen is an orchestrator of at least two of the pump-and-dump schemes alleged in this Complaint.

16. **Stephanie Lee**, age 46, is a resident of Saint Petersburg, Florida. From approximately 1997 to 2011, Lee was associated with a number of broker-dealers, and worked in various capacities, including as a registered representative, in back office operations, as a trader, and in compliance. During this time, Lee held Series 7 and 63 licenses. In 2000, she also obtained Series 24 and 55 licenses. Lee is an orchestrator of at least two of the pump-and-dump schemes alleged in this Complaint.

17. **Michael Watts**, age 61, is a resident of Sugar Land, Texas. From approximately 1988 to 1999, Watts was a registered representative at several broker-dealers. During that time, Watts held Series 3, 7, and 63 licenses. On June 19, 2000, Watts was sanctioned and suspended by the National Association of Broker Dealers. On February 17, 2017, the Commission charged Watts with violating Sections 17(a)(1) and 17(a)(3) of the Securities Act, Sections 10(b) and 13(d) of the Exchange Act and Rules 10b-5 and 13d-1 thereunder, and with aiding and abetting violations of Sections 5(a) and 5(c) of the Securities Act in *SEC v. Watts*, No. 7-CV-00539 (S.D. Tex. Feb. 17, 2017). Watts is an orchestrator of at least one of the pump-and-dump schemes alleged in this Complaint.

II. The Boiler Room Defendants

18. **Power Traders Press** is a New York entity incorporated on November 4, 2014. Power Traders Press has been known by several aliases, including TradeMastersPro.com, Inc. (“Trade Masters Pro”), Dacona Financial LLC (“Dacona Financial”), and MyStreetResearch.com, Inc. (“MyStreetResearch.com”). Between mid-2014 and the present, Power Traders Press has operated as a boiler room. During the relevant period, Power Traders Press promoted a number of microcap securities including, but not limited to, NWMH, CESX, Hydrocarb Energy Corp. (“HECC”), Intelligent Content Enterprises, Inc. (“ICEIF”), First Choice Healthcare Solutions Inc. (“FCHS”), Nemus Bioscience Inc. (“NMUS”), Algae Dynamics Corp. (“ADYNF”), Tiger Reef Inc. (“TGRR”) f/k/a/ Blue Water Bar & Grill, Inc. (“BWBG”), Grilled Cheese Truck Inc. (“GRLD”), Globe Net Wireless Corp. (“GNTW”), International Western Petroleum Inc. (“INWP”), NuGene International Inc (“NUGN”), PTC Therapeutics Inc. (“PTCT”), SPYR Inc. (“SPYR”), Staffing 360 Solutions, Inc. (“STAF”), and Renewable Energy & Power Inc. (“RBNW”). Erik Matz and Ronald Hardy manage the boiler room, set salaries, and make hiring decisions. Erik Matz serves as a signatory on a bank account in the name of Power Traders Press and its alias Dacona Financial. Power Traders Press has never been registered with the Commission in any capacity.

19. **Elite Stock Research** is a New York entity incorporated on August 12, 2013. Elite Stock Research is controlled by Anthony Vassallo, who serves as its President and chief executive officer, and Vassallo has authority over its trading and bank accounts. Between at least 2014 and 2016, Elite Stock Research operated as a boiler room. During the relevant period, Elite Stock Research promoted a number of microcap securities including, but not limited to, CESX, HECC, FCHS, NMUS, Industrial Nanotech Inc. (“INTK”), and NuLife Sciences Inc.

f/k/a Smoofi, Inc. (“SMFI”). Elite Stock Research has never been registered with the Commission in any capacity.

20. **Ashley Antos**, age 26, is a resident of Central Islip, NY. Antos worked at Elite Stock Research from approximately January 2014 to September 2015, and later worked at Power Traders Press until at least January 2017. At all times relevant to this Complaint, Antos was not registered with the Commission in any capacity.

21. **Emin Cohen**, age 33, is a resident of Coram, New York. Cohen has worked at Power Traders Press since approximately August 2014. At all times relevant to this Complaint, Cohn was not registered with the Commission in any capacity.

22. **Ronald Hardy**, age 42, is a resident of Port Jefferson, New York. From approximately 1995 to 2009, Hardy was associated with a number of broker-dealers as a registered representative. During that time, Hardy held Series 7 and 63 licenses. On August 10, 2009, the United States District Court for the Southern District of Florida permanently enjoined Hardy from future violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder in *SEC v. Aura Financial Services, Inc.*, No. 09-CV-21592 (S.D. Fla. June 11, 2009). On September 2, 2009, Hardy was barred by the Commission from association with any broker or dealer pursuant to Section 15(b)(6) of the Exchange Act as a result of the conduct underlying the *Aura Financial Services* action. Between approximately January and June 2014, Hardy worked at Elite Stock Research and, since mid-2014, he has controlled Power Traders Press with Erik Matz. At all times relevant to this Complaint, Hardy was not registered with the Commission in any capacity.

23. **Brian Heepke**, age 36, is a resident of Farmingdale, New York. Heepke was associated with a registered broker-dealer from 2013 to 2014. Heepke worked at Elite Stock

Research from approximately January 2014 to November 2015, when he left to work at Power Traders Press, where is currently employed. At all times relevant to this Complaint, Heepke was not registered with the Commission in any capacity.

24. **Erik Matz**, age 44, is a resident of Hicksville, New York. From approximately 1996 to 2006, Erik Matz was associated with a number of broker-dealers as a registered representative and has held Series 7 and 63 licenses. On February 20, 2007, Erik Matz was barred from the brokerage industry in all capacities for engaging in excessive trading and churning in customer accounts in violation of Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 thereunder, and NASD Rules 2310(a), 2120, and 2110. *Dep't of Enforcement v. Matz*, 2007 WL 1434907, at *1 (NASDR) (Feb. 20, 2007). Between approximately February and June 2014, Erik Matz worked at Elite Stock Research, and since mid-2014, he has controlled Power Traders Press along with Hardy. At all times relevant to this Complaint, Erik Matz was not registered with the Commission in any capacity.

25. **Sergio Ramirez**, age 44, is a resident of East Meadow, New York. Ramirez has never been registered with the Commission in any capacity. Ramirez worked at Elite Stock Research from approximately February to July 2014, when he left to work at Power Traders Press, where he is currently employed. At all times relevant to this Complaint, Ramirez was not registered with the Commission in any capacity.

26. **Anthony Vassallo**, age 54, is a resident of Smithtown, New York. From approximately 1988 to 1994, Vassallo worked for a number of broker-dealers as a registered representative. During that time, Vassallo held Series 7 and 63 licenses. On May 26, 1995, the United States District Court for the Southern District of New York permanently enjoined Vassallo from violations of the registration, antifraud, and penny stock provisions of the Federal

securities laws in *SEC v. Olsen Laboratories, Inc.*, No. 94-CV-06280 (S.D.N.Y. May 26, 1995). In a related administrative proceeding, on June 13, 1995, Vassallo consented to an order barring him from association with a broker, dealer, investment adviser, municipal securities dealer or investment company and barring him from participating in a penny stock offering. On July 12, 2013, Vassallo was sanctioned by the State of Connecticut Department of Banking for violations of the antifraud and registration requirements of the State of Connecticut. Vassallo has controlled the Elite Stock Research boiler room since approximately January 2014. At all times relevant to this Complaint, Vassallo was not registered with the Commission in any capacity.

27. **Dennis J. Verderosa**, age 66, is a resident of Coram, NY. Verderosa passed the Series 63 exam in 1996. Verderosa worked at Elite Stock Research from approximately January to May 2014, when he left to work at Power Traders Press. At all times relevant to this Complaint, Verderosa was not registered with the Commission in any capacity.

RELIEF DEFENDANTS

28. **Janine Acosta**, age 51, is a resident of Freeport, New York. Acosta served as a secretary and administrative assistant at Power Traders Press. Acosta received at least \$70,000 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Power Traders Press bank accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

29. **Antos Inc.** is a New York entity, incorporated on September 16, 2016. Ashley Antos is listed as the contact who will accept process for Antos Inc., and he endorses checks written by Power Traders Press to this entity. Antos Inc. received at least \$7,500 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from

Power Traders Press bank accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

30. **Brittney Ballestas**, age 25, is a resident of North Bellmore, NY. Power Traders Press used a brokerage account held by Ballestas to engage in manipulative trading as part of the Federal securities law violations alleged in this Complaint. Ballestas received at least \$50,000 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Power Traders Press bank accounts in which such proceeds were held and the proceeds of Power Traders Press's manipulative trading, in exchange for no consideration and without any legitimate claim to those funds.

31. **BCBall, Inc.** ("BCBall") is a New York entity incorporated by Ballestas on September 8, 2016. Ballestas is President of BCBall and is the sole signatory on BCBall's bank accounts. BCBall received at least \$227,000 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Marketbyte LLC and Trade Masters Pro.com, Inc. bank accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

32. **Big Little Consulting, Inc.** ("Big Little Consulting") is a New York entity incorporated on June 16, 2016. Joseph Matz is the President of Big Little Consulting. Big Little Consulting, Inc. received at least \$2,049,250 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Marketbyte LLC bank accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

33. **Dacona Financial LLC** ("Dacona Financial") is a Wyoming entity incorporated on March 22, 2013, and is an alias of Power Traders Press. Dacona Financial shares the same

address as Power Traders Press, and Power Traders Press's telephone lines are registered to Dacona Financial. Erik Matz is a signatory on the Dacona Financial bank account. Dacona Financial was administratively dissolved by the state of Wyoming as of May 9, 2015, for a tax delinquency. Dacona Financial received at least \$1,100,000 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Marketbyte LLC and Type A Partners, Inc. accounts in which such proceeds were held and the proceeds of Power Traders Press's manipulative trading, in exchange for no consideration and without any legitimate claim to those funds.

34. **DJV Enterprises, Inc.** ("DJV Enterprises") is a New York entity incorporated by Verderosa on January 6, 2015. Verderosa is President of DJV Enterprises and is the sole signatory on the entity's bank account. DJV Enterprises received at least \$75,400 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Power Traders Press accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

35. **Gabron Transport Corp.** ("Gabron") is a New York entity incorporated on April 17, 2015. Hardy is the President of Gabron and is a signatory on its bank account. Gabron received at least \$147,000 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Power Traders Press accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

36. **Melissa Kurtzke**, age 29, is a resident of Franklin Square, New York. Power Traders Press used a brokerage account held by Kurtzke to engage in manipulative trading as part of the Federal securities law violations alleged in this Complaint. Kurtzke received at least \$60,000 in proceeds from the Federal securities law violations alleged in this Complaint,

including payments from Dacona Financial accounts in which such proceeds were held and the proceeds of Kurtzke's manipulative trading, in exchange for no consideration and without any legitimate claim to those funds.

37. **Leecorp, Inc.** ("Leecorp") is a New York entity, incorporated on August 25, 2016. Cohen endorsed checks written by Power Traders Press to this entity. Leecorp received at least \$48,900 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Power Traders Press accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

38. **Marketbyte LLC** ("Marketbyte") is a California entity incorporated on January 25, 2000. Isen is the President of Marketbyte and a signatory on its bank accounts. Isen used Marketbyte in at least two of the boiler room schemes, to, among other things, facilitate payment, including through the transfer of shares, to the Elite Stock Research and Power Traders Press boiler rooms. Marketbyte received at least \$286,000 in proceeds from the Federal securities law violations alleged in this Complaint, including the proceeds of Isen's manipulative trading, in exchange for no consideration and without any legitimate claim to those funds.

39. **Hermann Matz**, age 71, is a resident of Hicksville, New York. Hermann Matz is the father of Erik Matz. Power Traders Press used a brokerage account held by Hermann Matz to engage in manipulative trading as part of the Federal securities law violations alleged in this Complaint. Hermann Matz received at least \$205,000 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Type A Partners, Inc. accounts in which such proceeds were held and the proceeds of Power Traders Press's manipulative trading, in exchange for no consideration and without any legitimate claim to those funds.

40. **Joseph Matz**, age 39, is a resident of Hicksville, New York. Joseph Matz is the brother of Erik Matz. Joseph Matz received at least \$964,000 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Marketbyte accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

41. **MKKMMKKM, Inc.** (“MKKMMKKM”) is a New York entity incorporated on October 6, 2014. Kurtzke is the sole signatory on MKKMMKKM’s bank account. MKKMMKKM received at least \$130,000 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Dacona Financial accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

42. **MyStreetResearch.com, Inc.** (“MyStreetResearch.com”) is a New York entity incorporated on August 17, 2016. It is an alias of Power Traders Press. MyStreetResearch.com shares an office address with Power Traders Press, and MyStreetResearch.com, Inc., shares a phone number with Power Traders Press’s alias, Trade Masters Pro. MyStreetResearch.com received at least \$78,000 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Marketbyte accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

43. **Price Point Consulting, Inc.** (“Price Point Consulting”) is a New York entity incorporated on August 1, 2016. Heepke has endorsed checks written by Power Traders Press to this entity. Price Point Consulting received at least \$10,500 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Power Traders

Press accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

44. **PTP Construction Corp.** (“PTP Construction”) is a New York entity incorporated on June 25, 2015. Hardy is President of PTP Construction and is the sole signatory on the entity’s bank account. PTP Construction received at least \$181,750 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Power Traders Press accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

45. **Revolving Ventures LLC** (“Revolving Ventures”) is a Wyoming entity, incorporated on May 12, 2016. Hardy is the sole member of Revolving Ventures, and the sole signatory on its bank account. Revolving Ventures LLC received at least \$441,000 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Trade Masters Pro and Marketbyte accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

46. **RKRG Inc.** (“RKRG”) is a New York entity incorporated on October 3, 2014. Hardy’s spouse is a signatory on the RKRG bank account. RKRG received at least \$76,900 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Power Traders Press accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

47. **Snap or Tap Productions, LLC** (“Snap or Tap Productions”) is a California entity incorporated on January 27, 2011. Gleckman is the President of Snap or Tap Productions and the sole signatory on its bank account. Snap or Tap Productions realized at least \$174,000 in proceeds from the Federal securities law violations alleged in this Complaint, including the

proceeds of Gleckman's manipulative trading, in exchange for no consideration and without any legitimate claim to those funds.

48. **Soccerserge, Inc.** ("Soccerserge") is a New York entity incorporated on August 22, 2016. Ramirez endorses checks written by Power Traders Press to this entity. Soccerserge received at least \$6,945 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Power Traders Press accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

49. **Strategic Capital Markets, Inc.** ("Strategic Capital Markets") is a Florida entity incorporated on August 23, 2013. Lee incorporated Strategic Capital Markets, and Lee served as Strategic Capital Markets' initial Secretary, with Chartier serving as President. Lee has also served as Strategic Capital Markets' Vice President during the relevant period. Lee and Chartier had authority over a trading account in the name of Strategic Capital Markets that they used for manipulative trading in connection with at least two of the pump-and-dump schemes alleged in this Complaint. Strategic Capital Markets realized at least \$1,485,000 in proceeds from the Federal securities law violations alleged in this Complaint, including the proceeds of Lee's and Chartier's manipulative trading, in exchange for no consideration and without any legitimate claim to those funds.

50. **TradeMastersPro.com, Inc.** ("Trade Masters Pro") is a New York entity incorporated on April 28, 2016, and it is an alias of Power Traders Press. Trade Masters Pro shares the same address as Dacona Financial and Power Traders Press, and the phone lines used by Trade Masters Pro are registered to Power Traders Press's alias, Dacona Financial. Trade Masters Pro received at least \$1,440,300 in proceeds from the Federal securities law violations

alleged in this Complaint, including payments from Marketbyte accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

51. **Trademasters Consulting Inc.** (“Trademasters Consulting”) is a New York entity, incorporated on June 14, 2016. Hardy is the President of Trademasters Consulting and the sole signatory on its bank account. Trademasters Consulting received at least \$302,500 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Marketbyte accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

52. **Type A Partners, Inc.** (“Type A Partners”) is a Florida entity incorporated on September 5, 2013. Lee incorporated Type A Partners, and Lee serves as its President and Secretary. Lee had authority over the Type A Partners’ trading accounts that he used for manipulative trading in connection with at least two of the schemes alleged in this Complaint. Type A Partners realized at least \$3,000,000 in proceeds from the Federal securities law violations alleged in this Complaint, including the proceeds of Lee’s manipulative trading, in exchange for no consideration and without any legitimate claim to those funds.

53. **Terryville Systems, Inc.** (“Terryville Systems”) is a New York entity incorporated on December 1, 2015. Hardy is President of Terryville Systems and is the sole signatory on its bank account. Terryville Systems received at least \$90,000 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Marketbyte accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

54. **Trek Partners LLC** (“Trek Partners”) is a Nevada entity incorporated on September 21, 2015. Watts serves as President of Geoserve Marketing LLC, a member of Trek

Partners, and is a signatory on Geoserve Marketing LLC's bank account. Trek Partners received at least \$100,000 in proceeds from the Federal securities law violations alleged in this Complaint, including payments from Power Traders Press accounts in which such proceeds were held, in exchange for no consideration and without any legitimate claim to those funds.

ISSUERS

55. **CES Synergies, Inc.** ("CESX") is a Florida corporation headquartered in Crystal Springs, Florida. CESX's common stock (ticker symbol "CESX") is registered under 12(g) of the Exchange Act, and is currently quoted on the OTC Link. During the pump-and-dump scheme alleged in this Complaint, CESX's securities qualified as a "penny stock" because they did not meet any of the exceptions from the definition of a "penny stock," as defined by Section 3(a)(51) of the Exchange Act and Rule 3a51-1 thereunder. Among other things, the securities were equity securities: (1) that were not an "NMS stock," as defined in 17 C.F.R. § 242.600(b)(47); (2) traded below five dollars per share during the relevant period; (3) whose issuer had net tangible assets and average revenue below the thresholds of Rule 3a51-1(g)(1); and (4) did not meet any of the other exceptions from the definition of "penny stock" contained in Rule 3a51-1 under the Exchange Act.

56. **National Waste Management Holdings, Inc.** ("NWMH") is a Florida corporation headquartered in Hernando, Florida. NWMH's common stock (ticker symbol "NWMH") is registered under 12(g) of the Exchange Act, and is currently quoted on the OTC Link. During the pump-and-dump scheme alleged in this Complaint, NWMH's securities qualified as a "penny stock" because they did not meet any of the exceptions from the definition of a "penny stock," as defined by Section 3(a)(51) of the Exchange Act and Rule 3a51-1 thereunder. Among other things, the securities were equity securities: (1) that were not an "NMS

stock,” as defined in 17 C.F.R. § 242.600(b)(47); (2) traded below five dollars per share during the relevant period; (3) whose issuer had net tangible assets and average revenue below the thresholds of Rule 3a51-1(g)(1); and (4) did not meet any of the other exceptions from the definition of “penny stock” contained in Rule 3a51-1 under the Exchange Act.

57. **Hydrocarb Energy, Corp.** f/k/a Duma Energy Corp. (“DUMA”) was a Nevada corporation headquartered in Houston, Texas. HECC’s common stock (ticker symbol “HECC”) was previously registered under 12(g) of the Exchange Act, and was previously quoted on the OTC Link using the ticker symbol (“HECCQ”). On April 16, 2016, HECC filed for Chapter 11 bankruptcy protection, and later amended its filing to Chapter 7. Following the bankruptcy, the stock traded under the ticker symbol “HECCQ.” On June 22, 2017, an initial decision of an administrative law judge dated April 5, 2017 revoking, pursuant to Exchange Act Section 12(j), the registration of each class of securities of HECC became final. During the pump-and-dump scheme alleged in this Complaint, HECC’s securities qualified as a “penny stock” because they did not meet any of the exceptions from the definition of a “penny stock,” as defined by Section 3(a)(51) of the Exchange Act and Rule 3a51-1 thereunder. Among other things, the securities were equity securities: (1) that were not an “NMS stock,” as defined in 17 C.F.R. § 242.600(b)(47); (2) traded below five dollars per share during the relevant period; (3) whose issuer had net tangible assets and average revenue below the thresholds of Rule 3a51-1(g)(1); and (4) did not meet any of the other exceptions from the definition of “penny stock” contained in Rule 3a51-1 under the Exchange Act.

58. **Intelligent Content Enterprises Inc.** (“ICEIF”), currently known as Novicius Corp., is a corporation incorporated under the laws of Ontario, Canada with its principal place of business in Toronto, Ontario. ICEIF’s common stock is registered under 12(g) of the Exchange

Act, and during the scheme alleged herein, was quoted on the OTC Link under the ticker symbol “ICEIF.” During the pump-and-dump scheme alleged in this Complaint, ICEIF’s securities qualified as a “penny stock” because they did not meet any of the exceptions from the definition of a “penny stock,” as defined by Section 3(a)(51) of the Exchange Act and Rule 3a51-1 thereunder. Among other things, the securities were equity securities: (1) that were not an “NMS stock,” as defined in 17 C.F.R. § 242.600(b)(47); (2) traded below five dollars per share during the relevant period; (3) whose issuer had net tangible assets and average revenue below the thresholds of Rule 3a51-1(g)(1); and (4) did not meet any of the other exceptions from the definition of “penny stock” contained in Rule 3a51-1 under the Exchange Act.

GLOSSARY OF TERMS USED IN THIS COMPLAINT

59. A “buy limit” order is an order to purchase a security at or below a certain price. Instead of paying market price for the security, the buyer sets the price that he or she is willing to pay for a certain number of shares. The buyer is guaranteed to pay that price or less because the order is executed only when the seller’s price matches the amount set by the buyer. If the specified price is never met, the order is not filled.

60. “Marking-the-close” is a form of market manipulation that involves attempting to influence the closing price of a security by executing purchase or sale orders at or near the close of normal trading hours. Such activity can artificially inflate or depress the closing price for the security.

61. A “matched trade” is an order to buy or sell securities that is entered with knowledge that a matching order on the opposite side of the transaction has been or will be entered for the purpose of (1) creating a false or misleading appearance of active trading in any publicly traded security; or (2) creating a false or misleading appearance with respect to the

market for any such security.

62. “Scalping” is a fraudulent practice of promoting third parties to purchase a security without disclosing that the promoter had some financial interest in that security, such as receiving compensation from the issuer for promoting the security, or owning that security and then selling it contemporaneous with the promotional activity to profit from the market activity that follows the promotion.

63. A “sell limit” order is an order to sell a security at or above a certain price. Instead of taking market price for a security, the seller sets the price at which he or she is willing to sell a certain number of shares. The seller is guaranteed to sell at or above the specified price because the order is executed only when a buyer matches the seller’s price. If the specified price is never matched, the order is not filled.

64. A “wash sale” is an order to buy or sell securities resulting in no change of beneficial ownership for the purpose of (1) creating a false or misleading appearance of active trading in any publicly traded security; or (2) creating a false or misleading appearance with respect to the market for any such security.

FACTUAL ALLEGATIONS

I. Overview Of The Boiler Rooms’ Operations

A. Elite Stock Research’s Boiler Room Operations

65. Elite Stock Research was incorporated in August 2013, and during the relevant period, it operated out of its headquarters in Plainview, New York. Vassallo is the chief executive officer of Elite Stock Research, and he controls its operations. Vassallo has trading authority over the Elite Stock Research brokerage accounts and signatory authority over Elite Stock Research’s bank account. The Orchestrator Defendants, including Lee, paid Vassallo in

cash for his services. Vassallo also received proceeds from the sale of securities promoted by the firm. Between January 2014 and January 2016, Vassallo received more than \$250,000 in checks and direct withdrawals from Elite Stock Research's bank account.

66. According to its website, Elite Stock Research provides investors with "top quality trade recommendations and . . . research that you can trust." However, Elite Stock Research operated as a boiler room, employing numerous individuals and using 19 different telephone lines, to artificially increase the price of certain microcap securities via manipulative trading and strong-arm, fraudulent promotional campaigns ("pump" or "pumping"). From 2014 until at least 2015, Elite Stock Research pumped at least two securities, CESX and HECC, through aggressive promotional activity and executed hundreds of manipulative trades, including matched and wash trades, to artificially inflate the price of the securities that Elite Stock Research was paid to promote. During this time period, the firm received more than \$1 million in illegal trading profits.

67. Elite Stock Research employed Erik Matz, Hardy, Heepke, Verderosa, Ramirez, and Antos as "sales" personnel to aggressively promote securities as part of the fraudulent schemes alleged in this Complaint. Between 2014 and 2015, these Defendants called numerous victims promoting at least CESX and HECC in furtherance of the pump-and-dump schemes and employed many of the strong-arm, fraudulent promotional tactics alleged in this Complaint.

68. In addition, Heepke engaged in at least one wash trade of CESX, and Vassallo executed at least 17 matched trades with Elite Stock Research's victims in furtherance of the pump-and-dump schemes alleged in this Complaint.

69. Between 2014 and 2015, Elite Stock Research paid Erik Matz, Hardy, Heepke, Verderosa, Ramirez, and Antos more than \$448,000 in salary and commissions.

70. At all times relevant to this Complaint, Elite Stock Research, Erik Matz, Hardy, Heepke, Vassallo, Verderosa, Ramirez, and Antos were not registered in any capacity with the Commission. Nonetheless, Erik Matz, Hardy, Heepke, Vassallo, Verderosa, Ramirez, and Antos were acting as brokers engaged in the business of effecting transactions in securities for the accounts of others. At all relevant times, they directly solicited potential investors to purchase securities, provided advice concerning the value of such securities, the advisability of investing in these securities, and received transaction-based compensation from the promotion of such securities.

B. Power Traders Press's Boiler Room Operations

71. In early to mid-2014, Erik Matz and Hardy founded Power Traders Press after leaving Elite Stock Research. Since at least 2014, Power Traders Press operates its boiler room out of its headquarters in Melville, New York. Erik Matz and Hardy control its operations. Erik Matz has trading authority over Power Traders Press's brokerage account at Broker-Dealer A and signatory authority over two of its bank accounts. Hardy has signatory authority over one of Power Traders Press's bank accounts. Erik Matz and Hardy manage the hiring and payment of Power Traders Press's employees. Erik Matz and/or Hardy have also been the primary contacts with the Orchestrator Defendants who hired Power Traders Press to promote certain securities, and they have coordinated payments between the Orchestrator Defendants and Power Traders Press.

72. The Orchestrator Defendants pay Power Traders Press in cash deposited to bank accounts controlled by Erik Matz and Hardy (or their affiliates), and through shares of the securities that Power Traders Press has been paid to promote. Erik Matz and Hardy transfer these trading profits into bank accounts that they (or their affiliates) controlled, and, at times, they withdrew large sums of cash from Power Traders Press's bank accounts. Between 2014 and

the present, Matz and Hardy have transferred \$3.9 million in profits from their fraudulent trading to accounts that they control.

73. As of December 2015, Power Traders Press's website claimed it offered "top notch, detailed, unbiased financial research," and on its affiliated website, MyStreetResearch.com, it claims to provide "unbiased stock recommendations that are accurate, detailed and objective." However, Power Traders Press operates as a boiler room, employing over 20 individuals to pump microcap securities via manipulative trading and strong-arm, fraudulent promotional activity. Since at least 2014, Power Traders Press inflated the prices of at least four securities, NWMH, CESX, HECC, and ICEIF, through aggressive promotional activity – including using over 20 telephone lines to make hundreds of thousands of calls – and executing hundreds of manipulative trades – including matched trades, wash trades, and by marking-the-close – to artificially inflate the price of the securities that Power Traders Press has been paid to promote. During this time period, Power Traders Press has received at least \$11 million in fraudulent proceeds, including more than \$5 million in trading profits and at least \$6 million in cash payments for promoting these securities.

74. Power Traders Press has used at least 14 trading accounts to execute the manipulative trades. Power Traders Press and its aliases such as Dacona Financial own certain of these accounts; others are registered in the names of individuals including Erik Matz, Antos, Hermann Matz, Kurtzke, Ballestas, and a relative of Heepke, but Power Traders Press controls these accounts, as they have been frequently accessed from Internet Protocol ("IP") addresses registered to Power Traders Press and/or its aliases.

75. Power Traders Press employees Antos, Cohen, Heepke, Ramirez, and Verderosa as "sales" personnel to aggressively promote securities as part of the pump-and-dump schemes

alleged in this Complaint. Since 2014, Antos, Cohen, Heepke, Ramirez, and Verderosa have called numerous victims, including sometimes from their personal cell phones, promoting at least NWMH, CESX, HECC, and ICEIF in furtherance of the pump-and-dump schemes and employed many of the strong-arm, fraudulent promotional activity alleged in this Complaint.

76. In addition, on numerous occasions, Antos, Heepke, and Erik Matz signed into their personal trading accounts through IP addresses registered to Dacona Financial, an alias of Power Traders Press, to engage in matched and wash trades of the securities promoted by Power Traders Press.

77. Since 2014, Power Traders Press has paid Antos, Cohen, Heepke, Ramirez, and Verderosa at least \$850,000 in salary and commissions.

78. At all times relevant to this Complaint, Power Traders Press, Antos, Cohen, Heepke, Ramirez, and Verderosa, were not registered in any capacity with the Commission. Nonetheless, Antos, Cohen, Heepke, Ramirez, and Verderosa were acting as brokers engaged in the business of effecting transactions in securities for the accounts of others. At all relevant times, they directly solicited potential investors to purchase securities, provided advice concerning the value of such securities and the advisability of investing in these securities, and received transaction-based compensation.

II. The CESX Scheme

79. CESX, formerly known as Green Living Concepts, Inc., was formed in 2010 and is headquartered in Crystal Springs, Florida. On November 1, 2013, Chartier was appointed Director of CESX, a position he still holds. CESX identified Lee as an investor contact in several press releases during the relevant period.

A. Lee and Chartier Acquired CESX Shares

80. On or around September 2013, Strategic Capital Markets, Lee, and Chartier began accumulating large quantities of CESX stock, including 1,925,000 restricted shares from CESX.

81. In December 2013, Lee and Chartier opened a brokerage account in the name of Strategic Capital Markets at Broker-Dealer A and, in January 2014, Lee opened a second account at Broker-Dealer A in the name of Type A Partners. Between January and March 2014, Lee and Chartier deposited more than 600,000 shares of CESX into the Strategic Capital Markets and Type A Partners accounts at Broker-Dealer A.

82. On January 2, 2014, Lee e-mailed Broker-Dealer A regarding the deposit of CESX shares, copying Chartier, and asked “what else is needed to get the stock cleared and the shares into the account so we can start putting some limit orders in and get the stock trading?” On March 14, 2014, Defendant Lee again e-mailed Broker-Dealer A and pressed the brokerage to deposit the shares quickly because “[w]e are starting a program and [would] be putting many orders in.”

B. In March 2014, Lee Engaged Elite Stock Research to Inflate CESX’s Stock Price

83. In March 2014, Lee, through Type A Partners, entered into an agreement with Vassallo, through Elite Stock Research, to raise “investor-awareness” concerning CESX. Pursuant to the agreement, Type A Partners gave Elite Stock Research 250,000 shares of CESX. In April 2014, Vassallo deposited 225,000 of the CESX shares into an account in the name of Elite Stock Research at Broker-Dealer A.

84. In the months leading up to March 2014, there was little, if any, trading in CESX stock. On March 12, 2014, the closing price of CESX was \$1.35 per share.

85. In March 2014, Elite Stock Research's trading account, controlled by Vassallo, executed a series of matched trades in CESX, sometimes involving Strategic Capital Markets, an entity controlled by Lee and Chartier, for the purpose of fraudulently generating market activity and inflating the price of CESX. For example:

- a. On March 21, 2014, at 2:36 p.m., Elite Stock Research purchased 50,000 shares of CESX for \$1.00 per share, and, at 2:46 p.m., Strategic Capital Markets sold 50,000 shares of CESX for \$0.97 per share. Over the next several days, Elite Stock Research engaged in numerous purchases and sales to drive up the price of CESX, and on March 26 and 27, 2014, Elite Stock Research engaged in several matched sales of these shares with its victims. This manipulative trading activity resulted in a fraudulent increase in the price of CESX stock and, by close of trading on March 27, 2014, CESX's stock had risen to \$2.40 per share.
- b. On April 8, 2014, between 9:22 a.m. and 2:02 p.m., Elite Stock Research entered 12 separate limit orders resulting in the purchase of 18,700 shares of CESX for between \$2.15 and \$2.47 per share. On the same date, between 9:18 a.m. and 2:33 p.m., Elite Stock Research entered nine separate limit orders resulting in the sale of a total of 54,225 shares of CESX for between \$2.00 and \$2.45 per share.

86. When engaging in this trading of CESX stock, Elite Stock Research, Vassallo, Lee, and Chartier knew, or were reckless in not knowing, that this closely coordinated trading in a thinly traded stock in accounts they controlled had no economic purpose, but was entered into

for the purpose of creating a false appearance of active trading and/or raising CESX's price to fraudulently induce others to trade in CESX stock as part of their scheme to defraud investors.

87. Elite Stock Research's manipulative trading was also coordinated with a fraudulent, strong-arm promotional campaign by Elite Stock Research that often targeted senior citizens and unsophisticated investors to purchase CESX. Elite Stock Research aggressively called victims to pressure them to purchase CESX. For example, Elite Stock Research called Victim A 29 times between March and April 2014, including three times on April 14, 2014, the date on which Victim A purchased 12,500 shares of CESX.

88. Vassallo and Hardy directly solicited victims while coordinating trading through Elite Stock Research's trading account. For example, between March and May 2014, Hardy persuaded Victim B to invest almost \$100,000 in CESX. On March 27, 2014, after speaking with Hardy, Victim B purchased 5,600 shares of CESX at 3:26 p.m., and, at the same time, Vassallo, through Elite Stock Research, sold 5,600 shares of CESX, followed by additional sales by Elite Stock Research that day that totaled 26,600 shares and yielded \$59,848 in trading proceeds.

89. While promoting CESX to Victim B, Hardy failed to disclose that Elite Stock Research had a financial interest in CESX. Hardy knew, or was reckless in not knowing, that his firm had such a financial interest and the purpose of his promotional activity was to inflate the price of CESX stock while his firm was selling it for a profit. Elite Stock Research also paid Hardy for these solicitations.

90. Hardy's omissions were material because they concealed his and Elite Stock Research's self-interests in recommending CESX stock, information a reasonable investor would want to know when deciding whether to purchase CESX stock.

91. Between March and May 2014, Elite Stock Research and Strategic Capital Markets executed more than 250 trades in CESX in an effort to artificially inflate the trading volume and price of the security, and Elite Stock Research and Strategic Capital Markets dumped more than 550,000 shares of CESX, generating millions of dollars in fraudulent profits.

92. This and other trading involving Elite Stock Research had dramatic effects on CESX's price and market volume. On March 26, 2014, for example, CESX closed at \$2.10 per share on trading volume of 78,840, an increase in volume of 1,300 percent from the previous day.

C. In Mid-2015, Lee Also Engaged Power Traders Press to Inflate CESX

93. Beginning in mid-2015, Lee paid Power Traders Press \$195,000 to, among other things, promote CESX stock.

94. By mid-2015, Power Traders Press, including Verderosa, solicited victims, including Victim C and Victim D, to purchase CESX, and closely coordinated those purchases with sales of CESX stock by Lee and Power Traders Press. For example, on August 26, 2015, Verderosa called Victim D at 10:22 a.m., and at 10:25 a.m., Victim D began purchasing shares of CESX. Similarly, Power Traders Press called Victim C at 9:59 a.m. and spoke with him until approximately 10:11 a.m. At 10:15 a.m., Victim C began purchasing shares of CESX. Victim C and Victim D purchased a total of 90,000 shares of CESX on August 26, 2015, representing more than 23 percent of the shares traded on that day. On the same day, Power Traders Press and Type A Partners sold 125,500 shares of CESX, reaping profits of over \$110,000.

95. To induce Victim D to purchase CESX securities between June 2015 and August 2016, Verderosa – who was the sole Power Traders Press employee who solicited Victim D – falsely claimed that the stocks recommended by Power Traders Press, including CESX, were

“guaranteed winners,” and that, if Victim D followed his advice, Victim D would make “a million dollars by Christmas.”

96. When making these statements, Verderosa knew, or was reckless in not knowing, that these statements were not true. Further, Verderosa never told Victim D that Power Traders Press had a financial interest in the shares of CESX or that the firm was selling the shares at the same time that he was inducing the victims to purchase those same shares. Power Traders Press also compensated Verderosa for promoting CESX stock.

97. The misrepresentations and omissions by Verderosa were material because they concerned the potential profitability of the stock and concealed his and the firm’s self-interest in recommending CESX stock, information a reasonable investor would want to know when deciding whether to purchase CESX stock.

D. Lee, Chartier, Vassallo, Elite Stock Research, and Power Traders Press Recognized Over \$1.9 Million in Illegal Profits Selling CESX Shares

98. Lee’s, Chartier’s, Vassallo’s, Elite Stock Research’s, and Power Traders Press’s manipulative trading and fraudulent promotional activity resulted in an artificial and significant increase in CESX’s share price. Between March 21 and May 20, 2014, for example, the price of CESX increased from \$1.50 to \$2.30 per share, before plummeting to a price of \$0.20 per share by the end of June 2014. And between August 12 and September 14, 2015, the price of CESX increased from \$0.60 to \$1.97 per share, before dropping to a price of \$0.38 per share by the end of December 2015.

99. Once the price of the stock was artificially inflated, Lee, Chartier, Vassallo, Elite Stock Research, and Power Traders Press dumped their shares into the market, generating millions of dollars in illegal profits. Between March and May 2014, Lee, Chartier, and Vassallo reaped over \$1 million in CESX trading profits. Between August and September 2015, Lee and

Power Traders Press generated more than \$15,000 and \$167,000, respectively, in illegal trading profits in CESX. In total, between 2014 and 2015, Lee, Chartier, Vassallo, Elite Stock Research, and Power Traders Press realized more than \$1.9 million in illicit trading profits, by selling more than 1.8 million shares of CESX.

III. The NWMH Scheme

100. NWMH, formerly known as Kopjaggers, Inc. (“Kopjaggers”), was incorporated in 2010 for the purpose of raising capital to buy and sell artwork. In 2014, Kopjaggers created a subsidiary that entered into a reverse merger with a waste management company, Sand/Land of Florida Enterprises, Inc., changed its name to NWMH, effected a five-to-one forward stock split, and ceased all operations related to buying and selling artwork.

101. In June 2014, effective on the closing date of the reverse merger, Defendant Chartier was appointed a Director, and in June 2015, he became President of NWMH.

A. Lee and Chartier Acquired NWMH Shares

102. Between 2014 and 2016, Lee and Chartier acquired more than 3.8 million shares of NWMH through private stock purchase agreements with NWMH. In exchange for some of these shares, Lee and Chartier agreed to provide “investor relations” services to the company through Strategic Capital Markets, an entity that they controlled. Also, in June 2014, Chartier entered into a stock purchase agreement with Kopjaggers Consulting LLC, whereby Chartier purchased more than 1.9 million shares of NWMH for \$29,235.

103. Lee and Chartier deposited the NWMH shares into accounts at Broker-Dealer A in the names of Type A Partners, Strategic Capital Markets, and Chartier.

B. Lee and Chartier Engaged Power Traders Press to Inflate NWMH's Stock Price

104. In early 2015, Lee and Chartier engaged Power Traders Press to promote NWMH. For its services, Power Traders Press received more than one million shares of NWMH, which it obtained through stock purchase agreements with Strategic Capital Markets, Type A Partners, and through private transactions with shareholders in which Lee acted as the “purchasers’ representative.” Power Traders Press received these NWMH shares at little or no cost.

105. Power Traders Press deposited its NWMH shares into brokerage accounts at Broker-Dealer A in the names of Power Traders Press, Dacona Financial, and Hermann Matz.

106. In the months leading up to February 2015, there was little trading in NWMH. In December 2014 and January 2015, for example, there was a total trading volume of only 21,800 shares in NWMH.

107. Starting in February 2015, Power Traders Press and Stephanie Lee began manipulative trading in NMWH, through accounts in the name of Dacona Financial, Kurtzke, Hermann Matz, Type A Partners, and others. In February 2015 alone, NMWH’s total trading volume ballooned to 733,172 shares.

108. In all, from February 2015 to February 2016, Power Traders Press, through brokerage accounts in the names of Hermann Matz and Kurtzke, purchased over 2.4 million shares of NMWH and sold over three million shares of NMWH using hundreds of small-lot transactions, buy and sell limit orders, and matched and wash trades for the sole purpose of fraudulently generating market activity and inflating NWMH’s share price. For example:

- a. On February 9, 2015, at 3:01 pm., Power Traders Press, through Hermann Matz’s brokerage account, purchased 4,500 shares of NWMH for \$1.00

per share, and, at the same time, it sold 4,500 shares of NMWH for \$1.00 per share through Kurtzke's brokerage account.

- b. On February 10, 2015, at 9:39 a.m., Power Traders Press, through Kurtzke's brokerage account, bought 8,300 shares of NWMH for \$1.00 per share, and, at the same time, Lee, through Type A Partners' account, sold the same number of shares at the same price.
- c. On March 23, 2015, at 2:15 p.m., Power Traders Press, through Hermann Matz's account, sold 4,500 shares of NWMH for \$1.62 per share and, at the same time, Power Traders Press, through Kurtzke's account, purchased the same number of shares at the same exact price.

109. When engaging in this trading of NWMH stock, Power Traders Press and Lee knew, or were reckless in not knowing, that this closely coordinated trading involving a thinly traded stock in accounts that they controlled had no economic purpose, but was entered into for the purpose of creating a false appearance of active trading and/or raising NWMH's price to fraudulently induce others to trade in NWMH stock as part of their scheme to defraud investors.

110. Power Traders Press's and Lee's manipulative trading was also coordinated with a fraudulent, strong-arm promotional campaign by Power Traders Press, including by Erik Matz, Heepke, and Verderosa, that targeted senior citizens and unsophisticated investors to purchase NWMH stock.

111. From February 2015 until February 2016, Power Traders Press, Erik Matz, Heepke, and Verderosa called numerous victims to purchase NWMH stock, and the victims' purchases were often matched with sales by certain Defendants in furtherance of the scheme. For example:

- a. On February 13, 2015, Erik Matz spoke with Victim E at 11:25 a.m., 12:27 p.m., and 12:58 p.m. At 12:53 p.m. and 12:57 p.m., in two transactions, Victim E purchased a total of 10,000 shares of NMWH. Also at 12:53 p.m. and 12:57 p.m., Power Traders Press, through Hermann Matz's and Kurtzke's accounts, almost exactly matched Victim E's purchase, with each account selling 5,000 shares of NWMH for the same price.
- b. On March 25, 2015, at 10:02 a.m., Power Traders Press called Victim F, who at 10:19 a.m. purchased 36,950 shares of NWMH for \$1.64 per share. Then at 2:27 p.m., Power Traders Press called Victim G who, between 2:29 p.m. and 3:16 p.m., purchased 13,050 shares of NWMH for between \$1.65 and \$1.67 per share. On this same day, Lee, Chartier, and Power Traders Press purchased and sold more than 125,000 shares of NMWH.
- c. From June to September 2015, Verderosa persuaded Victim D to purchase over 200,000 shares of NMWH. Power Traders Press and Verderosa coordinated many of Victim D's purchases with sales of NMWH from accounts under Power Traders Press's and Lee's control. For example, on June 26, 2015, Power Traders Press called Victim D several times, and at 12:31 p.m., Victim D purchased 5,000 shares of NWMH for \$1.73 per share. On or about that same time, Lee, through Type A Partners, sold 5,000 shares of NMWH for \$1.73 per share. Also on this day, Power Traders Press, through Hermann Matz's and Kurtzke's accounts, sold over 10,000 shares of NMWH.

- d. On November 16, 2015, at 9:28 a.m., Heepke called Victim H who, at 9:42 a.m., while still on the phone with Heepke, placed a limit order to purchase 21,500 shares of NWMH for \$1.24 per share. Only minutes later, at 9:56 a.m., Power Traders Press, through the Hermann Matz and Kurtzke accounts, engaged in a matched trade of 2,900 shares of NWMH at a price of \$1.27 per share.

112. When promoting NWMH stock to Victims D, E, F, G, and H, Power Traders Press, Heepke, Erik Matz, and Verderosa failed to disclose that Power Traders Press had a financial interest in NWMH. Power Traders Press, Heepke, Erik Matz, and Verderosa knew, or were reckless in not knowing, that Power Traders Press had such a financial interest and the purpose of their promotional activity was to inflate the price of NWMH stock while the firm was selling it for a profit. Lee, Chartier, and/or Power Traders Press paid Heepke, Erik Matz, and Verderosa for promoting NWMH stock.

113. These omissions were material because they concealed Power Traders Press's, Heepke's, Erik Matz's, and Verderosa's self-interests in recommending NWMH stock, information a reasonable investor would want to know when deciding whether to purchase NWMH stock.

114. Antos was also working for Power Traders Press at the time, and she made material misstatements to investors when promoting NWMH. In or around December 2015, Antos promoted NWMH to Victim I by stating that the price of NWMH would increase to between \$3.00 and \$5.00 per share. On January 20, 2016, Victim I purchased 1,000 shares of NWMH.

115. When making this statement, Antos knew, or was reckless in not knowing, that it was not possible to guarantee that a stock will increase in price. Further, Antos knew that Power Traders Press paid her to promote NWMH and other microcap stocks in which the firm had a financial interest, such that she could not have not reasonably or genuinely believed that his statement to Victim I was true.

116. Antos's misstatement was material because it concerned the expected value of NWMH's stock, information a reasonable investor would want to know when deciding whether to purchase NWMH stock.

117. While Power Traders Press was pumping NWMH stock, Lee and Chartier were conducting their own promotional activity for NWMH through Internet television programs and news releases. For example, an Internet television program featuring Chartier disseminated three newsletters about his appearances from February to April 2015. In addition, a NWMH press release, issued on March 5, 2015, identified Lee as NWMH's investor contact.

118. In addition, in October 2015, Strategic Capital Markets paid \$10,000 to an investor relations firm, and on November 16, 2015, NWMH issued a press release announcing its financial results for the third quarter of 2015 and providing a business update. On that day, at 9:28 a.m., Power Traders Press called Victim H who, at 9:42 a.m., while still on the phone with Power Traders Press, placed a limit order to purchase more than 21,500 shares of NWMH for \$1.24 per share. Only minutes later, at 9:56 a.m., Power Traders Press, through the Hermann Matz and Kurtzke accounts, sold 2,900 shares of NWMH at a price of \$1.27 per share.

119. As a result of this promotional activity and manipulative trading on November 16, 2015, NWMH's trading volume was 338,625 shares, an increase of 1,375 percent from the

previous day, and between November 16 and November 18, 2015, the price of NWMH increased from \$1.22 to \$1.41 per share.

120. Furthermore, Chartier and Lee communicated regularly with Erik Matz and Power Traders Press throughout the time Power Traders Press was pumping NWMH stock. On several occasions, these communications corresponded with matched trading among these parties. For example, on September 30, 2015, Chartier and Power Traders Press exchanged phone calls at 2:35 p.m. and 2:37 p.m. That same day, Power Traders Press, through Kurtzke's account, and Lee and Chartier, through Strategic Capital Markets' account, engaged in matched trading with Power Traders Press's victims' purchases of NWMH, including a matched trade between Victims J and K and Strategic Capital Markets at 3:13 p.m.

121. When engaging in this trading of NWMH stock, Power Traders Press, Lee, and Chartier knew, or were reckless in not knowing, that this closely coordinated trading involving a thinly traded stock in accounts that they controlled had no economic purpose, but was entered into for the purpose of creating a false appearance of active trading and/or raising NWMH's price to fraudulently induce others to trade in NWMH stock as part of the scheme to defraud investors.

C. Lee, Chartier, and Power Traders Press Recognized Over \$5 Million in Illegal Profits Selling NWMH Shares

122. Between February 1, 2015 and February 5, 2016, Lee, Chartier, and Power Traders Press, realized over \$5 million in fraudulent trading profits through the sale of over 3.6 million shares of NWMH.

123. Between February 2015 and February 5, 2016, NWMH's share price fluctuated between \$0.99 and \$1.85. By the end of February 2016, however, the scheme had concluded, and NWMH's share price plummeted to \$0.45 per share.

IV. The HECC Scheme

124. At all relevant times, HECC, formerly known as Duma Energy Corp., was an oil-and-gas company headquartered in Houston, Texas, and traded on the OTC Bulletin Board. Between 2010 and 2016, Watts's brother controlled HECC and served as its chairman, chief executive officer, and chief financial officer.

A. In 2014, Isen, Watts, and Gleckman Acquired HECC Shares

125. In mid-2014, Watts and Gleckman acquired large blocks of HECC shares through entities that they controlled. Geoserve Marketing LLC ("Geoserve Marketing"), which was controlled solely by Watts, and Snap or Tap Productions, which was controlled solely by Gleckman, acquired HECC shares via consulting agreements with HECC. Isen assisted Gleckman in depositing HECC shares into Gleckman's brokerage account, and also acquired shares for himself via a June 1, 2014 agreement between Isen's entity, Marketbyte, and Geoserve Marketing.

B. Isen, Watts, and Gleckman Engaged Power Traders Press to Inflate HECC's Stock Price

126. Starting in or about August 2014, Watts, through Geoserve Marketing, engaged Power Traders Press to promote HECC's stock through several agreements whereby Geoserve Marketing gave 625,000 HECC shares and \$660,000 to Power Traders Press in exchange for the firm's consulting services. In addition, Gleckman paid Power Traders Press approximately \$350,000 for purported "PR services" related to HECC stock. Isen also facilitated Power Traders Press's receipt and deposit of HECC shares into brokerage accounts at Broker-Dealer A.

C. Isen, Watts, Gleckman, and Power Traders Press Fraudulently Promoted and Manipulated the Price of HECC Stock

127. Between approximately mid-2014 and February 2016, Power Traders Press, through Verderosa and others, engaged in a fraudulent campaign to promote HECC stock that

involved calls to thousands of potential victims, and it artificially inflated the price of HECC through matched and wash trades designed to make it appear that the stock was actually trading at a higher price and volume.

128. Trading records reflect over 100 examples of Power Traders Press's matched or washed trades in HECC shares. For example, on October 14, 2015, between 9:34 a.m. and 3:03 p.m., Power Traders Press, through Hermann Matz's account, entered 15 orders to purchase a total of 7,000 shares of HECC and five orders to sell a total of 7,000 shares of HECC.

129. Watts also engaged in washed trading of HECC through two brokerage accounts that he controlled. For example, on June 12, 2014, at 3:53 p.m., Watts sold 800 shares of HECC for \$4.15 per share through an account held at Broker-Dealer B. Three minutes later, Watts purchased 105 shares for \$4.24 per share through an account held at Broker-Dealer C.

130. When engaging in this trading of HECC stock, Power Traders Press and Watts knew, or were reckless in not knowing, that this closely coordinated trading involving a thinly traded stock in accounts that they controlled had no economic purpose, but was entered into for the purpose of creating a false appearance of active trading and/or raising HECC's price to fraudulently induce others to trade in HECC stock as part of the scheme to defraud investors.

131. This manipulative trading of HECC stock was coordinated with a fraudulent promotional campaign by Power Traders Press, including through Antos, Heepke, Hardy, and Verderosa. For example:

- a. On September 9, 2015, Verderosa called Victim D and spoke with her from 11:04 to 11:11 a.m. At 11:08 a.m., Victim D purchased 4,100 shares of HECC for \$1.52 a share while – at the same time – Power Traders Press sold the same amount of shares at the exact price from the Kurtzke account.

- b. In November 2015, Hardy called Victim L and recommended HECC. On November 16, 2015, Hardy wrote to Victim L, “As per our discussion definitely get some HECC limit \$1.03. Let me know how much you pick up. I like to keep good notes, so I know exactly how much were [sic] making you.” Victim L responded: “I put a limit order in for 1000 shares at \$1.03. I’ll pick up a couple more thousand shares tomorrow too. I need to shift some funds into my trading account.” That same day, Power Traders Press, through the Hermann Matz and Kurtzke accounts, bought 44,400 shares of HECC and sold 36,800 shares of HECC.
- c. On November 24, 2015, at 9:27 a.m., Heepke called Victim H and spoke with him until 9:51 a.m. Between 9:51 a.m. and 12:29 p.m., Victim H purchased 55,000 shares of HECC for between \$0.99 and \$1.00 per share. At the same time, between 9:30 a.m. and 3:59 p.m., Power Traders Press, through the Hermann Matz and Kurtzke accounts, purchased and sold more than 50,000 shares of HECC. The next day, Victim H purchased an additional 25,800 HECC shares for between \$1.24 and \$1.38 per share, and the Hermann Matz and Kurtzke accounts purchased and sold over 40,000 shares for between \$1.04 and \$1.39 per share.
- d. On December 17, 2015, Antos called Victim M, after which Victim M purchased 5,000 shares of HECC for between \$1.65 and \$1.68 per share. On the same date, Power Traders Press, through the Hermann Matz and Kurtzke accounts, engaged in seven separate transactions in HECC,

including at 3:34 p.m., when Kurtzke bought 1,300 shares for \$1.67 per share and Hermann Matz sold 1,300 shares of HECC for \$1.67 per share.

132. While promoting HECC stock and, in some cases, ensuring the precise amount of stock that their victims' purchased, Power Traders Press, Antos, Heepke, Hardy, and Verderosa knew, or were reckless in not knowing, that Power Traders Press was engaging in manipulative trading in the same stock they were promoting. These Defendants knew, or were reckless in not knowing, that Power Traders Press paid them for promoting HECC stock, that the purpose of their promotional activity was to create market activity for HECC as well as inflate the price, and, on many occasions, contemporaneously sell it for a profit. These Defendants failed to disclose Power Trader Press' financial interests in HECC to Victims D, H, L, and M. Power Traders Press also compensated Antos, Heepke, Hardy, and Verderosa for promoting HECC stock.

133. These omissions by Power Traders Press, Antos, Heepke, Hardy, and Verderosa were material because they concealed their and the firm's self-interests in recommending HECC stock, information a reasonable investor would want to know when deciding whether to purchase HECC stock.

134. Power Traders Press, Erik Matz, Watts, and Gleckman also coordinated its HECC sales with Power Traders Press' fraudulent promotional campaign. From August 2014 through February 2016, trading records reveal dozens of examples where accounts controlled by Watts and Gleckman sold HECC shares at the same time that Power Traders Press was engaging in a fraudulent promotional campaign, including sales that coordinated with Verderosa's solicitations of Victim D. For example:

- a. On August 31, 2015, at 2:00 p.m., Power Traders Press called Victim E, who, at 2:20 p.m., placed a buy limit order to purchase 450 shares of HECC for \$1.75 per share. At 2:39 p.m., Erik Matz spoke with Watts. Shortly thereafter, at 3:01 p.m., Watts sold 600 shares of HECC at the same time and price that Victim E purchased HECC shares.
- b. On August 31, 2015, at 2:53 p.m., Power Traders Press called Victims N and O who placed a buy limit order to purchase 5,000 shares of HECC. Within an hour, at approximately 3:51 p.m., Gleckman sold 5,000 shares of HECC to Victims N and O for \$1.77 per share.

144. When engaging in this trading of HECC stock, Power Traders Press, Watts, Gleckman, and Matz knew, or were reckless in not knowing, that this closely coordinated trading in a thinly traded stock through accounts they controlled had no economic purpose, but was entered into for the purpose of creating a false appearance of active trading and/or raising the price of HECC's stock to fraudulently induce others to trade in HECC stock as part of the scheme to defraud investors.

135. By April 2016, following this manipulative trading campaign, the share price of HECC ultimately dropped to less than \$0.10 per share. During this time, Power Traders Press actively dissuaded victims from selling their HECC stock. For example, on April 11, 2016, when Victim E expressed concern that the share price of HECC was \$0.07 and his investment had lost 96.13 percent of its value, Erik Matz wrote, "HECC is def. recoverable . . . [they] are still sitting on 3 million barrels in proven reserves or \$120 mill at today['s] oil prices... IMO this may be the buy of a lifetime down here."

136. Although Erik Matz controlled Power Traders Press, he failed to tell Victim E that the firm paid him for promoting HECC stock or that the firm had a financial interest in the stock.

137. When soliciting Investor E, Erik Matz knew, or was reckless in not knowing, that HECC was not the “buy of a lifetime,” and that he was promoting HECC stock because he was compensated for promoting the stock. Erik Matz controlled Power Traders Press, a boiler room used as part of the scheme to defraud investors that was manipulating the share price of HECC, and he was paid to promote the security. Erik Matz did not reasonably or genuinely believe that his statement was true.

138. Erik Matz’s misrepresentations and omissions were material because they involved the expected profitability of HECC and concealed his and Power Traders Press’s self-interests in recommending HECC stock, information a reasonable investor would want to know when deciding whether to purchase HECC stock.

D. Watts, Isen, Gleckman, and Power Traders Press Received Over \$2 Million in Illegal Profits Selling HECC Shares

139. Power Traders Press’s, Antos’s, Hardy’s, Gleckman’s, Isen’s, Erik Matz’s, Verderosa’s, and Watts’s fraudulent promotional activity and manipulative trading artificially inflated the share price of HECC. For example, between April 10, 2015, and December 9, 2015, HECC stock increased from \$0.45 per share to \$1.83 per share, with a peak price of \$2.53 on November 30, 2015, before HECC filed for bankruptcy and the share price dropped to \$0.01 per share by mid-2016.

140. While the price of HECC stock was fraudulently inflated, Watts, Isen, Gleckman, Power Traders Press, and Erik Matz sold a significant amount of their shares into the market, generating a substantial profit. In addition to receiving more than \$1 million in cash

compensation from Geoserve Marketing and Gleckman, Power Traders Press realized approximately \$175,000 in illegal trading profits by selling 175,000 shares of HECC between March and August 2015. Between 2014 and 2016, Watts realized over \$800,000 in HECC trading profits; Gleckman and his entity Snap or Tap Productions realized approximately \$675,000 in HECC trading profits; and Isen and his entity Marketbyte realized over \$350,000 in HECC trading profits. Erik Matz realized approximately \$13,000 in trading profits by selling almost 25,000 shares of HECC between November 2015 and January 2016. Collectively, Watts, Isen, Gleckman, Power Traders Press, and Erik Matz realized over \$2 million in fraudulent trading profits in HECC.

V. The ICEIF Scheme

141. ICEIF is a publicly traded OTC issuer headquartered in Toronto, Ontario. According to its press statements, ICEIF is an “emergent Media and Internet company that focuses on the experience of the website user.”

A. Isen Directed ICEIF Trades to Generate Money for Promotional Scheme

142. In early 2016, Isen coordinated the trading of large quantities of ICEIF shares in Canadian brokerage accounts in the names of several foreign entities. Canadian Resident A holds trading authority over several of these accounts. Initially, Isen sought to trade directly in the accounts controlled by Canadian Resident A, but on March 2, 2016, Broker-Dealer D denied Canadian Resident A’s request to add Isen as an authorized trader. Denied direct trading authority, Isen, through Canadian Resident A, instead directed several trades in ICEIF that resulted in enormous profits.

B. Isen Engaged Power Traders Press to Inflate ICEIF’s Stock Price

144. Between February 25, 2016, and March 4, 2016, Isen and Power Traders Press exchanged drafts of an ICEIF company profile in preparation for Power Traders Press to promote

ICEIF stock. Isen paid Power Traders Press for its promotional activities from his trading profits in the Canadian accounts. On March 16, 2016, bank accounts in the name of Canadian Resident A paid \$224,690 to Isen's entity, Marketbyte. On March 17, 2016, Isen wired \$76,500 to Power Traders Press and \$126,000 to Power Traders Press's affiliate Joseph Matz. Other examples of this payment stream include:

- a. On March 22, 2016, Canadian Resident A paid Marketbyte \$45,460 and on March 23, 2016, Isen wired \$40,950 to Joseph Matz.
- b. On March 30, 2016, Canadian Resident A paid Marketbyte \$43,260 and on March 31, 2016, Isen wired \$39,000 to Power Traders Press.
- c. On or about April 6, 2016, Canadian Resident A paid Marketbyte \$46,960 and on April 7, 2016, Marketbyte wired \$42,300 to Joseph Matz.
- d. This pattern of weekly payments in varying amounts between Isen's entity Marketbyte and Power Traders Press and its affiliates continued through at least September 2016. On average, Marketbyte's payments to Power Traders Press and its affiliates amounted to approximately 90 percent of the payments Marketbyte received from Canadian Resident A.

145. ICEIF was a thinly traded stock before Power Traders Press's promotional campaign began. In the two weeks leading up to March 7, 2016, its total trading volume was less than 2,000 shares.

146. Beginning on March 7, 2016, shortly after being engaged by Isen, Power Traders Press began using at least five brokerage accounts to manipulate ICEIF's stock price and volume, including accounts in the names of Hermann Matz, Kurtzke, Ballestas, and Antos. Power Traders Press controlled these five accounts, and on March 7, 2016, began purchasing and

selling large blocks of ICEIF stock on the open market. On March 7, 2016, the trading volume of ICEIF spiked to 158,169 shares.

147. Between March 7, 2016 and July 25, 2016, Power Traders Press purchased more than 600,000 shares of ICEIF stock and sold more than 550,000 shares of ICEIF in hundreds of separate transactions. Power Traders Press's trades included repeated purchases and sales of ICEIF in small lots, matched trades with its victims' purchases, and wash trades to artificially inflate the price of the stock.

148. For example, by March 2016, Victim H gave Heepke the login information for Victim H's online brokerage account. On March 7, 2016, at 1:23 p.m., Heepke, logged into Victim H brokerage account from an IP address registered to Power Traders Press. At 1:28 p.m., 1:33 p.m., and 1:35 p.m., Heepke placed limit orders in Victim H's account, resulting in the purchase of 9,600 shares of ICEIF for over \$11,000 in Victim H's account. At 2:15 p.m., Heepke placed an additional limit order in Victim H's account to buy 5,995 shares of ICEIF for \$1.45 per share. Simultaneously, Power Traders Press, through the Hermann Matz account, placed a limit order to sell 6,000 shares of ICEIF at 2:16 p.m. At 2:16 p.m., Victim H purchased 5,995 shares of ICEIF from Hermann Matz.

149. Power Traders Press also artificially inflated the price of ICEIF by marking-the-close, buying shares near the close of the market at 4:00 p.m., and executing matched trading between the firm and Antos. For example, on June 7, 2016, Power Traders Press, through Kurtzke's account, made the following purchases of ICEIF near the 4:00 p.m. close, resulting in an substantial increase in the closing price of the stock:

Time	Quantity	Price
3:42:38 p.m.	2,000 shares	\$1.9577
3:48:07 p.m.	2,800 shares	\$2.0500
3:59:38 p.m.	500 shares	\$2.2000
3:59:41 p.m.	100 shares	\$2.3000
3:59:46 p.m.	100 shares	\$2.3000
3:59:49 p.m.	800 shares	\$2.2770

150. Antos engaged in matched trading in ICEIF. On September 19, 2016, at 9:46 a.m., Power Traders Press, through Ballestas' brokerage account, purchased 459 shares of ICEIF at \$0.48 per share and Antos sold 459 shares of ICEIF at \$0.48 per share.

151. When engaging in this trading of ICEIF stock, Power Traders Press and Antos knew, or were reckless in not knowing, that this closely coordinated trading in a thinly traded stock through accounts they controlled had no economic purpose, but was entered into for the purpose of creating a false appearance of active trading and/or raising the price of ICEIF's stock to fraudulently induce others to trade in ICEIF stock as part of the scheme to defraud investors.

152. At the start of the manipulation scheme, on March 7, 2016, Power Traders Press, including Heepke, Verderosa, Ramirez, and Cohen, also began a fraudulent, strong-arm promotional campaign to promote the sale of ICEIF stock to potential investors. For example:

- a. On March 10, 2016, a Power Traders Press representative using a fake name, "John Gold," called Victim N. "Gold" followed up with an e-mail recommending ICEIF, telling Victim N to "put a limit to buy this one at \$1.63 you'll be glad you did." Victim N responded that he bought 1,000 shares at \$1.65.
- b. On April 29, 2016, Verderosa e-mailed Victim O regarding ICEIF and told her that his clients "are building BIG positions in this" and that she should contact him "BEFORE you buy it I will explain when you call!"

- c. On May 27, 2016, Ramirez called Victim P. Ramirez told Victim P to purchase ICEIF, and, while on the phone with Ramirez, Victim P purchased 5,000 shares of ICEIF at \$2.13 per share.
- d. On July 25, 2016, while on the phone with Cohen, Victim Q purchased 6,000 shares of ICEIF for \$0.90 a share at the same time that Power Traders Press, through the Hermann Matz account, sold the same amount of shares at the same price.
- e. On August 17, 2016, Cohen called Victim R six times between 8:34 a.m. and 10:29 a.m. at which time Victim R purchased 5,000 shares of ICEIF.

153. Power Traders Press also employed strong-arm tactics to induce investors to purchase and hold ICEIF stock. For example, Heepke told one victim who called to complain about ICEIF's value, "I am tired of hearing from you. Do you have any rope at home? If so tie a knot and hang yourself or get a gun and blow your head off."

154. Power Traders Press, Heepke, Verderosa, Ramirez, and Cohen never told Victims N, O, P, Q, and R that Power Traders Press had a financial interest in the shares of ICEIF, that the firm was selling ICEIF shares at the same time that they were inducting these victims to purchase those same shares, or that Powers Traders Press paid Heepke Verderosa, Ramirez, and Cohen received compensation for promoting ICEIF stock.

155. The omissions of Power Traders Press, Heepke, Verderosa, Ramirez, and Cohen were material because they concealed their self-interests in recommending ICEIF stock, information a reasonable investor would want to know when deciding whether to purchase ICEIF stock.

156. In addition to omitting material facts from their promotional activity, Power Traders Press, Ramirez and Cohen made material misrepresentations to investors as part of their aggressive cold-calling campaign.

157. In or around April 2016, when encouraging Victim P to purchase ICEIF, Ramirez misrepresented that Power Traders Press was paid based on the sale of its “advisory services,” and failed to disclose that he received transaction-based compensation.

158. When making these misstatements and failing to disclose material information, Ramirez knew, or was reckless in not knowing, that he was misleading Victim P. During the relevant period, Ramirez received periodic paychecks from Power Traders Press that, at least at times, expressly indicated that the payment was for “commissions.”

159. In September 2016, Cohen, using the alias “Ian Grant,” misrepresented to Victim R that “I put Twitter out as an OTC 8 years ago,” and claimed that ICEIF had “all the makings that a Twitter has and then some.” Cohen also misrepresented to Victim R that “Disney [had] bought into ICEIF” and that it “had agreed to pick up 442,570 shares,” and that “with Disney backing them [ICEIF] now has got a lot of potential to go to two [dollars] very quickly.” Cohen, who was 33 years old at the time, also claimed that he had 21 years of brokerage experience.

160. When making these statements, Cohen knew, or was reckless in not knowing, that his statements about Twitter and Disney were not true. He also used a false name to conceal his true identity from those he was defrauding. Finally, he was only 33 years old at the time of his calls, and thus could not have reasonably worked as a broker for 21 years.

161. Cohen’s and Ramirez’s misrepresentations were material because they concerned the nature, investment returns, and Cohen’s, Ramirez’s, and Power Traders Press’s self-interests

in recommending ICEIF stock, information a reasonable investor would want to know when deciding whether to purchase NWMH stock.

162. Throughout Power Traders Press's promotion of ICEIF stock in 2016, Isen communicated frequently with Power Traders Press by calling and emailing Erik Matz about the trading activity. For example, on May 18, 2016, Isen sent Erik Matz the record of an internet chat involving discussions about increasing the price of ICEIF shares, and "confirm[ing] the limit" price of ICEIF sales.

C. The ICEIF Scheme Generated More Than \$7.8 Million in Illegal Profits

163. From March 7 to September 15, 2016, the share price of ICEIF fluctuated between \$0.91 and \$2.29 per share and, on some days, more than 50 percent of the trading volume in ICEIF was attributable to Power Traders Press's promotional activity. At the end of this promotional activity, the share price plummeted. By January 2017, ICEIF closed at \$0.11 a share.

164. From March 7 to at least September 15, 2016, Isen reported that trading from various brokerage accounts generated at least \$7.8 million in trading profits from the sale of over 5 million shares of ICEIF.

165. Between March 16, 2016 and December 15, 2016, Canadian Resident A wired Isen more than \$3.5 million generated from ICEIF trading profits during Power Traders Press's promotion of the stock.

166. During this same time, Isen paid Power Traders Press and its affiliates at least \$3.5 million generated from ICEIF trading profits in Canada.

167. Isen, through Marketbyte, diverted these payments to multiple bank accounts, including the following entities controlled by Hardy: Trademasters Consulting, Revolving Ventures, Terryville Systems, and Gabron. Isen, through Marketbyte, also funneled additional

payments to other Power Traders Press affiliates, including Joseph Matz and his entity Big Little Consulting, Ballestas and her entity BC Ball, Inc. Mystreetresearch.com Inc., and Trademasterspro.com.

FIRST CLAIM FOR RELIEF

Violations of Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) Thereunder

(Power Traders Press, Elite Stock Research, Antos, Chartier, Cohen, Gleckman, Hardy, Heepke, Isen, Lee, Erik Matz, Vassallo, Verderosa, and Watts)

168. The Commission realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 167 as if fully set forth herein.

169. By engaging in the acts and conducts alleged in this Complaint, Power Traders Press, Elite Stock Research, Antos, Chartier, Cohen, Gleckman, Hardy, Heepke, Isen, Lee, Erik Matz, Vassallo, Verderosa, and Watts, in connection with the purchase or sale of securities, directly or indirectly, singly or in concert, by the use of the means or instrumentalities of interstate commerce, or of the mails, or of the facilities of a national securities exchange, with scienter, have employed devices, schemes, and artifices to defraud, and have engaged in transactions, acts, practices, and courses of business which operated as a fraud or deceit.

170. By reason of the foregoing, Power Traders Press, Elite Stock Research, Antos, Chartier, Cohen, Gleckman, Hardy, Heepke, Isen, Lee, Erik Matz, Vassallo, Verderosa, and Watts, directly or indirectly, singly or in concert, have violated, and unless enjoined will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(a) and (c) thereunder [17 C.F.R. § 240.10b-5(a) and (c)].

SECOND CLAIM FOR RELIEF

Violations of Section 10(b) and Rule 10b-5(b) of the Exchange Act

**(Power Traders Press, Elite Stock Research, Antos,
Cohen, Hardy, Heepke, Erik Matz, Ramirez, and Verderosa)**

171. The Commission realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 167 as if fully set forth herein.

172. Since at least March 2013, Power Traders Press, Elite Stock Research, Antos, Cohen, Hardy, Heepke, Erik Matz, Ramirez, and Verderosa, in connection with the purchase or sale of securities, directly and 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 as alleged in this Complaint, knowingly, willfully or recklessly made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

173. By reason of the foregoing, Power Traders Press, Elite Stock Research, Antos, Cohen, Hardy, Heepke, Erik Matz, Ramirez, and Verderosa, directly and indirectly violated, and, unless enjoined, will to continue to violate, Section 10(b) and Rule 10b-5(b) of the Exchange Act [15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5(b)].

THIRD CLAIM FOR RELIEF

Violations of Sections 17(a)(1) of the Securities Act

**(Power Traders Press, Elite Stock Research, Antos, Chartier, Cohen, Gleckman,
Hardy, Heepke, Isen, Lee, Erik Matz, Vassallo, Verderosa, and Watts)**

174. The Commission realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 167 as if fully set forth herein.

175. From at least March 2013 through the present, Power Traders Press, Elite Stock Research, Antos, Chartier, Cohen, Gleckman, Hardy, Heepke, Isen, Lee, Erik Matz, Vassallo,

Verderosa, and Watts, directly or indirectly, singly or in concert, in the offer and sale of any securities, by the use of the means and instruments of transportation and communication in interstate commerce and of the mails, knowingly or with reckless disregard for the truth employed devices, schemes or artifices to defraud.

176. By reason of the foregoing, Power Traders Press, Elite Stock Research, Antos, Chartier, Cohen, Gleckman, Hardy, Heepke, Isen, Lee, Erik Matz, Vassallo, Verderosa, and Watts, directly or indirectly, singly or in concert, have violated, and unless enjoined will continue to violate, Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

FOURTH CLAIM FOR RELIEF

Violations of Section 17(a)(3) of the Securities Act

**(Power Traders Press, Elite Stock Research, Antos, Chartier, Cohen,
Gleckman, Hardy, Heepke, Isen, Lee, Erik Matz, Vassallo, Verderosa, and Watts)**

177. The Commission realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 167 as if fully set forth herein.

178. From at least March 2013 through the present, Power Traders Press, Elite Stock Research, Antos, Chartier, Cohen, Gleckman, Hardy, Heepke, Isen, Lee, Erik Matz, Vassallo, Verderosa, and Watts, directly or indirectly, singly or in concert, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, negligently engaged in transactions, practices and courses of business which operated or would have operated as a fraud or deceit upon the purchasers and prospective purchasers of such securities.

179. By reason of the foregoing, Power Traders Press, Elite Stock Research, Antos, Chartier, Cohen, Gleckman, Hardy, Heepke, Isen, Lee, Erik Matz, Vassallo, Verderosa, and

Watts, directly or indirectly, singly or in concert, have violated and unless enjoined will continue to violate Sections 17(a)(3) of the Securities Act [15 U.S.C. § 77q(a)(3)].

FIFTH CLAIM FOR RELIEF

Violations of Section 17(a)(2) of the Securities Act

**(Power Traders Press, Elite Stock Research, Antos,
Cohen, Hardy, Heepke, Erik Matz, Ramirez, and Verderosa)**

180. The Commission realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 167 as if fully set forth herein.

181. Since at least March 2013, Power Traders Press, Elite Stock Research, Antos, Cohen, Hardy, Heepke, Erik Matz, Ramirez, and Verderosa, directly and indirectly, knowingly or recklessly, singly or in concert in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce and by the use of the mails, in the offer or sale of securities, with scienter have obtained money or property by means of untrue statements of material facts and omissions to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading.

182. By reason of the foregoing, Power Traders Press, Elite Stock Research, Antos, Cohen, Hardy, Heepke, Erik Matz, Ramirez, and Verderosa, directly and indirectly violated, and, unless enjoined, will continue to violate, Section 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)].

SIXTH CLAIM FOR RELIEF

Violations of Section 15(a) of the Exchange Act

(Antos, Cohen, Hardy, Heepke, Erik Matz, Ramirez, Vassallo, and Verderosa)

183. The Commission realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 167 as if fully set forth herein.

184. From certain times starting as early March 2013 through the present, Antos, Cohen, Hardy, Heepke, Erik Matz, Ramirez, Vassallo, and Verderosa, while acting as brokers engaged in the business of effecting transactions in securities for the account of others 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 or sale of, a security without being registered in accordance with Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

185. By reason of the foregoing, Antos, Cohen, Hardy, Heepke, Erik Matz, Ramirez, Vassallo, and Verderosa have violated and, unless enjoined, will continue to violate, Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

SEVENTH CLAIM FOR RELIEF

Violations of Section 9(a)(1) of the Exchange Act

(Power Traders Press, Elite Stock Research, Antos, Chartier, Gleckman, Heepke, Lee, Erik Matz, Vassallo, and Watts)

186. The Commission realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 167 as if fully set forth herein.

187. Since at least March 2013, Power Traders Press, Elite Stock Research, Antos, Chartier, Gleckman, Heepke, Lee, Erik Matz, Vassallo, and Watts, directly or indirectly, singly or in concert, by use of the means or instruments of transportation or communication in, or the means or instrumentalities of, interstate commerce or by the use of the mails, knowingly or recklessly, and for the purpose of creating a false or misleading appearance of active trading in securities or a false or misleading appearance with respect to the market for such securities, (a) have effected transactions in such securities which involved no change in the beneficial ownership thereof; (b) have entered an order or orders for the purchase of such securities with the knowledge that an order or orders of substantially the same size, at substantially the same

time, and at substantially the same price, for the sale of any such securities, had been or would be entered by or for themselves or different parties; and/or (c) have entered, are entering, or are about to enter an order or orders for the sale of such securities with the knowledge that an order or orders of substantially the same size, at substantially the same time, and at substantially the same price, for the purchase of such securities had been or would be entered by or for themselves or different parties.

188. By reason of the foregoing, Power Traders Press, Elite Stock Research, Antos, Chartier, Gleckman, Heepke, Lee, Erik Matz, Vassallo, and Watts, have violated, are violating, and unless restrained and enjoined, will again violate Section 9(a)(1) of the Exchange Act [15 U.S.C. §78i(a)(1)].

EIGHTH CLAIM FOR RELIEF

Violations of Section 9(a)(2) of the Exchange Act

(Power Traders Press and Elite Stock Research)

189. The Commission realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 167 as if fully set forth herein.

190. From at least March 2013 through the present, Power Traders Press and Elite Stock Research, directly or indirectly, by the use of the mails or any means or instrumentality of interstate commerce, or of any facility of any national securities exchange, with specific intent, effected, alone or with other persons, a series of transactions in a security other than a government security or in connection with any security-based swap agreement with respect to such security creating actual or apparent active trading in such security, for the purpose of inducing the purchase or sale of such security by others.

191. By reason of the foregoing, Power Traders Press and Elite Stock Research, have violated, are violating, and unless restrained and enjoined, will again violate Section 9(a)(2) of the Exchange Act [15 U.S.C. § 78i(a)(2)].

NINTH CLAIM FOR RELIEF

Unjust Enrichment

(Antos Inc., BCBall, Big Little Consulting, Dacona Financial, DJV Enterprises, Gabron, Leecorp, Marketbyte, MKKMMKKM, MyStreetResearch.com, Price Point Consulting, PTP Construction, Revolving Ventures, RKRK, Snap or Tap Productions, Soccerserge, Strategic Capital Markets, Terryville Systems, TradeMasters Consulting, TradeMastersPro.com, Trek Partners, Type A Partners, Acosta, Ballestas, Kurtzke, Hermann Matz, and Joseph Matz)

192. The Commission realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 167 as if fully set forth herein.

193. Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)] states: “In any action or proceeding brought or instituted by the Commission under any provision of the securities laws, the Commission may seek, and any Federal court may grant, any equitable relief that may be appropriate or necessary for the benefit of investors.”

194. As alleged in this Complaint, Antos Inc., BCBall, Big Little Consulting, Dacona Financial, DJV Enterprises, Gabron, Leecorp, Marketbyte, MKKMMKKM, MyStreetResearch.com, Price Point Consulting, PTP Construction, Revolving Ventures, RKRK, Snap or Tap Productions, Soccerserge, Strategic Capital Markets, Terryville Systems, TradeMasters Consulting, TradeMastersPro.com, Trek Partners, Type A Partners, Acosta, Ballestas, Kurtzke, Hermann Matz, and Joseph Matz received funds and property that were the proceeds, or are traceable to the proceeds, of the Defendants’ Federal securities law violations that are alleged in this Complaint. Antos Inc., BCBall, Big Little Consulting, Dacona Financial,

DJV Enterprises, Gabron, Leecorp, Marketbyte, MKKMMKKM, MyStreetResearch.com, Price Point Consulting, PTP Construction, Revolving Ventures, RKRK, Snap or Tap Productions, Soccerserge, Strategic Capital Markets, Terryville Systems, TradeMasters Consulting, TradeMastersPro.com, Trek Partners, Type A Partners, Acosta, Ballestas, Kurtzke, Hermann Matz, and Joseph Matz had no legitimate claims to these proceeds, and gave no consideration in exchange for receipt of those funds.

195. Antos Inc., BCBall, Big Little Consulting, Dacona Financial, DJV Enterprises, Gabron, Leecorp, Marketbyte, MKKMMKKM, MyStreetResearch.com, Price Point Consulting, PTP Construction, Revolving Ventures, RKRK, Snap or Tap Productions, Soccerserge, Strategic Capital Markets, Terryville Systems, TradeMasters Consulting, TradeMastersPro.com, Trek Partners, Type A Partners, Acosta, Ballestas, Kurtzke, Hermann Matz, and Joseph Matz obtained the funds and property alleged above as part of and in furtherance of the Federal securities law violations alleged in this Complaint and under circumstances in which it is not just, equitable, or conscionable for them to retain the funds and property. They were unjustly enriched.

PRAYER FOR RELIEF

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

I.

Finding that Defendants each violated the Federal securities laws and rules promulgated thereunder as alleged against them in this Complaint.

II.

Permanently enjoining Defendants and their agents, servants, employees and attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, directly or indirectly, from

committing future violations of each of the Federal securities laws and rules promulgated thereunder pursuant to Sections 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and/or Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]

III.

Ordering all Defendants and Relief Defendants to disgorge, on a joint and several basis, any and all ill-gotten gains they received as a result of the violations of the Federal securities laws alleged herein and the rules promulgated thereunder that are alleged in this Complaint, plus prejudgment interest thereon, pursuant to Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)].

IV.

Ordering all Defendants 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)].

V.

Ordering all Defendants to be barred from participation in any offering of a penny stock, pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and/or Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)].

VI.

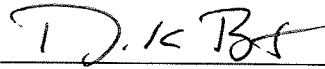
Ordering Chartier, pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and/or Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], to be barred from serving as an officer or director of any issuer that has a class of securities registered with the Commission pursuant to Section 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)].

VII.

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

Dated: July 12, 2017

Respectfully submitted,



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