| 1 | Amy J. Oliver (Admitted <i>pro hac vice</i>) Laurie E. Abbott (Admitted <i>pro hac vice</i>) | |
|----|--|-----------------------|
| 2 | Securities and Exchange Commission | |
| 3 | 351 South West Temple, Suite 6.100 Salt Lake City, UT 84101-1950 | |
| | Tel.: (801) 524-5796 | |
| 4 | olivera@sec.gov abbottla@sec.gov | |
| 5 | Attorneys for Plaintiff | |
| 6 | | |
| 7 | UNITED STATES DISTRICT COURT DISTRICT OF NEVADA | |
| 8 | | |
| 9 | | |
| 10 | SECURITIES AND EXCHANGE COMMISSION | Case No.: 2:19-cv-590 |
| 11 | Plaintiff, | COMPLAINT |
| 12 | v | |
| 13 | ALEXANDER BEVIL, an individual; | |
| 14 | RICHARD MCCALL BOHNSACK, an | |
| 15 | individual; DANIEL THOMAS BROYLES, an individual; CHARLES CARY DAVIS, an | |
| | individual; WILLIAM JAMES ROTH, an | |
| 16 | individual; GLENN JOSEPH STORY, an individual; and HAROLD WASSERMAN, an | |
| 17 | individual, and HAROLD WASSERMAN, an individual, | |
| 18 | | |
| 19 | Defendants. | |
| 20 | Plaintiff, Securities and Exchange Commission (the "Commission"), alleges as follows: | |
| 21 | SUMMARY OF THE ACTION | |
| 22 | | |
| 23 | 1. Between February 2014 and December 2016, Defendants Alexander Bevil, | |
| 24 | Richard M. Bohnsack, Daniel T. Broyles, Charles C. Davis, William J. Roth, Glenn J. Story, and | |
| 25 | Harold Wasserman (collectively, "Defendants") collectively solicited hundreds of investors | |
| 26 | throughout the United States and Canada as part of an unregistered offering of the securities of | |
| 27 | Intertech Solutions, Inc. ("ITEC"), a Nevada Cor | poration. |
| 28 | | |

the Commission as brokers or dealers nor associated with a broker or dealer registered with the

While they engaged in these solicitations, Defendants were neither registered with

2.

Commission.

3. ITEC paid Defendants transaction-based compensation, which ranged from 30% to 50% of investment proceeds. These compensation rates were substantially higher than what was disclosed to investors in ITEC's offering documents.

- 4. By engaging in this conduct, as further described herein, each of the Defendants violated and, unless restrained and enjoined by this Court, may continue to violate Section 15(a)(1) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78o(a)(1)].
- 5. Additionally, by engaging in this conduct, as further described herein, each of the Defendants, excluding Davis, violated and, unless restrained and enjoined by this Court, may continue to violate Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)].

JURISDICTION AND VENUE

- 6. The Commission brings this action pursuant to Sections 20(b) and (d) of the Securities Act [15 U.S.C. § 77t(b) and (d)] and Sections 21(d) and (e) of the Exchange Act [15 U.S.C. § 78u(d) and (e)] to enjoin such acts, practices, and courses of business, and to obtain disgorgement, prejudgment interest, civil money penalties, and such other and further relief as this Court may deem just and appropriate.
- 7. The investments, which took the form of common stock or investment contracts, offered and sold by Defendants, are each a "security" as that term is defined under Section 2(a)(1) of the Securities Act [15 U.S.C. § 77b(a)(1)] and Section 3(a)(10) of the Exchange Act [5 U.S.C. § 78c(a)(10)].

 8. The Defendants, directly or indirectly, made use of the means or instruments of transportation or communication in interstate commerce, or of the mails, in connection with the conduct alleged in this Complaint.

- 9. This Court has subject matter jurisdiction over this action pursuant to Section 22 of the Securities Act [15 U.S.C. § 77v], Sections 21(d) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d) and 78aa], and 28 U.S.C. 1331.
- 10. Venue in this District is proper because each of the Defendants is found, inhabits, and/or transacted business in the District of Nevada and because one or more acts or transactions constituting the violations occurred in the District of Nevada.

DEFENDANTS

- 11. **Alexander Bevil**, born in 1972, is last known to reside in Springdale, Arkansas. Bevil was recruited to solicit investors in ITEC securities from a sales office in Dallas, Texas, but eventually separated from the Dallas office and continued soliciting ITEC investors independently under an assumed name.
- 12. **Richard McCall Bohnsack**, born in 1959, is last known to reside in Dallas, Texas. Bohnsack was recruited to solicit investors in ITEC securities from the Dallas sales office.
- 13. **Daniel Thomas Broyles**, born in 1957, is believed to currently reside in Mexico. Broyles was recruited to solicit investors for ITEC securities, and, in turn, recruited several additional solicitors to work under him.
- 14. **Charles Cary Davis**, born in 1948, is last known to reside in Las Vegas, Nevada. Davis was recruited to solicit investors in ITEC's "Sale/Purchase and Processing Agreement for In Situ Au Metal."

- 15. **William James Roth**, born in 1937, is last known to reside in Las Vegas, Nevada. Roth was recruited by Broyles to solicit investors in ITEC securities.
- 16. **Glenn Joseph Story**, born in 1971, is last known to reside in Plano, Texas. Story was recruited to solicit investors in ITEC securities from the Dallas sales office.
- 17. **Harold Wasserman**, born in 1953, is last known to reside in Tarzana, California. Wasserman was recruited by Broyles to solicit investors in ITEC securities.

FACTS

Intertech Solutions, Inc.'s Securities Offerings

- 18. ITEC is a Nevada corporation formed in April 2010 with its principal place of business in Scottsdale, Arizona.
- 19. ITEC purports to be a project finance and management company for mining operations.
- 20. In or around November 2013, ITEC entered into an agreement with the mineral rights holder of certain mining claims in La Paz County, Arizona (the "Arizona Claims").

 Pursuant to the agreement, ITEC was to obtain the necessary funding to bring the Arizona Claims into commercial gold production in exchange for a percentage interest in the gross proceeds of any gold obtained from the Arizona Claims.
- 21. Purportedly to fulfill its obligations under this agreement, ITEC initiated an offering of its common stock in or around February 2014.
- 22. In or around August 2014, ITEC also began offering "Sale/Purchase and Processing Agreement for In Situ Au Metal" (the "Gold Contracts"), which are investment contracts. The Gold Contracts gave investors the right to purchase a specified amount of gold

from the Arizona Claims' future production at a highly discounted price relative to the then spot price of gold.

23. Because the Arizona Claims remained undeveloped throughout the duration of the Gold Contract offering, ITEC pooled investor funds, which ITEC claimed it would use to pay for the development of the Arizona Claims. The Gold Contracts' profitability therefore depended on ITEC's and the mineral rights holder's ability to develop the Arizona Claims and begin commercial-level gold extraction.

The Securities Solicitations

- 24. To carry out its offerings of common stock and Gold Contracts, ITEC recruited, directly or indirectly, various individuals, including each of the Defendants, to solicit prospective investors.
- 25. Excluding Davis, each of the Defendants primarily solicited investors in ITEC common stock. Davis, conversely, was specifically recruited to solicit investors in ITEC Gold Contracts.
- 26. To facilitate its offering of common stock, ITEC provided each of the Defendants, excluding Davis, with offering documents, including private placement memoranda ("PPM").

 Davis created his own solicitation documents regarding the Gold Contracts.
- 27. Defendants then obtained lead lists of prospective investors who resided throughout the United States and Canada and used those lead lists to engage in cold-call solicitations.
- 28. During their phone conversations with prospective investors, Defendant's provided information about ITEC's business and discussed the value of an investment with ITEC.

- 29. After initiating contact with a prospective investor over the phone, Defendants typically mailed or emailed the offering documents, including a PPM, to the prospect and directed the prospect to visit ITEC's website.
- 30. If a prospective investor decided to purchase ITEC common stock or Gold Contracts, Defendants instructed the investor to execute and submit to ITEC a stock subscription agreement or a Gold Contract and send investment funds via either check or wire for deposit into ITEC's bank account.
- 31. While they engaged in these solicitations, Defendants were neither registered with the Commission as brokers or dealers nor associated with a broker or dealer registered with the Commission.
- 32. ITEC continued its common stock and Gold Contract offerings through December 2016 and raised over \$7 million from hundreds of investors throughout the United States and Canada.
- 33. ITEC never registered its common stock or Gold Contract offerings with the Commission.

Defendants' Compensation

- 34. Using the investment funds it received through the sale of its securities, ITEC paid Defendants transaction-based compensation ranging from approximately 35% to 50% of the total investment proceeds, which was often split among two or more solicitors.
- 35. Neither ITEC nor the Defendants disclosed to investors the true size of these commission payments.

- 36. Instead, the only disclosure regarding commissions that investors received was found in the PPMs. That disclosure stated that ITEC would expend just 10% of investor funds for "Discounts & Commissions."
- 37. Each of the Defendants, excluding Davis, had access to the PPMs and therefore should have known that the disclosure regarding 10% "Discounts & Commissions" was false or misleading.

FIRST CLAIM FOR RELIEF

Violations of Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)] (Against each of the Defendants)

- 38. The Commission re-alleges and incorporates by reference each and every allegation in paragraphs 1–37, inclusive, as if they were fully set forth herein.
 - 39. By engaging in the conduct described above, each of the Defendants:
- a. engaged in the business of effecting transactions in securities for the
 account of others; and
- b. directly or indirectly, made use of the mails or the means or instrumentalities of interstate commerce to effect transactions in, or to induce or attempt to induce the purchase or sale of, securities without being registered as a broker or dealer with the Commission or associated with a broker or dealer registered with the Commission.
- 40. By reason of the foregoing, each of the Defendants violated and, unless enjoined, will continue to violate Sections 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

SECOND CLAIM FOR RELIEF

Violations of Sections 5(a) and (c) of the Securities Act [15 U.S.C. § 77e(a) and (c)] (Against each of the Defendants)

41. The Commission re-alleges and incorporates by reference each and every allegation in paragraphs 1–37, inclusive, as if they were fully set forth herein.

- 42. By engaging in the conduct described above, each of the Defendants, directly or indirectly:
- a. made use of means or instruments of transportation or communication in interstate commerce or of the mails to sell ITEC securities, as to which no registration statement was in effect, through the use or medium of any prospectus or otherwise;
- b. carried or caused to be carried through the mails or in interstate commerce, by any means or instrument of transportation, ITEC securities, as to which no registration statement was in effect, for the purpose of sale or for delivery after sale; and,
- c. made use of any means or instruments of transportation or communications in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise ITEC securities as to which no registration statement had been filed.
- 43. In regard to the sale of ITEC securities described herein, no exemption validly applied to the registration requirements described above.
- 44. By reason of the foregoing, each of the Defendants violated and, unless enjoined, will continue to violate Sections 5(a) and (c) of the Securities Act [15 U.S.C. § 77e(a) and (c)].

THIRD CLAIM FOR RELIEF

Violations of Section 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)] (Against Defendants Bevil, Bohnsack, Broyles, Roth, Story, and Wasserman)

- 45. The Commission re-alleges and incorporates by reference each and every allegation in paragraphs 1–37, inclusive, as if they were fully set forth herein.
- 46. By engaging in the conduct described above, each of Defendants, Bevil,
 Bohnsack, Broyles, Roth, Story, and Wasserman, directly or indirectly, individually or in concert
 with others, in the offer and sale of securities, by use of the means and instruments of

17

18

19 20

22

21

23 24

25

26

27

28

transportation and communication in interstate commerce or by use of the mails have obtained money or property by means of untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

- 47. Each of Defendants, Bevil, Bohnsack, Broyles, Roth, Story, and Wasserman was at least negligent in his conduct and in the dissemination of the untrue and misleading statements alleged herein.
- 48. By reason of the foregoing, each of Defendants Bevil, Bohnsack, Broyles, Roth, Story, and Wasserman violated and, unless enjoined, will continue to violate Section 17(a) of the Securities Act.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court enter a final judgment:

I.

Permanently restraining and enjoining each of the Defendants from, directly or indirectly, engaging in conduct in violation of Sections 5(a) and (c) of the Securities Act [15 U.S.C. §§ 77e(a) and (c)], Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)] and, excluding Davis, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)];

II.

Permanently restraining and enjoining each of the Defendants from directly or indirectly, including, but not limited to, through any entity owned or controlled by any of them, soliciting any person or entity to purchase or sell any security;

III.

Case 2:19-cv-00590 Document 1 Filed 04/08/19 Page 10 of 11

Ordering each of the Defendants to disgorge all ill-gotten gains or unjust enrichment derived from the activities set forth in this Complaint together with prejudgment interest thereon;

IV.

Ordering each of the Defendants to pay a civil penalty 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)], as applicable;

V.

Permanently and unconditionally restraining and enjoining each of the Defendants, excluding Davis, from participating in any offering of penny stock pursuant to Section 20(g)(1) of the Securities Act [15 U.S.C. § 77t(g)(1)] and Section 21(d)(6)(A) of the Exchange Act [15 U.S.C. § 78u(d)(6)(A)], as applicable;

VI.

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

VII.

Granting such other and further relief as this Court may deem just, equitable, or necessary in connection with the enforcement of the federal securities laws and for the protection of investors.

Dated: April 8, 2019.

Respectfully submitted,

SECURITIES AND EXCHANGE COMMISSION

400f-di

Amy J. Oliver Laurie E. Abbott Attorneys for Plaintiff