

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
v.)
)
GERALD C. PARKER,)
)
Defendant.)
_____)

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff Securities and Exchange Commission alleges:

I. INTRODUCTION

1. From at least June 2013 through at least June 2018, Defendant Gerald C. Parker (“Defendant” or “Parker”), president and CEO of Social Voucher.com, Inc. (“Social Voucher”), raised approximately \$20.5 million from about 400 investors through an unregistered, fraudulent offering of securities in the form of Social Voucher “common stock.” Social Voucher, a now defunct Florida company under court-ordered receivership, purported to be a “mobile coupon solutions provider” that allowed businesses to promote themselves directly to customers utilizing social media. Parker solicited investors primarily through a network of unregistered sales agents who cold called potential investors.

2. Social Voucher, through Parker and his sales agents, made material misrepresentations and omissions to investors and prospective investors, and engaged in a scheme to defraud and a course of conduct designed to deceive investors. Specifically, Parker represented that Social Voucher would use investor funds to develop and launch Social Voucher’s purported mobile coupon application, when in fact (a) at least \$9.6 million (about

46% of the offering proceeds), were used pay undisclosed commissions to the sales agents, and (b) at least \$4.6 million of investor funds (about 22% of the offering proceeds) were misappropriated by Parker.

3. Parker also touted his successful business background without disclosing that regulators in three states had recently issued cease-and-desist orders against Parker and Social Voucher.

4. Moreover, during this same time frame, Parker also acted as an unregistered broker. Among other things, he hired the sales agents and paid them commissions for their solicitation efforts. Parker also personally solicited investors.

5. Through his conduct, Defendant has violated Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 (“Securities Act”) and Sections 10(b) and 15(a) and Rule 10b-5 of the Securities Exchange Act of 1934 (“Exchange Act”). Unless enjoined, Parker is reasonably likely to engage in future violations of the federal securities laws.

II. DEFENDANT AND RELATED ENTITY

A. Defendant

6. **Parker**, 76, resides in Juno Beach, Florida. During the relevant time period, Parker controlled Social Voucher, served as its president and CEO, and enlisted the sales agents. Between June 2014 and February 2016, North Dakota, Colorado, and Massachusetts securities regulators issued cease-and-desist orders by consent against Parker and Social Voucher for offering and selling unregistered securities and making misstatements and omissions to investors in their states. Parker has never been registered as or associated with a registered entity.

B. Related Entity

7. **Social Voucher** is a Florida corporation established by Parker in June 2013 with its principal place of business in Lake Park, Florida. Social Voucher purported to be a “mobile coupon solutions provider.” Social Voucher and its securities have never been registered with the Commission in any capacity. Social Voucher is currently under a Florida state court-ordered receivership resulting from a civil lawsuit filed by a group of investors in September 2018. David Goerz, et. al. vs. Social Voucher.Com, Inc. et. al., Case No. 50-2018-CA-011965, (Fla Cir. Ct., September 20, 2018).

III. JURISDICTION AND VENUE

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

9. The Court has personal jurisdiction over the Defendant, and venue is proper in the Southern District of Florida, because many of the Defendant’s acts and transactions constituting violations of the Securities Act and the Exchange Act occurred in the Southern District of Florida, and because, during the relevant time period, Social Voucher’s principal place of business and Parker’s residence were in the Southern District of Florida.

10. In connection with the conduct alleged in this Complaint, the Defendant, directly and indirectly, singly or in concert with others, has made use of the means or instrumentalities of interstate commerce, the means or instruments of transportation and communication in interstate commerce, and the mails.

IV. THE DEFENDANT'S FRAUD

A. Parker's Role in the Social Voucher Unregistered Securities Offering

11. From at least June 2013 until June 2018, Social Voucher and Parker raised approximately \$20.5 million from about 400 investors nationwide through an unregistered, fraudulent offering of securities. The securities were in the form of "common stock" in Social Voucher and were sold primarily through a network of unregistered sales agents.

12. In offering materials distributed to investors, Social Voucher described itself as a "mobile coupon solutions provider that allows businesses to promote themselves directly to customers utilizing social media." Social Voucher claimed that its product "will allow businesses the ability to offer coupons directly to the friends and family of their customers leveraging platforms such as Facebook, Twitter, Google + and LinkedIn to name a few."

13. The offering materials further explained to investors that the users of the company's application "must share the voucher to redeem the offer giving the voucher the potential of traveling indefinitely through social cyberspace." The materials even stated that Social Voucher would be "a direct competitor of Groupon and LivingSocial."

14. Social Voucher's offering materials also included a "Subscription and Investment Representation Agreement," which investors were required to sign if they decided to invest. This agreement contained a section requiring investors to acknowledge whether they are an "accredited investor" by checking the applicable box for the income and net worth requirements. Some investors also received a separate investor questionnaire asking for general information regarding their investment experience and for them to initial "as applicable" the required income and net worth representations. At least two Social Voucher investors were unaccredited.

15. Social Voucher and Parker solicited investors primarily through a network of unregistered sales agents who cold called potential investors using lead lists and scripts. During their calls, Social Voucher's sales agents gave prospective investors a general description of the investment opportunity and told them that their investment would be used to "develop" and "launch" the mobile coupon application.

16. In a typical sales pitch, prospective investors were painted a rosy picture of the investment's potential profitability. For example, a sales agent told one investor that Social Voucher's stock had "tremendous up-side potential" and that it "should take off." Another investor was told that the investment had "great potential" and that he was "getting in on the ground floor" since this was a "pre IPO" stock. Similarly, a sales agent represented to another prospect that "the stock was ready to go public and that would surely cause the stock to go to three to six dollars a share."

17. In many instances, Social Voucher paid its sales agents a commission on each new investor sale ranging from 35% to 50%, which came out of the investor's principal investment. Parker, who hired the sales agents, would make these "consulting fee" payments to the sales agents shortly after investor funds were deposited into Social Voucher's bank accounts. Parker was the sole signatory on the relevant bank accounts.

18. After sending in their money, investors received a stock certificate signed by Parker reflecting their investment in Social Voucher. Parker also had direct communications with prospective investors about investing in Social Voucher and persuaded some of the existing investors to invest additional money. He participated in telephone calls with prospective investors and attended in-person meetings with them. Investors also received sporadic updates in writing from Parker regarding the status of the investment.

B. Parker's Misuse and Misappropriation of Investor Funds

19. Contrary to the representations made to investors, Parker spent a significant portion of the investor funds on purposes unrelated to the development and launching of the mobile coupon application. Specifically, of the \$20.5 million in investor money deposited into Social Voucher's bank accounts, at least \$9.6 million, or about 46%, was used by Parker to pay undisclosed, commissions to his network of sales agents. The offering materials did not contain any disclosure about the use of investor proceeds to pay commissions to unregistered sales agents. Nor were the investors orally told about these commission payments.

20. Moreover, Parker fraudulently used the offering proceeds to enrich himself and to fund his lifestyle. Parker misappropriated at least \$4.6 million, or about 22%, of investor funds, including using more than \$2 million to pay-off his expenses arising at two Seminole casinos, taking out another \$2 million through cash withdrawals, and using about \$590,000 to pay for other personal expenses.

21. In total, Parker used at least \$14.2 million, or about 68%, of the Social Voucher offering proceeds for undisclosed, non-business purposes.

22. With much less money available to develop and launch the purported mobile coupon application, the likelihood that Social Voucher would be successful diminished significantly.

C. Omissions Regarding Parker's and Social Voucher's Disciplinary History

23. The Social Voucher offering materials included a biography of Parker that touted his "more than 30+ years' experience in marketing, brand management, strategy, angel investing and business development, as well as day-to-day leadership and operations as a CEO." The biography further mentioned that "[s]ince 1994, he has been an investor, consultant, advisor

and founder of many startups.” In addition, the materials highlighted Parker’s purported role as a co-founder of a company called Inktomi prior to its initial public offering (IPO), which investors were told was later acquired by Yahoo.

24. Despite these claims, the materials failed to disclose to investors and prospective investors that several states had issued cease and desist orders against Social Voucher and Parker in connection with this past securities offering. Specifically, in June 2014, December 2015, and February 2016, securities regulators in, respectively North Dakota, Colorado, and Massachusetts issued administrative cease-and-desist orders by consent against Social Voucher and Parker prohibiting them from offering and selling unregistered securities and making misstatements and omissions to investors in those states.

25. These omissions rendered statements made to investors about Parker’s background and experience and about Social Voucher false and misleading.

V. CLAIMS FOR RELIEF

COUNT I

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

1. The Commission repeats and realleges paragraphs 1 through 25 of its Complaint.
2. No registration statement was filed or in effect with the Commission pursuant to the Securities Act with respect to the securities and transactions described in this Complaint and no exemption from registration existed with respect to these securities and transactions.
3. Starting no later than June 2013 through at least June 2018, Defendant, directly and indirectly, (a) made use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell securities as described herein, through the use or medium of a prospectus or otherwise; (b) carried or caused such securities, as described herein,

to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or delivery after sale; or (c) made use of any means or instruments of transportation or communication 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, as described herein, without a registration statement having been filed or being in effect with the Commission as to such securities.

4. By reason of the foregoing, Defendant violated and, unless enjoined, is reasonable likely to continue to violate Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and e(c).

COUNT II

Fraud in Violation of Section 17(a)(1) of the Securities Act

5. The Commission repeats and realleges paragraphs 1 through 25 of this Complaint.

6. Starting no later than June 2013 through at least June 2018, Defendant, in the offer or sale of securities by use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, knowingly or recklessly employed devices, schemes, or artifices to defraud.

7. By reason of the foregoing, Defendant violated and, unless enjoined, is reasonable likely to continue to violate Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

COUNT III

Fraud in Violation of Section 17(a)(2) of the Securities Act

8. The Commission repeats and realleges paragraphs 1 through 25 of this Complaint.

9. Starting no later than June 2013 through at least June 2018, Defendant, in the offer or sale of securities by use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, negligently obtained money or property by means of untrue statements of material facts and omissions 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.

10. By reason of the foregoing, Defendant violated and, unless enjoined, is reasonable likely to continue to violate Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2).

COUNT IV

Fraud in Violation of Section 17(a)(3) of the Securities Act

11. The Commission repeats and realleges paragraphs 1 through 25 of this Complaint.

12. Starting no later than June 2013 through at least June 2018, Defendant, in the offer or sale of securities by use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, negligently engaged in transactions, practices, or courses of business which operated or would have operated as a fraud or deceit upon the purchasers.

13. By reason of the foregoing, Defendant violated, and, unless enjoined, is reasonably likely to continue to violate Section 17(a)(3) of the Securities Act, 15 U.S.C. § 77q(a)(3).

COUNT V

Fraud in Violation of Section 10(b) and Rule 10b-5(a) of the Exchange Act

14. The Commission repeats and realleges paragraphs 1 through 25 of this Complaint.

15. Starting no later than June 2013 through at least June 2018, Defendant, directly and indirectly, by use of any means or instrumentality of interstate commerce, and of the mails, in connection with the purchase or sale of the securities, knowingly or recklessly employed devices, schemes or artifices to defraud.

16. By reason of the foregoing, Defendant violated and, unless enjoined, is reasonably likely to continue to violate Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5(a), 17 C.F.R. § 240.10b-5(a).

COUNT VI

Fraud in Violation of Section 10(b) and Rule 10b-5(b) of the Exchange Act

17. The Commission repeats and realleges paragraphs 1 through 25 of this Complaint.

18. Starting no later than June 2013 through at least June 2018, Defendant, directly and indirectly, by use of the means or instrumentalities of interstate commerce, or of the mails, in connection with the purchase or sale of any security, knowingly or recklessly made untrue statements of material facts or 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.

19. By reason of the foregoing, Defendant violated and, unless enjoined, is reasonable likely to continue to violate Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5(b), 17 C.F.R. § 240.10b-5(b).

COUNT VII

Fraud in Violation of Section 10(b) and Rule 10b-5(c) of the Exchange Act

20. The Commission repeats and realleges paragraphs 1 through 25 of this Complaint.

21. Starting no later than June 2013 through at least June 2018, Defendant, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, knowingly or recklessly engaged in acts, practices, and courses of business which have operated, are now operating and will operate as a fraud upon the purchasers of such securities.

22. By reason of the foregoing, Defendant violated, and, unless enjoined, is reasonably likely to continue to violate Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5(c), 17 C.F.R. § 240.10b-5(c).

COUNT VIII

Violations of Section 15(a)(1) of the Exchange Act

23. The Commission repeats and realleges paragraphs 1 through 25 of this Complaint.

24. Starting no later than June 2013 through at least June 2018, Defendant Parker, by use of the mails or any means or instrumentality of interstate commerce, effected transactions in, or induced or attempted to induce the purchase or sale of, any security without being registered with the Commission as a broker or dealer or as an associated person of a registered broker or dealer.

25. By reason of the foregoing, Defendant violated, and, unless enjoined, is reasonably likely to continue to violate Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o(a)(1).

VI. RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court find the Defendant committed the violations of the federal securities laws alleged herein and:

I.

Permanent Injunction

Issue a Permanent Injunction enjoining Defendant, his officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from violating the federal securities laws alleged in this Complaint.

II.

Disgorgement

Issue an Order directing the Defendant to disgorge all ill-gotten gains, including prejudgment interest, received within the applicable statute of limitations resulting from the acts or courses of conduct alleged in this Complaint.

III.

Civil Penalty

Issue an Order directing the Defendant to pay a civil money penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d).

IV.

Further Relief

Grant such other and further relief as may be necessary and appropriate.

V.

Retention of Jurisdiction

Further, the Commission respectfully requests that the Court retain jurisdiction over this action and the Defendant in order to implement and carry out the terms of all orders and decrees that it may enter, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

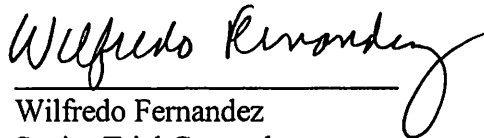
Demand For Jury Trial

The Commission hereby demands a jury trial in this case.

September 23, 2019

Respectfully submitted,

By:



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