

1 DONALD W. SEARLES (Cal. Bar No. 135705)
2 searlesd@sec.gov
3 SECURITIES AND EXCHANGE COMMISSION
4 444 S. Flower Street, Suite 900
5 Los Angeles, California 90071
6 Telephone: (323) 965-4573
7 Facsimile: (213) 443-1904

8 TERRY R. MILLER (*pro hac vice pending*)
9 millerte@sec.gov
10 SECURITIES AND EXCHANGE COMMISSION
11 Byron G. Rogers Federal Building
12 1961 Stout Street, Suite 1700
13 Denver, Colorado 80294-1961
14 Telephone: (303) 844-1000
15 Facsimile: (303) 297-3529

16 Attorneys for Plaintiff
17 Securities and Exchange Commission

18 **UNITED STATES DISTRICT COURT**
19 **CENTRAL DISTRICT OF CALIFORNIA**

20 SECURITIES AND EXCHANGE
21 COMMISSION,

22 Plaintiff,

23 vs.

24 JOEY STANTON DODSON,

25 Defendant.

Case No.

COMPLAINT

26 Plaintiff Securities and Exchange Commission (the "Commission") for its
27 complaint alleges as follows:
28

1 **JURISDICTION AND VENUE**

2 1. This Court has jurisdiction over this action pursuant to Section 22(a) of
3 the Securities Act [15 U.S.C. § 77v(a)], and Section 27 of the Exchange Act [15
4 U.S.C. § 78aa], and 28 U.S.C. § 1331. Venue lies in this Court pursuant to Section
5 22(a) of the Securities Act and Section 27 of the Exchange Act [15 U.S.C. §§ 77v(a)
6 and 78aa]. Dodson resides in this judicial district and certain of the offers and sales
7 of securities and other acts and transactions constituting the violations of law alleged
8 herein occurred within this judicial district.

9 2. The Commission brings this action pursuant to the authority conferred
10 upon it by Sections 20(b) and (d) of the Securities Act [15 U.S.C. §§ 77t(b) and
11 77t(d)] and Sections 21(d) and (e) of the Exchange Act [15 U.S.C. §§ 78u(d) and
12 78u(e)].

13 3. In connection with the transactions, acts, practices, and courses of
14 business described in this complaint, Dodson, directly and indirectly, made use of the
15 means or instrumentalities of interstate commerce, of the mails, and/or of the means
16 and instruments of transportation or communication in interstate commerce.

17 **SUMMARY**

18 4. Defendant Joey Stanton Dodson defrauded approximately 50 investors
19 in connection with the offer and sale of securities associated with a collection of
20 businesses he founded and controlled known as Citadel Energy (entities described
21 below), which provided fluid management solutions to the oil and gas industry in
22 North Dakota.

23 5. From approximately November 2012 through December 2014 (the
24 “Relevant Period”), Citadel Energy raised over \$15.5 million by selling securities in
25 Fort Berthold Water Partners, LP (“FBWP”), Citadel Watford City Disposal Partners,
26 LP (“CWCDP”) and H2O Partners, LP (“H2O Partners”) to investors in California
27 and other states.

1 accounts, from which he misappropriated investor funds. Dodson had final approval
2 authority on all decisions regarding the offering documents distributed to investors,
3 financial reporting, and the use of Citadel Energy funds. Investors removed Dodson
4 from Citadel Energy's management in late March 2015 after they learned of his
5 misuse and misappropriation of funds.

6 **THE CITADEL ENERGY ENTITIES**

7 12. Fort Berthold Water Partners, LP is a Delaware limited partnership that
8 was formed to provide funding for the construction and operation of four fresh water
9 wells on the Fort Berthold Indian Reservation near Williston, North Dakota. As
10 described below, Dodson controlled FBWP through his ownership and managerial
11 control over its general partner. FBWP also had an administrative office in Los
12 Angeles, California, and subsequently in Beverly Hills, California. At Dodson's
13 direction, between November 2012 and September 2013, FBWP raised over \$1.7
14 million by selling limited partnership interests to approximately 12 investors. FBWP
15 is no longer operating. FBWP has never registered any securities offerings with the
16 Commission.

17 13. Citadel Energy Partners, LLC (formerly known as Great Dakota Energy,
18 LLC) ("CEP") is a Wyoming limited liability company that is the sole general partner
19 of FBWP. Dodson was a managing member and the largest equity owner of CEP.
20 CEP is defunct and its status as a legal entity has been administratively dissolved by
21 the state of Wyoming.

22 14. Bakken Water Depot, LLC ("BWD") is a North Dakota limited liability
23 company that owned the assets associated with the business funded by FBWP, most
24 significantly, the water access rights. Dodson was a managing member of BWD and,
25 together with his business partner, owned a controlling interest in BWD. BWD was
26 supposed to have a revenue sharing agreement with FBWP, but it was never
27 executed. BWD is defunct and its status as a legal entity has been involuntarily
28 dissolved by the state of North Dakota.

1 15. Citadel Watford City Disposal Partners, LP is a Delaware limited
2 partnership that was formed to provide funding for the construction and operation of
3 a salt water disposal well (“SWD”) near Watford City, North Dakota. As described
4 below, Dodson controlled CWCDP through his ownership and managerial control
5 over its general partner. CWCDP also had an administrative office in Los Angeles,
6 California, and subsequently Beverly Hills, California. At Dodson’s direction,
7 between October 2013 and December 2014, CWCDP raised over \$6.8 million by
8 selling limited partnership interests via two offerings to approximately 39 investors.
9 CWCDP has never registered any securities offerings with the Commission.
10 CWCDP filed for bankruptcy in June 2015 and it is currently being liquidated to pay
11 creditors.

12 16. Citadel Energy SWD Holdings, LLC (“CEH”) is a North Dakota limited
13 liability company that is the sole general partner of CWCDP. CEH is a wholly-
14 owned subsidiary of Citadel Energy Services, LLC, discussed below. CEH filed for
15 bankruptcy along with CWCDP and it is currently being liquidated to pay creditors.

16 17. Pembroke Fields, LLC (“Pembroke”) is a North Dakota limited liability
17 company that owned the assets associated with the business funded by CDCWP, most
18 significantly, the SWD fixtures, land lease, and state permits to operate. Dodson was
19 a managing member of Pembroke and, together with his business partner, owned a
20 controlling interest in Pembroke. Pembroke was supposed to have a revenue sharing
21 agreement with CWCDP, but it was never executed. Pembroke filed for bankruptcy
22 along with CWCDP and it is currently being liquidated to pay creditors.

23 18. H2O Partners, LP is a Delaware limited partnership that was formed to
24 provide funding to acquire and operate a fresh water business near Minot, North
25 Dakota. As described below, Dodson controlled H2O Partners through his ownership
26 and managerial control over its general partner. H2O Partners also had an
27 administrative office in Beverly Hills, California. At Dodson’s direction, between
28 August and December 2014, H2O Partners raised \$7 million by selling limited

1 partnership interests to approximately nine investors. H2O Partners has never
2 registered any securities offerings with the Commission. H2O Partners is operating
3 under new management that does not include Dodson.

4 19. Citadel Energy Services, LLC (“CES”) is a Wyoming limited liability
5 company that was the sole general partner of H2O Partners during the Relevant
6 Period. The limited partners of H2O Partners removed CES as the general partner in
7 April 2015 after learning of Dodson’s misuse and misappropriation of funds. Dodson
8 was a managing member and the largest equity owner of CES. CES filed for
9 bankruptcy along with CWCDP and it is currently being liquidated to pay creditors.

10 20. Citadel H2O, LLC (“CH2O”) is a Delaware limited liability company
11 that owned the assets associated with the business acquisition funded by H2O
12 Partners, most significantly, the water access rights. CH2O was 80% owned by CES.
13 As part of bankruptcy proceedings, H2O Partners purchased CES’s controlling
14 ownership stake of CH2O in order to gain control over the water access rights.

15 **BACKGROUND OF CITADEL ENERGY OFFERINGS**

16 21. Citadel Energy was founded by Dodson around early 2012 to pursue a
17 fresh water business opportunity on the Fort Berthold Indian Reservation in North
18 Dakota.

19 22. Over the next two years, the Citadel Energy business developed into
20 three primary ventures: 1) the Fort Berthold fresh water business associated with
21 FBWP; 2) the Pembroke waste water disposal business associated with CWCDP; and
22 3) the H2O fresh water business associated with H2O Partners. Each of these
23 ventures was funded by separate sets of investors.

24 23. However, Dodson operated Citadel Energy as a single business
25 enterprise.

26 24. For example, Dodson often failed to execute legal documents to
27 formalize the ownership and structures for the ventures, and he failed to prepare
28 governance documents evidencing management authority for various decisions.

1 25. More importantly, Dodson commingled funds between the various
2 entities comprising Citadel Energy throughout the Relevant Period using multiple
3 bank accounts and failed to maintain separate accounting books and records.

4 26. The Citadel Energy entities also had common management (all under
5 Dodson's control) and overlapping employees.

6 27. Each of the three primary Citadel Energy ventures, via FBWP, CWCDP,
7 and H2O Partners, offered securities to investors in the form of limited partnership
8 interests.

9 28. Dodson prepared and approved a private placement memorandum
10 ("PPM") for each of the offerings, and he had ultimate authority over the statements
11 contained in each of the PPMs. Dodson, or others at his direction, distributed the
12 PPMs to potential investors. The PPMs described, among other things, how the
13 offering proceeds would be used and how management would be compensated.

14 29. Dodson also met and/or communicated with certain investors to
15 personally solicit them, during which he made oral or written representations
16 regarding the investment opportunities that supplemented the PPMs.

17 30. Numerous representations made in the offering materials and by Dodson
18 directly were materially false and/or misleading. As a result, each and every one of
19 Citadel Energy's investors, whether via FBWP, CWCDP, or H2O Partners, was
20 defrauded by Dodson and has suffered harm.

21 **DODSON MADE NUMEROUS MATERIAL MISSTATEMENTS AND**
22 **OMMISSIONS TO CITADEL ENERGY'S INVESTORS**

23 31. During the Relevant Period, Dodson misled Citadel Energy's investors
24 in a number of ways, including by making misrepresentations and/or omissions
25 concerning: 1) how investor proceeds would be used, including the amount of
26 Dodson's compensation; 2) issues with Citadel Energy's land lease for the Pembroke
27 SWD facility; 3) the ownership of certain assets or income streams; and 4) prior
28 investor litigation against Dodson.

1 32. The statements and omissions described below were material to Citadel
2 Energy's investors as such facts would have been viewed by reasonable investors as
3 having significantly altered the total mix of information made available to them.

4 **Dodson Misappropriated Funds from Each of the Citadel Energy Offerings**

5 33. The PPMs for the various Citadel Energy offerings specifically address
6 the amount of compensation to which the managing partners, including Dodson, were
7 entitled.

8 34. Pursuant to the PPMs, the primary form of Dodson's compensation was
9 to be from profit sharing. The offering documents state that the managing partners
10 would be entitled to a share of profits from the businesses ranging between 10% and
11 50%.

12 35. However, Citadel Energy never made any distribution of profits to which
13 Dodson could claim a share. In fact, none of Citadel Energy's businesses ever earned
14 an annual profit.

15 36. The amount of compensation Dodson could receive without regard to
16 profits was restricted by the terms of the PPMs and limited partnership ("LP")
17 agreements. For FBWP, the PPM and LP agreement prepared around December
18 2012 state that "No Management Fees will be paid by the Partnership to the
19 Managing General Partner." CWCDP's PPM and LP agreement prepared around
20 September 2013 only provide for a one-time, maximum project management and
21 supervisory fee of \$150,000, to be paid to CWCDP's general partner (of which
22 Dodson was entitled to approximately 55%, or \$82,500). H2O Partners' PPM
23 prepared around August 2014 provided for a salary to Dodson of \$23,000 per month,
24 but that would have only been available between mid-August 2014 and Dodson's
25 removal at the end of March 2015.

26 37. The use of proceeds schedules in the PPMs do not allocate any funds to
27 compensate the managing partners beyond the amounts alleged above.

28

1 38. As a result, the total amount of disclosed compensation to which Dodson
2 could have possibly been entitled to in the absence of profits under the Citadel
3 Energy offering documents should not have exceeded approximately \$255,000.

4 39. Dodson misappropriated funds from Citadel Energy that exceeded any
5 disclosed compensation in the Citadel Energy offering documents by at least
6 approximately \$1.7 million.

7 40. Throughout the Relevant Period, Dodson knew, was reckless in not
8 knowing, or should have known that the Citadel Energy PPMs made false or
9 misleading disclosures concerning his compensation.

10 41. In fact, Dodson's misappropriation of funds began from the very outset
11 of the FBWP offering in late 2012.

12 42. Dodson never informed any of Citadel Energy's investors that he
13 intended to take compensation above the amounts disclosed in the offering
14 documents.

15 43. To the contrary, Dodson misled his business partner to believe that he
16 was forgoing salary.

17 44. As part of his scheme, Dodson actively concealed his misappropriation
18 of funds by failing to comply with his business partner's and certain Citadel Energy
19 investors' repeated requests for financial information concerning Citadel Energy,
20 starting as early as the spring of 2014.

21 **Dodson Misused Investor Proceeds by Making Undisclosed Loans Between**
22 **Related Entities and Otherwise Improperly Commingling Funds**

23 45. Dodson commingled funds between the various Citadel Energy
24 businesses even though he knew, was reckless in not knowing, or should have known
25 that he had no authorization to do so.

26 46. As part of his scheme, Dodson transferred funds among Citadel Energy
27 bank accounts, sometimes multiple times a day, with no apparent business purpose, to
28 make it more difficult to detect and trace his misuse of funds.

1 47. Dodson never disclosed to any of Citadel Energy's investors that he
2 would commingle funds between the various Citadel Energy projects, such that
3 Dodson would use investor funds to finance projects in which the investors had no
4 economic interest.

5 48. In addition, as part of the investment pitch for the H2O Partners offering
6 in August 2014, Dodson told certain investors that he was going to use \$1 million of
7 the funds raised to acquire water transportation equipment, namely flexible piping.

8 49. Dodson knew, was reckless in not knowing, or should have known that
9 his statement that H2O Partners would use \$1 million of investor funds to purchase
10 water transportation equipment was false at the time it was made to investors.

11 50. Rather than using the funds for this purpose, Dodson immediately began
12 transferring the \$1 million to CES.

13 51. The H2O Partners PPM made no mention that any of the investor
14 proceeds would be used to make loans to the Dodson-controlled general partner, and
15 Dodson never disclosed his intent to loan or otherwise transfer funds from H2O
16 Partners to CES.

17 52. To the contrary, Dodson told at least one H2O Partners investor that he
18 was not going to lend any of the investor proceeds.

19 53. In approximately February 2015, certain H2O Partners investors learned
20 that the H2O Partners business was out of cash and questioned Dodson about the use
21 of investor funds. In response, Dodson attempted to cover-up his misuse of funds by
22 falsely claiming that the \$1 million transferred from H2O Partners to CES was for a
23 short-term loan to CWCDP.

24 54. In fact, the \$1 million transferred from H2O Partners to CES was not
25 forwarded to CWCDP's bank accounts. Instead, a significant amount of the \$1
26 million that was sent from H2O Partners to CES was misappropriated by Dodson for
27 himself and for non-Citadel Energy related expenses.
28

1 55. To further his scheme and concealment, in approximately mid-March
2 2015, Dodson created false and back-dated loan documents that he provided to the
3 H2O Partners investors as evidence of the purported loans from CES to CWCDP
4 between August and December 2014.

5 **Dodson Concealed Material Issues Regarding the Pembroke SWD Land Lease**

6 56. Around June 2014, CWCDP commenced a second securities offering
7 seeking to raise \$2.6 million.

8 57. In a letter to investors describing the offering, which Dodson signed, he
9 explained that approximately \$1.8 million of the funds raised would be used to
10 construct a solids processing facility on the Pembroke SWD site.

11 58. However, that would have been impossible at the time as Citadel
12 Energy's land lease associated with the Pembroke SWD facility did not permit the
13 processing or storage of solid waste.

14 59. At the time Dodson was soliciting investors for the funds purportedly to
15 build the solids processing plant, he knew of the limitations on the land lease for solid
16 waste.

17 60. Nevertheless, Dodson failed to disclose to CWCDP's investors that the
18 company did not possess the right to process solids at the Pembroke SWD site at the
19 time Dodson raised the capital for that purpose.

20 61. In addition, on December 11, 2014, Dodson received a notice of default
21 from the landlord for, among other things, failure to pay rent.

22 62. Without disclosing the lease default, Dodson solicited funds from at least
23 one additional CWCDP investor on December 22, 2014.

24 **Dodson Failed to Ensure that FBWP, CWCDP, and H2O Partners Owned the**
25 **Assets/Income Streams Promised to Their Respective Investors**

26 63. In both the FBWP and CWCDP PPMs, the limited partners were
27 promised a share of profits from the operation of the Fort Berthold water wells and
28 Pembroke SWD facility, respectively.

1 64. However, Dodson knew, was reckless in not knowing, or should have
2 known that these statements could not be true as Dodson failed to take the steps
3 necessary to ensure the investors had a formal mechanism for business profits to be
4 returned to them.

5 65. The operating assets for the Fort Berthold fresh water business and the
6 Pembroke SWD business were owned by entities under Dodson’s control and in
7 which the limited partners of FBWP and CWCDP had no ownership or economic
8 interest.

9 66. Dodson never prepared or executed any revenue sharing or management
10 agreements between the limited partnerships and the entities that owned and operated
11 the business assets even though it was his responsibility to do so.

12 67. Dodson’s failure to disclose that such arrangements were never put in
13 place was misleading and indicative of his intent never to return any profits to Citadel
14 Energy’s investors.

15 68. In fact, Dodson falsely stated that the CWCDP limited partnership would
16 own the operating assets for the Pembroke SWD.

17 69. With regard to the water access rights purchased with funds provided by
18 investors to H2O Partners, the PPM for H2O Partners was clear that they were to be
19 transferred to the limited partnership. Specifically, the PPM repeatedly states: “The
20 Water Assets will immediately after the closing of the Offering be assigned to the
21 Partnership.”

22 70. Nevertheless, Dodson left the water access rights in CH2O, an entity
23 controlled by him and in which H2O Partners had no ownership.

24 71. Dodson refused to transfer the assets even after his business partner
25 brought the issue to his attention on several occasions.

26 **Dodson Failed to Disclose a Prior Investor Lawsuit**

27 72. Before founding Citadel Energy, Dodson participated in several
28 purported automotive and transportation-oriented manufacturing enterprises under the

1 moniker of his “Duke” portfolio of companies. Dodson’s Duke businesses also
2 resulted in substantial investor losses and certain Duke investors subsequently
3 accused Dodson of operating a Ponzi scheme.

4 73. In at least October 2013 and May 2014, Dodson caused character
5 reference letters to be distributed to certain investors prior to their investments.

6 74. In these character reference letters, Dodson disclosed a lawsuit filed
7 against him for breach of contract, but knew, was reckless in not knowing, or should
8 have known that he failed to disclose that he had settled another lawsuit in October
9 2011 brought by a prior Duke investor who alleged that Dodson committed fraud and
10 was operating a Ponzi scheme.

11 75. Dodson also concealed the prior Duke investor judgment from Citadel
12 Energy’s outside accountant, who inquired about any judgments against Dodson in
13 the past five years in connection with the FBWP PPM in November 2012.

14 **DODSON ENGAGED IN A SCHEME TO DEFRAUD CITADEL ENERGY’S**
15 **INVESTORS FOR HIS PERSONAL GAIN**

16 76. As described above and incorporated by reference herein, Dodson
17 employed a device, scheme, or artifice to defraud, and engaged in transactions,
18 practices, and courses of business that operated as a fraud upon the purchasers of
19 Citadel Energy securities.

20 77. Dodson used his control over Citadel Energy to gain access to a pool of
21 investor funds that he misused and misappropriated to support his lavish lifestyle.

22 78. Over the course of Citadel Energy’s inception until Dodson was ousted
23 from the businesses, Dodson used nearly \$2 million in funds from the Citadel Energy
24 businesses for his personal gain.

25 79. Of that, at least \$831,353 was paid directly to him, at least \$125,980 was
26 paid to Dodson’s family members who were not employed by Citadel Energy, and at
27 least \$30,065 was withdrawn by Dodson in cash (only Dodson possessed the
28 company’s debit card).

1 80. The remaining misappropriated funds were used for Dodson's personal
2 expenses that were clearly unrelated to Citadel Energy's businesses, such as, among
3 other things, at least \$203,500 in Ponzi-like payments to his prior Duke investors, at
4 least \$196,478 in transfers to his Duke-related businesses, at least \$133,717 for
5 personal travel including casino vacations, at least \$48,153 for lease payments for a
6 BMW automobile, and at least \$78,049 for psychic readings and spiritual products.

7 81. Even taking into account the approximately \$255,000 of managerial
8 compensation disclosed in the Citadel Energy offering materials, Dodson improperly
9 profited from his misconduct by at least \$1,718,026.

10 82. Dodson also took other actions, distinct from misstatements and
11 omissions he made to investors, in furtherance of his scheme. For example, Dodson
12 misled third parties regarding his activities and background, including his business
13 partner and Citadel Energy's outside accountant. He also falsified and backdated
14 loan documents provided to investors and his business partner.

15 **CLAIMS FOR RELIEF**

16 **FIRST CLAIM**

17 **Fraud in the Offer and Sale of Securities**

18 **Violations of Sections 17(a)(1)-(3) of the Securities Act [15 U.S.C. § 77q(a)(1)-(3)]**

19 83. The Commission realleges and incorporates by reference paragraphs 1
20 through 82, as though fully set forth herein.

21 84. By virtue of the foregoing, Dodson has, directly or indirectly, with
22 scienter, in the offer or sale of securities, by use of the means or instruments of
23 transportation or communication in interstate commerce or by use of the mails,
24 employed a device, scheme, or artifice to defraud in violation of Section 17(a)(1) of
25 the Securities Act.

26 85. By virtue of the foregoing, Dodson has, directly or indirectly, in the offer
27 or sale of securities, by use of the means or instruments of transportation or
28 communication in interstate commerce or by use of the mails obtained money or

1 property by means of untrue statements of material fact or by omissions to state
2 material facts necessary to make the statements made, in light of the circumstances
3 under which they were made, not misleading in violation of Section 17(a)(2) of the
4 Securities Act.

5 86. By virtue of the foregoing, Dodson has engaged in transactions,
6 practices, or courses of business which have been or are operating as a fraud or deceit
7 upon the purchasers of securities in violation of Section 17(a)(3) of the Securities
8 Act.

9 87. Unless restrained and enjoined Dodson will, in the future, violate
10 Section 17(a) of the Securities Act.

11 **SECOND CLAIM**

12 **Fraud in the Purchase or Sale of Securities**

13 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c)**

14 **Thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(a) and (c)]**

15 88. The Commission realleges and incorporates by reference paragraphs 1
16 through 87, as though fully set forth herein.

17 89. By virtue of the foregoing, Dodson has, directly or indirectly, with
18 scienter, by use of the means or instruments of interstate commerce or by use of the
19 mails, used or employed, in connection with the purchase or sale of securities, a
20 manipulative or deceptive device or contrivance in contravention of the rules and
21 regulations of the Commission or employed devices, schemes, or artifices to defraud,
22 in violation of Section 10(b) of the Exchange Act and Rule 10b-5(a) thereunder.

23 90. By virtue of the foregoing, Dodson has, directly or indirectly, with
24 scienter, by use of the means or instruments of interstate commerce or by use of the
25 mails, in connection with the purchase or sale of securities, engaged in acts, practices,
26 or courses of business which operated or would operate as a fraud or deceit upon any
27 person in violation of Section 10(b) of the Exchange Act and Rule 10b-5(c)
28 thereunder.

1 91. Unless restrained and enjoined Dodson will, in the future, violate
2 Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c) thereunder.

3 **THIRD CLAIM**

4 **Fraud in the Purchase or Sale of Securities**

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

6 **Thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(b)]**

7 92. The Commission realleges and incorporates by reference paragraphs 1
8 through 91, as though fully set forth herein.

9 93. By virtue of the foregoing, Dodson has, directly or indirectly, with
10 scienter, by use of the means or instruments of interstate commerce or by use of the
11 mails, in connection with the purchase or sale of securities, made untrue statements of
12 material fact or omitted to state material facts necessary in order to make the
13 statements made, in light of the circumstances under which they were made, not
14 misleading in violation of Section 10(b) of the Exchange Act and Rule 10b-5(b)
15 thereunder.

16 94. Unless restrained and enjoined Dodson will, in the future, violate
17 Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder.

18 **PRAYER FOR RELIEF**

19 WHEREFORE, the Commission respectfully requests that this Court:

20 I.

21 Find that Dodson committed the violations alleged;

22 II.

23 Enter an Injunction, in a form consistent with Rule 65(d) of the Federal Rules
24 of Civil Procedure, permanently restraining and enjoining Dodson, his agents,
25 employees, and all persons in active concert or participation with him, from violating,
26 directly or indirectly, the laws and rules alleged in this complaint;

27 III.

28 Order that Dodson disgorge all ill-gotten gains, including pre- and post-

1 judgment interest, in the form of any benefits of any kind received as a result of the
2 acts and courses of conduct in this complaint;

3 IV.

4 Order that Dodson pay civil penalties, including post-judgment interest,
5 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], and Section
6 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]; and

7 V.

8 Order such other relief as is necessary and appropriate.
9
10

11 Dated: July 26, 2017

12 Jury Trial Demanded

13 Respectfully Submitted,

14 /s/ Donald W. Searles

15 Donald W. Searles

16 SECURITIES AND EXCHANGE
17 COMMISSION

18 444 South Flower Street, Suite 900

19 Los Angeles, CA 90071

20 Terry R. Miller

21 (pro hac vice application to be filed)

22 Attorneys for Plaintiff

23 SECURITIES AND EXCHANGE
24 COMMISSION