

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION

CASE NO. :

8.09cv455-T23

SECURITIES AND EXCHANGE COMMISSION, )  
 )  
 Plaintiff, )  
 v. )  
 SKY WAY GLOBAL LLC )  
 (A/K/A SKY WAY GLOBAL, INC.), )  
 BRENT C. KOVAR, )  
 GLENN A. KOVAR, )  
 JAMES S. KENT, )  
 KENNETH BRUCE BAKER )  
 (A/K/A BRUCE BAKER), and )  
 KENNETH R. KRAMER, )  
 Defendants. )

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 U.S. DISTRICT COURT  
 MIDDLE DISTRICT OF FLORIDA  
 TAMPA, FLORIDA

**COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF**

Plaintiff Securities and Exchange Commission alleges:

**I. INTRODUCTION**

1. The Commission brings this action to enjoin Defendants Sky Way Global LLC (“Global”), Brent C. Kovar, James S. Kent, and Glenn A. Kovar from selling unregistered securities and defrauding investors through multiple so-called “pump-and-dump” schemes in violation of the registration and anti-fraud provisions of the federal securities laws. The Commission also seeks to enjoin Defendants Kenneth Bruce Baker and Kenneth R. Kramer from acting as unregistered broker-dealers in violation of the registration provisions of the federal securities laws.

2. From at least February 2002 until December 2005, Global, an Internet provider and purported anti-terrorism company; Brent Kovar, Global’s senior vice president and president;

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Kent, Global's director of business operations and CEO; and Glenn Kovar, Global's manager and member; raised approximately \$1.38 million from 18 investors by offering and selling unregistered shares of Global's stock.

3. From February 2002 to June 2003, in connection with the offer and sale of Global's securities, Global, Brent Kovar, Kent, and Glenn Kovar made numerous material misrepresentations and omissions to investors through marketing and offering materials, including claims that Global possessed a nationwide network of broadcasting towers and anti-terrorism technology that would allow the government to monitor and, if necessary, take control of an airplane.

4. These claims were patently false. Global had no towers and no technology to monitor and take control of airplanes.

5. In June 2003, a Global subsidiary merged with a public shell to become SkyWay Communications Holding Corp. ("SkyWay"), and Global transferred its purported technology and assets to SkyWay. Brent Kovar and Kent assumed officer positions in SkyWay.

6. From August 2003 to May 2005, Brent Kovar, SkyWay's President, and Kent, SkyWay's CEO and CFO, issued false press releases to increase SkyWay's stock price and trading volume. The press releases stated, among other things, that SkyWay had a nationwide network of broadcasting towers, and the same purported anti-terrorism technology that Global had claimed to have. The press releases also claimed SkyWay had technology for providing Internet services on airplanes.

7. At the same time SkyWay, Brent Kovar, and Kent were making these false representations about SkyWay's technology and assets, Global, Brent and Glenn Kovar, and Kent dumped 76.65 million shares of their SkyWay stock on the unsuspecting public and made more than \$12 million in profits.

8. Brent Kovar and Kent also engaged in other misconduct in connection with the SkyWay pump-and-dump scheme. They improperly issued S-8 stock to promoters Kenneth Bruce Baker and Kenneth R. Kramer in exchange for finding investors and selling SkyWay stock. To conceal the use of S-8 stock to pay these commissions, SkyWay and Kent signed a bogus agreement dated July 1, 2003, that stated Baker would not be paid for promoting SkyWay. Further, during the first few months of 2004, SkyWay raised at least \$8.8 million from 19 investors in unregistered transactions in which Brent Kovar and Kent falsely described the shares as "free trading."

9. By virtue of their conduct, Global, Brent Kovar, Kent, and Glenn Kovar violated Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77q(a), 77e(a), and 77c(c); and Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5.

10. Brent Kovar and Kent also aided and abetted SkyWay's violations of Section 13(a) and Rule 12b-20 and 13a-11 of the Exchange Act, 15 U.S.C. §78m(a), and 17 C.F.R. §§ 240.12b-20 and 240.13a-11.

11. Glenn Kovar also aided and abetted SkyWay's violations of Section 10(b) and Rule 10b-5 of the Exchange Act, 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5.

12. By virtue of their conduct, Baker and Kramer violated Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a)(1).

13. The Commission requests the Court to enter: (1) permanent injunctions restraining and enjoining the Defendants from violating the federal securities laws; (2) orders directing the Defendants to disgorge all profits or proceeds they received as a result of the acts and/or courses of conduct complained of, with prejudgment interest; (3) orders directing the Defendants to pay

civil money penalties; (4) orders barring Brent Kovar, Glenn Kovar, Kent, Baker, and Kramer from participating in any offering of penny stock; and (5) orders barring Brent Kovar and Kent from serving as an officer or director of a public company.

## **II. DEFENDANTS AND RELEVANT ENTITIES**

### **A. Defendants**

14. Global, a Nevada limited liability company with its office in Tampa, Florida, was formed in 2000 and operated as an Internet service provider. In June 2003, SkyWay Aircraft, Inc. ("Aircraft"), a Global subsidiary, merged with a public shell to become SkyWay, and Global transferred its purported technology and assets to SkyWay and became a holding company. Global has never been registered with the Commission in any capacity.

15. Brent Kovar, 41, resides in Palm Springs, California. Kovar was Global's senior vice president of engineering/research and development from 2000 to 2003 and was SkyWay's president from 2003 to 2005.

16. Glenn Kovar, 75, resides in Duluth, Georgia and is Brent Kovar's father. He was Global's CEO from September 2000 to June 2002, Global's manager from September 2000 to September 2003, a member from September 2003 to February 2005, and Global's sole manager from February 2005 to September 2007. From June 2002 to June 2003, Glenn Kovar was also a director of Aircraft, Global's subsidiary.

17. Kent, 70, resides in Parrish, Florida. Kent was Global's director of business operations from 2000 to 2002, its CEO from June 2002 to June 2003, and has been its CFO since February 2003. Kent was SkyWay's CEO from June 2003 to June 2005, and its CFO from July 2004 to June 2005. Kent was also Aircraft's CEO and director from July 2002 until the June 2003 reverse merger, and its CFO from February 2003 until June 2003.

18. Baker, 57, has a last known address in Cape Coral, Florida. From 2003 to 2005, Baker served as a consultant to Global and SkyWay, and was responsible for locating a public shell to merge with Aircraft, locating investors in exchange for commissions, and communicating with brokers, dealers, and others in the financial community on behalf of SkyWay. Baker is not registered with the Commission in any capacity.

19. Kramer, 66, resides in Lake Worth, Florida. From 2003 to 2005, he located investors for SkyWay and managed a network of at least six promoters in exchange for commissions. Kramer is not registered with the Commission in any capacity.

**B. Relevant Entities**

20. SkyWay is a Florida corporation with its office in Clearwater, Florida. From June 2003 to May 2007, SkyWay's common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act and was quoted on the Over-The-Counter Bulletin Board under the symbol "SWYC." On June 14, 2005, the company filed a Chapter 11 bankruptcy petition in the United States Bankruptcy Court for the Middle District of Florida. In May 2007, a group of SkyWay investors bought SkyWay through the bankruptcy proceeding, and the company emerged from bankruptcy. In May 2007, the Commission revoked the registration of SkyWay's stock pursuant to Section 12(j) of the Exchange Act because SkyWay had not filed any periodic reports since January 2005.

21. Aircraft was a subsidiary of Global and was a Nevada corporation with its office in Tampa, Florida. Kent was its CEO, CFO, and a director; Brent Kovar was the president and a director; and Glenn Kovar was a director. Aircraft's common stock has never been registered with the Commission. In June 2003 Aircraft merged with a public shell to become SkyWay.

### **III. JURISDICTION AND VENUE**

22. This 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.

23. This Court has personal jurisdiction over the Defendants, and venue is proper in the Middle District of Florida, because many of the Defendants' acts and transactions constituting violations of the Securities Act and the Exchange Act occurred in the Middle District of Florida. Global's and SkyWay's principal offices were located in Tampa and Clearwater, Florida, within the Middle District of Florida. Kent, Baker, and Kramer reside in the Middle District of Florida, and throughout the relevant period Brent Kovar and Glenn Kovar resided in the Middle District of Florida.

24. In connection with the conduct alleged in this Complaint, the Defendants, directly or indirectly, singly or in concert with others, 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 GLOBAL OFFERING SCHEME**

#### **A. Global's Purported Business**

25. After the September 11, 2001 terrorist attacks, Global purportedly transformed from a land Internet service provider into a homeland security provider.

26. According to the January 1, 2002 Global private placement offering memorandum ("PPM") and marketing brochures and flyers, Global had broadband wireless technology that could communicate with airplanes through Global's nationwide network of broadcasting towers.

27. From at least November 2001 until approximately June 2003, Brent and Glenn Kovar and Kent held press and investor conferences on behalf of Global. During those conferences, all three represented to potential and actual investors that Global had technology to communicate with airplanes and a nationwide network of broadcasting towers.

28. Beginning no later than November 26, 2002, Brent Kovar also sent letters to potential and actual investors that Global had purchased an international tower network with 162 locations across the United States, Canada, Mexico, and the Virgin Islands.

29. In December 2003, Glenn Kovar sent letters to investors containing baseless estimates for the value for each of Global's assets, stating that Global's overall value was in excess of \$147 million.

30. The PPM stated Global's technology could monitor passengers onboard planes, control planes from the ground, and provide broadband Internet access to passengers through their laptops.

#### **B. Solicitation of Investors**

31. From February 2002 to June 2003, Global, Brent and Glenn Kovar, and Kent offered and sold shares of Global stock to the general public through the PPM, marketing brochures and flyers, and telemarketing.

32. According to the PPM, Global sought to sell 4.9 million shares for \$8.17 per share, and to raise \$40.03 million.

33. Brent and Glenn Kovar and Kent created the PPM. Global distributed it to actual and potential investors through the mail and during face-to-face meetings. Brent Kovar and other Global employees also contacted prospective investors by telephone to solicit investments.

34. Global, Brent and Glenn Kovar, and Kent told prospective investors they could soon exchange Global shares for publicly-traded stock because Aircraft, Global's operating subsidiary, would soon become a public company through an initial public offering. For example, in a letter dated November 26, 2002, Global stated "This brings tremendous added value to our IPO, which is just around the corner. We are waiting for the SEC to approve the asset re-evaluation of the SB2 document.... In December, I am meeting with the SEC in New York to finalize our IPO effective date." Global sent similar letters to investors in May 2002 and December 2003. Brent Kovar also sent letters to Global investors stating they could exchange their Global shares for publicly-traded SkyWay stock

35. Through the offering, Global, Brent and Glenn Kovar, and Kent raised approximately \$1.38 million from 18 investors.

**C. Fraudulent Misrepresentations and Omissions in the Global Offering**

36. In connection with Global's unregistered offering, Global, Brent and Glenn Kovar, and Kent made numerous misrepresentations, including: (1) Global had technology to communicate with airplanes; (2) Global owned an international network of broadcasting towers; (3) Global had technology to monitor passengers onboard airplanes; (4) Global's technology could control airplanes from the ground; (5) Global's technology could provide Internet access to airline passengers through their laptops; and (6) touting the installation of seat back phones, servers, radio equipment, and antennas on 2,500 airplanes in connection with Global's business.

37. These representations were all utterly false. Global never possessed an international network of broadcasting towers. Nor did it possess technology to communicate with or control airplanes or monitor airplane passengers. Global never provided any Internet

services to airborne customers. Nor were seat back phones, servers, radio equipment, and antennas installed on 2,500 airplanes in connection with Global's business.

38. Global, Brent and Glenn Kovar, and Kent also falsely represented to Global investors they could exchange their Global shares for publicly-traded stock because Aircraft, Global's operating subsidiary, would soon become a public company through an initial public offering. Although Aircraft filed a registration statement and four amended registration statements with the Commission from July 2002 to March 2003, none ever became effective and Aircraft withdrew its proposed registration statement in May 2003. In June 2003, Aircraft merged with i-TeleCo.com, Inc., a public shell, and SkyWay was formed.

39. After the June 2003 reverse merger, Global, Brent and Glenn Kovar and Kent continued falsely telling investors their Global stock would be exchanged for publicly-traded stock. For example, in December 2003 – more than six months after Global withdrew Aircraft's registration statement – Global sent letters to investors stating they could exchange their Global shares for publicly-traded SkyWay stock as soon as the Commission approved a Global IPO. Global did not disclose that it had already withdrawn its proposed registration statement.

40. Brent and Glenn Kovar and Kent knew or were reckless in not knowing they were participating in a fraudulent scheme. The Kovars and Kent told investors that Global possessed technology and assets that, based on their officer roles at Global, they knew or should have known it did not possess. The Kovars and Kent also created the Global PPM and told investors that Global stock could soon be exchanged for publicly-traded stock in Aircraft, a Global subsidiary, but they knew or should have known that Aircraft's registration statement never became effective and that Aircraft withdrew its proposed registration statement in May 2003.

## **V. THE SKYWAY PUMP-AND-DUMP SCHEME**

### **A. SkyWay's Misleading Press Releases and Current Reports**

41. After SkyWay became a public company in June 2003, Global transferred its purported technology and assets to SkyWay and became a holding company. Brent Kovar and Kent assumed officer positions in SkyWay. As President, Brent Kovar oversaw SkyWay's marketing, sales, and investor relations. Kent served as SkyWay's CEO and, commencing in June 2004, also as its CFO. Kent was responsible for SkyWay's accounting department and its day-to-day operations.

42. From at least August 2003 to May 2005, SkyWay issued false press releases to increase its stock price and trading volume. Most of these press releases were attached to Forms 8-K SkyWay filed with the Commission. In the press releases, SkyWay claimed to have broadband wireless air-to-ground technology, a nationwide communication tower system, significant advertising contracts, a \$900,000 investment from a private investment source, and an \$8 million investment from a "DuPont" entity it created the false impression was associated with the DuPont family. The representations in these press releases were patently false or misleading. Brent Kovar and Kent were both involved in the preparation, review, and approval of these press releases and Forms 8-K.

#### **(1) SkyWay's Wireless Capabilities, Assets, and Advertising Contracts**

43. In 2003, 2004, and 2005, SkyWay issued press releases claiming it had breakthrough broadband wireless technology. For example, in September 2003, SkyWay issued a press release touting its high-speed technology for, among other things, in-flight entertainment and wireless Internet services. That same day, SkyWay filed a report on a Form 8-K attaching the press release.

44. The representations in the September 2003 press release were false. SkyWay did not have the ability to offer these services. The technology was still in the research and development stage and, even three years later as of October 11, 2006, SkyWay did not have required FAA approvals. SkyWay issued similar false press releases touting its purported technology, or an agreement with another company to sell SkyWay's purported broadband services, at least nine times in 2004 and 2005.

45. SkyWay also issued false press releases in 2003 and 2004 claiming it had purchased the AT&T/Claircom airborne telephone network. On August 1, 2003, SkyWay issued a press release stating that it had "completed acquisition of AT&T Wireless' 166-tower airborne telephone networks in the US, Mexico, and Canada." These claims were false. SkyWay had only purchased information about the AT&T tower locations and specifications, plus some spare parts. After the purchase, on August 6, 2003, AT&T sent Kent a letter attaching the August 1 press release and stating: "The information contained in this article... is both erroneous and misleading." AT&T went on to state: "As you are aware, the '166-tower airborne telephone network' was in no way part of the reference Agreement. No technology, information nor data related to the Claricom operations or equipment in Mexico and Canada were ever included in the reference Agreement."

46. Even after AT&T informed Kent the August 1 press release was "both erroneous and misleading," SkyWay issued four additional press releases repeating these false statements in December 2003 and August 2004:

- a. On December 23, 2003, SkyWay issued a press release stating that it had "previous[ly] purchased [the] AT&T/Claircom network, making it one of only two land-based networks licensed to operate in the ATG [air to ground]"

frequencies.” Trading volume for SkyWay’s stock increased 691% from December 22, 2003 to December 23, 2003, and SkyWay’s stock price increased 19%.

- b. On December 25, 2003, SkyWay issued two additional press releases including the same false claims. Trading volume for SkyWay’s stock increased 27.1% from December 24, 2003 to December 26, 2003.
- c. On August 25, 2004, SkyWay issued another press release touting its wireless air to ground tower network and “anti-terrorist technology.” Trading volume for SkyWay’s stock increased 63% from August 24, 2004 to August 25, 2004, and SkyWay’s stock price increased 3%.

47. SkyWay also issued three press releases in October 2003 announcing it had entered into advertising contracts with various companies, including a Holiday Inn resort, that would pay SkyWay advertising fees for running promotions on passengers’ laptops on airline flights. SkyWay attached these press releases to Forms 8-K it filed with the Commission. These press releases were grossly misleading. SkyWay had signed contracts with various advertisers, but Kent told the advertisers they would not have to pay for the commercials. For example, in a facsimile to Kent dated October 3, 2003, one advertiser wrote: “Thanks for clarifying our financial responsibilities in this no cost advertising venture with SkyWay.”

48. Based on their efforts in drafting these press releases, and their knowledge as SkyWay officers that Global lacked the technology and assets it touted, Brent Kovar and Kent knew or were reckless in not knowing the press releases contained fraudulent misrepresentations.

**(2) The \$1 Million Ibises Contract**

49. SkyWay issued a press release on January 27, 2005 announcing it had signed a contract with Ibises International, a manufacturer of airline entertainment products, under which SkyWay would manufacture servers for Ibises in exchange for \$1 million. On January 27, 2005, SkyWay also filed a current report on a Form 8-K, attaching this press release as an exhibit.

50. The January 27, 2005 press release was misleading. SkyWay failed to disclose Ibises had a separate agreement for Global to pay Ibises \$2 million in SkyWay stock.

51. Brent Kovar, who negotiated the terms of both agreements, knew without Global's commitment to give Ibises \$2 million of SkyWay stock, the \$1 million SkyWay-Ibises deal would not have been completed. Kent knew Skyway and Global were negotiating two separate agreements with Ibises.

52. In a quarterly report SkyWay filed on Form 10-QSB on March 23, 2005, SkyWay finally revealed the arrangement between SkyWay, Ibises, and Global.

**(3) The \$900,000 Investment**

53. On August 23, 2004, SkyWay issued three press releases stating it had received \$900,000 from a private investment source. The press releases quoted Brent Kovar as stating: "This additional funding displays the confidence placed in SkyWay and our SkyWay products."

54. The August 23, 2004 press releases were misleading. SkyWay had actually received a \$900,000 loan from Glenn Kovar. SkyWay failed to disclose the true nature of the funding as a loan from a related party – the father of SkyWay's president. Brent Kovar and Kent knew Glenn Kovar was the source of the loan when they issued the press releases.

55. Glenn Kovar also knew SkyWay was issuing this misleading press release and participated in its creation. Glenn Kovar told a SkyWay auditor he did not want to be identified as the source of the loan because certain investors did not want him involved with SkyWay.

56. In a Form 8-K/A dated December 20, 2004, SkyWay finally revealed the \$900,000 loan was from a related party, but did not reveal it was from Glenn Kovar. In this filing, SkyWay admitted the “press release incorrectly identified the individual as an unrelated person” and that the press release should not have referred to “confidence placed in SkyWay.”

**(4) Investments from the DuPont Fund**

57. On July 14, 2004, SkyWay issued a press release making false representations about the nature of one purported investor, the DuPont Trust. Specifically, the press release states that “When the DuPont Trust, which for over a hundred years has been searching out the best investments, begins buying this stock for their portfolio, DuPont again begins to show why they are one of the premier trusts and foundations in the modern world.” In fact, the DuPont Fund’s corporate records reveal it was created in Belize in 2003.

58. Glenn Kovar, Brent Kovar’s father, owned the DuPont Fund, and therefore Brent Kovar knew or was reckless in not knowing the DuPont Fund had not been searching for investments “for over a hundred years.” Furthermore, Brent Kovar and Kent knew or recklessly allowed the press release to create the false impression that the DuPont Trust was associated with the well-known DuPont family.

59. Based on his efforts in drafting the July 14, 2004 press release, and their knowledge that Glenn Kovar owned the DuPont Trust, Brent Kovar and Kent knew or were reckless in not knowing the July 14, 2004 contained a fraudulent misrepresentation.

**B. SkyWay Created and Distributed a Misleading Promotional Video**

60. Brent Kovar and Kent created a false and misleading video about SkyWay’s technology, which they showed to SkyWay’s actual and prospective investors between approximately June 2003 and June 2005. The video, which SkyWay posted on its website, featured Brent Kovar and Kent discussing SkyWay’s products and capabilities. The video repeated the false claims SkyWay had made in press releases concerning its purported acquisition of the AT&T air-to-ground network. The video also claimed SkyWay offered high-speed digital Internet services to airborne passengers. However, SkyWay was not offering high-speed digital Internet services on flights.

61. Based on their knowledge that SkyWay had never acquired AT&T’s air-to-ground network and was not offering high speed digital Internet services to airborne passengers, Brent Kovar and Kent knew or were reckless in not knowing the claims in the video were misrepresentations.

**C. Global, Brent and Glenn Kovar, and Kent Dumped SkyWay Stock**

62. After artificially inflating SkyWay’s stock price through false and misleading press releases, videos, SEC filings, and other communications, Global, Brent and Glenn Kovar, and Kent dumped their SkyWay stock onto the market, as summarized below.

<b><u>Defendants</u></b>	<b><u>Sales Period</u></b>	<b><u>Shares Sold</u></b>	<b><u>Approximate Profits</u></b>
Global	December 2004 to March 2005	25 million shares	At least \$1.19 million
Glenn Kovar	August 2004 to February 2005	45 million shares	At least \$8.53 million
Brent Kovar	June 2004 to January 2005	4.4 million shares	\$2.80 million
Kent	October 2004 to April 2005	2.25 million shares	\$265,000

63. In addition, from the time SkyWay became a public company through 2004, SkyWay and Brent and Glenn Kovar sold more than \$8.86 million of their SkyWay shares to a number of Middle Eastern investors. Although these shares were restricted, Brent Kovar and Kent falsely told investors they were buying free-trading stock.

**D. SkyWay Improperly Compensated Promoters With S-8 Stock**

64. After its unsuccessful attempts to launch an IPO, Global hired Baker in March 2003 to locate a public shell for a reverse merger. Baker was successful, and in June 2003 Global's subsidiary, Aircraft, conducted a reverse merger with i-TeleCo.com, Inc., and formed SkyWay.

65. After it became public, SkyWay retained Baker to locate investors for SkyWay. Brent Kovar agreed to pay Baker a 5% commission (later raised to 7% and then 10%) on any investor funds Baker helped raise. Pursuant to an agreement with SkyWay, Baker also received S-8 stock as a commission for all stock sales made by his business associate, Kramer, and for all stock sales Kramer's sales agents made. Baker also promoted SkyWay through various meetings he arranged in 2003 and 2004, where Brent Kovar met with brokers, market makers, and investors in various states.

66. As a result of his promotional efforts, SkyWay paid Baker commissions of at least \$1.9 million (\$315,000 in cash and the balance in stock). To conceal SkyWay's use of S-8 stock to pay Baker's commissions, SkyWay and Kent signed a bogus agreement dated July 1, 2003 that stated Baker would not be paid for promoting SkyWay or raising money for the company.

67. Baker also separately entered into an agreement with Kramer to locate investors for SkyWay. In an agreement dated August 29, 2003, Baker and Kramer agreed to divide equally any commissions SkyWay paid Baker. In 2003 and 2004, Kramer used at least six sales agents

to find investors for SkyWay, and Kramer earned a 10% commission on any SkyWay stock sales these agents made.

68. Kramer created summaries of each agent's sales, including the investor's name, the investor's broker, the number of SkyWay shares the investor purchased, and a breakdown of the commissions each associate had earned. Kramer sent these summaries to Baker, Brent Kovar, and Kent.

69. SkyWay paid Kramer's sales commissions through Baker. As a result of his promotional efforts, Kramer earned commissions of at least \$915,000 (\$200,000 in cash and the balance in stock).

## **VI. CLAIMS FOR RELIEF**

### **COUNT I**

#### **GLOBAL, BRENT KOVAR, GLENN KOVAR, AND KENT VIOLATED SECTIONS 5(A) AND 5(C) OF THE SECURITIES ACT**

70. The Commission repeats and realleges paragraphs 1 through 69 of its complaint.

71. Defendants Global, Brent Kovar, Glenn Kovar, and Kent directly and indirectly: (i) made use of means or instruments of transportation or communication in interstate commerce or of the mails to sell, through the use or medium of a prospectus or otherwise, securities as to which no registration statements was in effect; (ii) for the purpose of sale or delivery after sale, carried and/or caused to be carried through the mails or in interstate commerce, by means or instruments of transportation, securities as to which no registration statements was in effect; and (iii) made use of means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell, through the use or medium of a prospectus or otherwise, securities as to which no registration statement had been filed.

72. No valid registration statement was filed or in effect with the Commission pursuant to the Securities Act and no exemption from registration existed with respect to the securities and transactions described in this complaint.

73. By reason of the foregoing, Defendants Global, Brent Kovar, Glenn Kovar, and Kent, violated, and, unless enjoined, will continue to violate Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

## COUNT II

### **GLOBAL, BRENT KOVAR, GLENN KOVAR, AND KENT VIOLATED SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER**

74. The Commission repeats and realleges paragraphs 1 through 69 of its complaint.

75. Defendants Global, Brent Kovar, Glenn Kovar, and Kent directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of securities, as described herein, knowingly, willfully, or recklessly: (i) employed devices, schemes or artifices to defraud; (ii) 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; and/or (iii) engaged in acts, practices and courses of business which have operated, are now operating and will continue to operate as a fraud upon the purchasers of such securities.

76. By reason of the foregoing, Defendants Global, Brent Kovar, Glenn Kovar, and Kent, directly and indirectly, 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 thereunder [17 C.F.R. § 240.10b-5].

**COUNT III**

**GLOBAL, BRENT KOVAR, GLENN KOVAR, AND KENT VIOLATED  
SECTION 17(A)(1) OF THE SECURITIES ACT**

77. The Commission repeats and realleges its allegations set forth in paragraphs 1 through 69 of this complaint.

78. Defendants Global, Brent Kovar, Glenn Kovar, and Kent directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by use of the mails, in the offer or sale of securities, as described in this Complaint, knowingly, willfully or recklessly employed devices, schemes or artifices to defraud.

79. By reason of the foregoing, Defendants Global, Brent Kovar, Glenn Kovar, and Kent directly and indirectly, violated and, unless enjoined, will continue to violate Section 17(a)(1) of the Securities Act [15 U.S.C. §§ 77q(a)(1)].

**COUNT IV**

**GLOBAL, BRENT KOVAR, GLENN KOVAR, AND KENT VIOLATED  
SECTIONS 17(A)(2) and 17(A)(3) OF THE SECURITIES ACT**

80. The Commission repeats and realleges its allegations set forth in paragraphs 1 through 69 of this Complaint as if fully restated herein.

81. Defendants Global, Brent Kovar, Glenn Kovar, and Kent directly and indirectly, 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, as described in this Complaint: (a) 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; and/or (b) engaged in transactions, practices and

courses of business which are now operating and will operate as a fraud or deceit upon purchasers and prospective purchasers of such securities.

82. By reason of the foregoing, Defendants Global, Brent Kovar, Glenn Kovar, and Kent directly and indirectly, violated and, unless enjoined, will continue to violate Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

**COUNT V**

**GLENN KOVAR AIDED AND ABETTED SKYWAY'S VIOLATIONS  
OF SECTION 10(B) AND RULE 10B-5 OF THE EXCHANGE ACT**

83. The Commission repeats and realleges paragraphs 1 through 69 of its complaint.

84. SkyWay directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of securities, as described herein, knowingly, willfully, or recklessly: (i) employed devices, schemes or artifices to defraud; (ii) 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; and/or (iii) engaged in acts, practices and courses of business which have operated, are now operating and will continue to operate as a fraud upon the purchasers of such securities.

85. By reason of the foregoing, SkyWay violated Section 10(b) and Rule 10b-5 of the Exchange Act [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5].

86. By virtue of the conduct described in this complaint, Defendant Glenn Kovar knowingly or recklessly provided substantial assistance to and thereby aided and abetted SkyWay in connection with its violations of Section 10(b) and Rule 10b-5 of the Exchange Act [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5].

**COUNT VI**

**BRENT KOVAR AND KENT AIDED AND ABETTED SKYWAY'S  
VIOLATIONS OF SECTION 13(A) OF THE EXCHANGE ACT AND  
RULES 12B-20 AND 13A-11 THEREUNDER**

87. The Commission repeats and realleges paragraphs 1 through 69 of its complaint.

88. Section 13(a) of the Exchange Act and Rule 13a-11 thereunder require the filing of current reports. Rule 12b-20 requires disclosure of such additional material information as may be necessary to make the required statements not misleading.

89. By reason of the foregoing, SkyWay violated Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rule 13a-11 [17 C.F.R. § 240.13a-11] in connection with its Forms 8-K that attached press releases that contained materially false and misleading statements.

90. By virtue of the conduct described in this complaint, Defendants Brent Kovar and Kent aided and abetted SkyWay's violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-1].

**COUNT VII**

**BAKER AND KRAMER VIOLATED THE BROKER-DEALER  
REGISTRATION PROVISIONS**

91. The Commission repeats and realleges paragraphs 1 through 69 of its complaint.

92. Defendants Baker and Kramer, directly and indirectly, by the used of the means and instrumentality of interstate commerce, while acting as a broker or dealer engaged in the business of effecting transactions in securities for the accounts of others, effected transactions in securities, or induced or attempted to induce the purchase and sale of securities, without registering as a broker-dealer in accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b).

93. By reason of the foregoing, Defendants Baker and Kramer, directly and indirectly, violated and, unless enjoined, will continue to violate Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

## **VII. RELIEF REQUESTED**

**WHEREFORE**, the Commission respectfully requests that the Court:

### **I.**

#### **Declaratory Relief**

Declare, determine and find that the Defendants have committed the violations of the federal securities laws alleged herein.

### **II.**

#### **Permanent Injunctive Relief**

94. Issue permanent injunctions, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, enjoining Defendants Global, Brent Kovar, Kent, and Glenn Kovar, their agents, sales agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from directly or indirectly violating Sections 5(a), 5(c), and 17(a) of the Securities Act [15 U.S.C. §§ 77q(a), 77e(a), and 77e(c)], and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; Defendants Brent Kovar and Kent, their agents, sales agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from directly or indirectly aiding and abetting any violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20 and 13a-11 thereunder [17 C.F.R. §§ 240.12b-20 and 240.13a-11]; Defendant Glenn Kovar, his agents, sales agents, servants, employees, attorneys, and all persons in active concert or participation with him, and each of them, from directly or indirectly aiding

and abetting violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; and Defendants Baker and Kramer, their agents, sales agents, servants, employees, attorneys, and all persons in active concert or participation with it, and each of them, from directly or indirectly violating 15(a) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

**III.**

**Disgorgement**

Issue an order directing Defendants Global, Brent Kovar, Glenn Kovar, Kent, Baker, and Kramer to disgorge all ill-gotten profits or proceeds that they have received as a result of the acts and/or courses of conduct alleged in this complaint with prejudgment interest.

**IV.**

**Penalties**

Issue an order directing Defendants Global, Brent Kovar, Glenn Kovar, Kent, Baker, and Kramer to pay civil money penalties 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. § 78(d)(3)].

**V.**

**Penny Stock Bar**

Issue an order barring Defendants Brent Kovar, Glenn Kovar, Kent, Baker, and Kramer from participating in any offering of penny stock, pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)] for the violations alleged herein.

**VI.**

**Officer and Director Bar**

Issue an order 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)] barring Defendants Brent Kovar and Kent from serving as an officer or director of a public company.

**VII.**

**Further Relief**

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

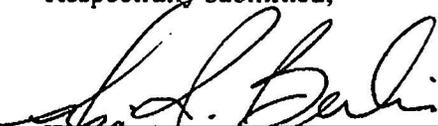
**VIII.**

**Retention of Jurisdiction**

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

Respectfully submitted,

March 12, 2009

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<sup>1</sup> Mr. Panahi is not currently enrolled in cm-ecf for the Middle District of Florida. However, he will immediately submit his application for enrollment.

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