

**FILED**

**APRIL 1, 2010**

**MICHAEL W. DOBBINS  
CLERK, U.S. DISTRICT COURT**

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

<hr/>		:
<b>UNITED STATES SECURITIES</b>	:	
<b>AND EXCHANGE COMMISSION,</b>	:	
	:	
<b>Plaintiff,</b>	:	
	:	
<b>v.</b>	:	<b>CASE NO. 09-CV-676</b>
	:	
<b>STEFAN H. BENGER, SHB CAPITAL, INC.,</b>	:	<b>JUDGE LEFKOW</b>
<b>JASON B. MEYERS, INTERNATIONAL</b>	:	
<b>CAPITAL FINANCIAL RESOURCES, LLC,</b>	:	<b>MAGISTRATE JUDGE COLE</b>
<b>PHILIP T. POWERS, FRANK I.</b>	:	
<b>REINSCHREIBER , GLOBAL FINANCIAL</b>	:	<b>JURY TRIAL DEMANDED</b>
<b>MANAGEMENT, LLC, STEPHAN VON HASE,</b>	:	
<b>and CTA WORLDWIDE SERVICES, SA.</b>	:	
	:	
<b>Defendants.</b>	:	
<hr/>		:

**AMENDED COMPLAINT**

Plaintiff United States Securities and Exchange Commission (“Commission”) alleges as follows:

**NATURE OF THE ACTION**

1. The Commission brought this emergency law enforcement action to halt an ongoing international boiler room scheme run by defendants from their residences and offices in Chicago. From at least March 2007 until February 2009, the scheme raised approximately \$44.2 million from more than 1,400 foreign investors, primarily through the sales of U.S. penny stocks. The success of defendants’ scheme depended on the concealment from investors of a critical fact: that more than 60% of the investor funds were used to pay sales commissions.

2. Defendants' scheme was simple: Defendants Stefan H. Bengler, Jason B. Meyers, Stephan von Hase, SHB Capital, Inc., International Capital Financial Resources, LLC, and CTA Worldwide Services, SA (collectively, the "Distribution Agent Defendants") entered into distribution agreements with companies that agreed to issue shares of "Regulation S stock." Regulation S stock is exempt from registration with the Commission because it is offered solely to investors who are located outside the United States. In these agreements, the Distribution Agent Defendants agreed to solicit investors for such stock in exchange for sales commissions exceeding 60%.

3. The Distribution Agent Defendants and issuers then entered into escrow agreements with Defendants Philip T. Powers, Frank I. Reinschreiber and Global Financial Management, LLC (collectively, the "Escrow Agent Defendants"). The Escrow Agent Defendants agreed to receive and process investors' signed share purchase agreements (SPAs); receive investor funds into escrow accounts; disburse investor funds to the issuers and to the parties receiving sales commissions; and send share certificates to investors to finalize their purchases of issuer stock. For their services, the Escrow Agent Defendants received a percentage of the commissions.

4. The Distribution Agent Defendants retained overseas boiler room operators to sell the stock through phone solicitations. These operators preyed upon less sophisticated foreign investors, including elderly Europeans, employing high pressure sales tactics and myriad misrepresentations to induce the purchase of these restricted shares.

5. After an individual agreed to invest in the boiler room stock, defendants provided the investors with a SPA documenting their purchase. These SPAs, along with

the distribution and escrow agreements, were either created or adopted by each defendant. In most cases, the SPA directed the investor to send their investment funds and portions of the signed SPA to the Escrow Agent Defendants.

6. Per the language in the distribution and escrow agreements, the Escrow Agent Defendants disbursed more than 60% of the investor proceeds to the parties who received sales commissions, while remitting less than 40% of the proceeds to the issuers of the stocks. Of the approximately \$44.2 million raised from investors, the Escrow Agent Defendants disbursed nearly \$29 million in the form of commission payments to overseas accounts. After dividing up the investor proceeds in this manner, the Escrow Agent Defendants sent or directed share certificates to investors, confirming to the investor that the issuers had received their investment funds.

7. Throughout the sales process, the defendants concealed the exorbitant sales commissions from the investors. Investors never saw the distribution or escrow agreements which detailed the allocation of investment funds. The boiler room agents oftentimes lied outright about their commissions to prospective investors, falsely claiming that the agent would only make money on the investment if the investor made money on the investment. The SPAs provided by defendants to the investors reinforced these lies, misrepresenting that investors paid no sales commissions, with all of the investment amount going to the stock issuer except for nominal “transaction fees” amounting to 1% or less of the amount invested.

8. The Distribution Agent Defendants, obviously aware of their massive sales commissions, employed investor offering documentation that falsely indicated investors paid no sales commissions. Defendants Philip T. Powers, Frank I.

Reinschreiber and Global Financial Management, LLC provided substantial assistance with either knowledge of the material misrepresentations and omissions concerning commissions, or with a reckless disregard of the fraud. They received and processed investors' signed SPAs, took custody of investor funds (which they primarily disbursed as exorbitant sales commissions), then issued share certificates to investors. Further, each defendant improperly acted as securities brokers without registering with the Commission.

### **JURISDICTION AND VENUE**

9. The Commission brings this action pursuant to Section 20(b) of the Securities Act of 1933 [15 U.S.C. § 77t(b)] (“Securities Act”) and Section 21(d)(1) of the Securities Exchange Act of 1934[15 U.S.C. §§ 78u (d)(1)] (“Exchange Act”).

10. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa].

11. Venue is proper in this Court pursuant to Section 22 of the Securities Act [15 U.S.C. § 77u(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa].

Defendants, directly or indirectly, have made and are making, use of the means and instrumentalities of interstate commerce and of the mails in connection with the acts, practices and courses of business alleged herein in the Northern District of Illinois.

### **THE DEFENDANTS**

12. **Stefan H. Bengner** (“Bengner”), as of the date of the filing of the original complaint, was a 42 year-old resident of Chicago. On September 25, 2008, Bengner became a United States citizen. He is now a dual citizen of Germany and the United

States. Bengier has been associated with various broker-dealer firms. According to the Central Records Depository (“CRD”), a database compiled and maintained by the Financial Regulatory Authority that provides information concerning broker-dealers registered with the Commission and their registered representatives, Bengier is not currently associated with a registered broker-dealer. During the relevant period, Bengier was the president of Defendant SHB Capital, Inc., through which he acted as a distribution agent for several of the boiler room stock offerings.

13. **SHB Capital, Inc.** (“SHB Capital”), during the relevant period, was a Delaware corporation based in Chicago. On its website, SHB Capital claimed to be “one of the premier buyout companies,” specializing in “the acquisition and management of small businesses.” It purported to have an investment banking division that helps U.S. and international companies become “listed on the NASDAQ, OTCBB or Pink Sheets.” SHB Capital also purported to sell public shell companies and to assist in placing issuer shares with domestic and international investors. It has never been registered with the Commission as a broker-dealer. SHB Capital actively recruited Regulation S sales agents through its website. Through Defendant Bengier, the company acted as a distribution agent for several of the boiler room stock offerings.

14. **Jason B. Meyers** (“Meyers”), as of the date of the filing of the original complaint, was a 48 year-old resident of Chicago. From 1988 through November 2000, Meyers was associated with various securities and commodities firms. According to CRD records, Meyers is not currently associated with a registered broker-dealer. Meyers previously was a vice president of A-Street Capital, a Chicago-based firm that touted its ability to “arrange the sale of Reg S exempt common stock to retail investors in Europe

and Asia through our affiliated regulated broker-dealers.” Meyers was the president of Defendant International Capital Financial Resources, LLC, through which he acted as a distribution agent for several of the boiler room stock offerings.

15. **International Capital Financial Resources, LLC** (“International Capital”), during the relevant period, was an Illinois corporation with its principal place of business listed as Meyers’ personal residence in Chicago. On its website, International Capital claimed to be a “leading provider of specialized and traditional investment banking services to micro, small, and mid-cap companies.” International Capital’s website also claimed to have “the international contacts to place Regulation S offerings.” Through Defendant Meyers, International Capital acted as a distribution agent for several of the boiler room stock offerings. International Capital is not registered with the Commission as a broker-dealer.

16. **Stephan Gottfried von Hase** (“von Hase”) is a 55 year old German citizen who maintains residences in Chicago, Illinois and Nassau, Bahamas. During the relevant period he was the sole owner and officer of CTA Worldwide, a distribution agent for several of the penny stocks sold through the boiler room operation. During the relevant period, von Hase was also the president of Chicago-based Marblehead Financial Group, Inc. (Marblehead), an investment adviser registered with the State of Illinois. Prior to his association with Marblehead and CTA Worldwide, von Hase was associated with various securities and commodities firms. From 1990 through 1998 he served as a registered representative, and as the resident manager, of Merrill Lynch International Bank in Berlin, Germany. According to CRD records, von Hase is not currently associated with a registered broker-dealer.

17. **CTA Worldwide Services, SA** (“CTA Worldwide”), during the relevant period, was a Bahamian-based company controlled by von Hase. CTA Worldwide, which sometimes operated under the name CTA Group, S.A., acted as the distribution agent for the Regulation S offerings of five issuers whose stock was sold through the boiler room scheme. CTA Worldwide has never registered with the Commission as a broker-dealer.

18. **Philip T. Powers** (“Powers”), as of the date of the filing of the original complaint, was a 61 year-old resident of Chicago and a licensed attorney in the State of Illinois. During the relevant period, Powers held the position of “senior counsel” at Handler, Thayer & Duggan, LLC. According to the firm’s website, he focused his practice on “business, corporate and securities law with an emphasis on domestic and international private equity formation and related transactions,” with experience as a “general counsel to broker-dealers and other financial services firms, focusing on domestic regulatory compliance.” In addition to his position with Handler Thayer, Powers was a principal of Defendant Global Financial Management, LLC. In these capacities, Powers served as an escrow agent for several of the issuers of the stock sold as part of the boiler room scheme. Prior to joining Handler Thayer, Powers was chief administrative officer and general counsel of A-Street Capital. According to CRD records, Powers is not associated with a registered broker-dealer.

19. **Frank I. Reinschreiber** (“Reinschreiber”), as of the date of the filing of the original complaint, was a 52 year-old resident of Chicago. Reinschreiber was a principal of Defendant Global Financial Management, LLC, through which he acted as an escrow agent for several of the issuers of stock sold through the boiler room scheme.

Global Financial Management, LLC's website stated that Reinschreiber had thirty years of experience in accounting, tax and financial planning, and was formerly the CFO of A-Street Capital. According to CRD records, Reinschreiber is not associated with a registered broker-dealer.

20. **Global Financial Management, LLC** ("Global Financial"), during the relevant time period, was an Illinois corporation based in Chicago. On its website, Global Financial portrayed itself as a "finance management company" offering "a complete line of escrow services including the ability to receive and send funds in any foreign currency." Defendants Reinschreiber and Powers controlled Global Financial, which acted as an escrow agent for several of the issuers of stock sold through the boiler room scheme. Global Financial is not registered with the Commission as a broker-dealer.

#### **RELATED PARTY**

21. **Handler, Thayer & Duggan, LLC** ("Handler Thayer"), during the relevant period, was an Illinois corporation based in Chicago. Handler Thayer was a law firm of approximately 20 attorneys specializing in business and corporate law services. Handler Thayer, through Powers, acted as an escrow agent for several of the issuers of stock sold through the boiler room scheme. During the relevant period, Handler Thayer was not registered with the Commission as a broker-dealer.

#### **FACTS**

##### **The Structure of the Scheme**

22. Defendants' scheme involved the offer and sale of stock in at least eight penny stock issuers: China Voice Holding Corp., Integrated Biodiesel Industries Ltd., Biomoda, Inc., Pharma Holdings Inc., World Energy Solutions, Inc., Revolutions

Medical Corp., Earthsearch Communications, Inc., and Essential Innovations Technology Corp. (together the “Issuers”). All but one of these companies were based in the United States. With the exception of Integrated Biodiesel and Pharma, the stock for each of the Issuers was quoted through the OTC Bulletin Board or “Pink Sheets.” During the relevant period, the stock of most if not all of the Issuers traded at prices under \$5 per share and otherwise met the definition of a “penny stock” under the federal securities laws.

23. At various points throughout the course of this scheme, SHB Capital, International Capital and CTA Worldwide, through Bengner, Meyers and von Hase, each entered into agreements to distribute the shares of various Issuers. The distributions purported to comply with Regulation S of the Securities Act, which provides an exemption for securities offerings in which (among other things) all investors are located outside the United States.

24. SHB Capital, International Capital and CTA Worldwide, through Bengner, Meyers and von Hase, retained sales agents located outside the United States to make “cold calls” to individuals soliciting investments in the Issuers’ stock. Certain of the sales agents retained by the Distribution Agent Defendants worked for firms that have appeared on a warning list, compiled and published by the United Kingdom’s Financial Services Authority, of firms that were both suspected of boiler room activity and were not authorized to do business in the United Kingdom. Others falsely told investors they worked for legitimate brokerage firms operating in the United Kingdom when, in fact, they did not.

25. Global Financial, through Powers and Reinschreiber, agreed to act as an escrow agent for the distributions of the Issuers' stock. The existence of the escrow agent presumably afforded investors with a measure of comfort that a neutral third party was handling the funds. The escrow agent received and processed investors' signed SPAs; received investor funds into escrow accounts; disbursed investor funds to the Issuers and others receiving sales commissions; and sent share certificates to investors to finalize their purchases of Issuer stock. In exchange, the escrow agents received commission payments.

26. The distribution agreements, escrow agreements and SPAs were either created or adopted by each defendant throughout the course of the scheme. The SPAs were generally the only documents provided to investors in connection with their purchases of the Issuers' stock. The SPAs provided to investors for each of the Issuers were substantially similar to one another.

#### **China Voice: An Illustration of the Scheme**

27. The offer and sale of stock in China Voice illustrates defendants' scheme in practice. In early 2007, China Voice entered into distribution agreements with SHB Capital and International Capital. The distribution agreements designated Bengier and Meyers as the authorized signatories on behalf of distribution agents SHB Capital and International Capital, respectively.

28. Each distribution agreement called for the distribution agent to solicit foreign investors for China Voice's Regulation S offering of common stock in exchange for commissions. The distribution agreements included an attachment allocating investor proceeds from the offering among and between the distribution agent, the Issuer and the

escrow agent. In China Voice's distribution agreements with SHB Capital and International Capital, China Voice received a mere 34% of the investor proceeds, and the distribution agent and escrow agent collectively received 66% of the proceeds. Defendants never provided the distribution agreements to investors.

29. An exemplar of the China Voice SPA was attached to both the SHB Capital distribution agreement with China Voice and to the International Capital agreement with China Voice. These exemplars were substantially similar to the SPAs provided to individuals who invested in China Voice's Regulation S offering.

30. On the first page of the China Voice SPA provided to investors was a grid entitled "Transaction Information – Price and Shares." This is an example of such a grid:

**Transaction Information - Price and Shares**

<b>Purchase Price per share</b>	<b>USD\$</b>	<b>\$0.56</b>
<b>Number of Shares being purchased</b>		<b>122,000</b>
<b>Transaction fee to cover certificate and mailing costs</b>	<b>USD\$</b>	<b>50.00</b>
<b>Total Consideration for shares</b>	<b>USD\$</b>	<b>68,370</b>

31. The first page of the SPA further stated that "[a] certificate representing the Shares will be issued by [China Voice] within 21 days of acceptance of this agreement and will be deposited with the Escrow Agent for transmittal to the [investor] **upon transfer of the Total Consideration to [China Voice].**" (emphasis added).

32. "Total Consideration" is defined in the SPA as the cost of the Issuer's shares, plus the cost of a nominal transaction fee.

33. Nowhere in the SPA do defendants disclose that parties other than the Issuer would take commissions exceeding 60%. Rather, the SPA represented that

transaction fees would be limited to a nominal fee of \$50 or “1% of cost of shares to cover certificate and mailing costs.”

34. The China Voice distribution agreements also included an escrow agreement outlining the role of the escrow agent in the Regulation S offering. SHB Capital’s initial distribution agreement provided for Handler Thayer to act as escrow agent. Handler Thayer’s escrow agreement named Powers as the law firm’s authorized agent for purposes of the distribution agreement. The distribution and escrow agreements provided that Handler Thayer would obtain custody of investor funds and SPAs; distribute investor proceeds according to the terms of the distribution agreement; maintain China Voice share certificates; and distribute share certificates to investors upon completion of the transactions. Defendants never provided the escrow agreements to the investors.

35. International Capital’s original distribution agreement with China Voice designated Equinox Administration, Inc. (“Equinox”) as its escrow agent. At that time Equinox was a Florida-based company controlled by Paul Gunter. In March 2008, Gunter was arrested by federal law enforcement agents and subsequently indicted on mail and wire fraud charges. The charges, which are still pending, relate to Gunter’s role in various Regulation S and “pre-IPO” offerings of penny stocks. At a minimum, Defendants Meyers, Powers, Reinschreiber, International Capital and Global Financial were aware of Gunter’s indictment. Following Gunter’s arrest however, Global Financial - through Powers and Reinschreiber - simply stepped in to replace Equinox as escrow agent.

36. To sell Regulation S shares of China Voice, the Distribution Agent Defendants retained foreign-based boiler room sales agents. The sales agents pitching China Voice sometimes told investors they worked for established UK-based brokerage houses. Typical of boiler room operations, the sales agents employed high pressure sales pitches, including threatening to sue several investors who second guessed their initial investment decisions.

37. Additionally, the sales agents made material misrepresentations and omissions to convince individuals to invest in China Voice. One sales agent procured an investment by falsely claiming China Voice's stock price was about to rise sharply because it had been selected as the chief network communication provider for the 2008 Olympic Games. This was a not true.

38. The sales agents never told China Voice investors about the commissions paid from investment proceeds. In fact, when prospective investors asked about commissions, sales agents often stated the investor would only pay a commission if and when the investor sold his shares for a profit.

39. Investors were never told about the distribution agents. Apparently, this was by design. Defendants made efforts to make it appear as though the only parties to the transaction were themselves, the sales agent, the Issuer, and the escrow agent acting as a disinterested conduit. In at least one email, von Hase (who later entered into distribution agreements with China Voice) reminded one Issuer that the investor "does not know any think [sic] about CTA or myself, please keep it so."

40. Once an individual agreed to invest in China Voice, defendants provided a SPA for review and signature. Aside from the share certificate received by the investor

post-purchase, the SPA was generally the only document an investor received relating to their investment in China Voice.

41. The SPAs instructed investors to wire their investment funds to particular U.S. accounts held by the designated escrow agent, and to fax the first page and the executed signature page of the agreement to a U.S. phone number. Neither the sales agents nor the SPAs disclosed the name of the party receiving the fax. Once an investor faxed his signed SPA to the designated fax number, the e-fax service e-mailed the document to one or more of the defendants.

42. Once the escrow agents received the investor proceeds, they disbursed them in accordance with the allocation set forth in the distribution and escrow agreements. Powers and Reinschreiber wired commission payments to accounts located in countries known for their strong bank secrecy laws, such as Switzerland and Cyprus.

43. The Escrow Agent Defendants then finalized the transactions by causing a share certificate to be issued to each Investor. Some China Voice investors received their share certificates with an accompanying cover letter on stationery signed by the escrow agent. The letter confirmed the number of shares purchased by the investor, without mentioning the sales commissions. Defendants led other investors to believe their China Voice share certificates came directly from the Issuer by sending the certificates in envelopes bearing the return address of the Issuer, with cover letters signed by agents from the Issuer. These letters, like those sent by the escrow agents, never disclosed the massive sales commissions. Pursuant to the language in the SPA, receipt of the share certificate indicated to the investor that "Total Consideration" had been received by the Issuer.

44. The escrow agents received at least \$6.9 million in investor funds from China Voice investors.

**Stephan Gottfried von Hase and CTA Worldwide Services, SA**

45. In early 2008, Bengier and SHB Capital superficially terminated their relationship with the Issuers and assigned all rights procured in their distribution agreements to Anderson and Associates, AG (“Anderson”), a Panamanian company. During the relevant period, Bengier was the president of both Anderson and SHB Capital.

46. Bengier, in his capacity as president of Anderson, then entered into new distribution agreements with each of the Issuers. These agreements were, in effect, identical to those previously in place. Bengier assured the Issuers that, notwithstanding the change in distribution managers, the procedures of the operation would not change.

47. Soon thereafter, Bengier and Anderson sold the distribution agent business to CTA Worldwide and von Hase, his longtime friend and colleague. During the relevant time period, von Hase was the president and sole shareholder of CTA Worldwide. CTA Worldwide agreed to pay Anderson \$2.5 million for the purchase of the business, which included access to Bengier’s international sales agents. The contract called for the money to be paid through an “earn out” schedule based on the amount of money collected by CTA Worldwide through the distribution agent business.

48. CTA Worldwide and von Hase thereafter entered into agreements to distribute the Regulation S stock of at least five of the different penny stock Issuers. These distribution agreements were with many of the same Issuers, including China Voice, and were substantially identical to previous such agreements, including the commissions exceeding 60%.

49. The Issuers, CTA Worldwide and von Hase then entered into agreements with several Chicago-based escrow agents, including Defendant Global Financial Management. Again, these escrow agreements were substantially identical to previous such agreements.

50. Once the contracts were in place, CTA Worldwide and von Hase continued the scheme unabated, assuming the role previously provided by SHB Capital and Anderson. CTA Worldwide and von Hase used not only the same escrow and sales agents to sell stock for the same Issuers; they retained the same Chicago-based staff previously used by SHB Capital to oversee the administrative operations.

51. In addition to having a pre-existing network of international sales agents, many of whom were the same as those previously used by Bengner, von Hase tried to recruit agents through internet postings. He assured at least one potential agent that he would help them both establish leads and set up the technology needed to obscure the location from which their calls were originating.

52. Defendant von Hase had regular contact with the overseas sales agents. He updated them with information about the Issuers, and provided SPAs substantially identical to those used by SHB Capital and Anderson.

53. The sales agents placed “cold calls” to investors, employing myriad misrepresentations to elicit investments in the Regulation S shares. After agreeing to provide funds, the investor was provided an SPA with instructions to wire funds to U.S. accounts in the name of the designated escrow agent. The SPA directed investors to fax the first page and the executed signature page of the agreement to a U.S. phone number, which was then forwarded to some or each of the defendants.

54. The escrow agents then disbursed investor proceeds to the Issuers and paid commissions by wiring funds to numerous overseas accounts located in countries known for their strong bank secrecy laws, such as Switzerland and Cyprus. The escrow agent then caused a share certificate to be issued to the investor.

55. Von Hase and CTA Worldwide raised at least \$16.7 million from investors.

### **Other Boiler Room Offerings**

56. The offer and sale of stock in the other Issuers followed the pattern illustrated by the China Voice offering. Investors received high pressure phone calls from overseas boiler room sales agents soliciting the purchase of the Issuer's stock. Although the solicitations varied from investor to investor and from agent to agent, they uniformly involved typical boiler room sales tactics targeting elderly British and European citizens.

57. The boiler room operators often created a false sense of urgency about the investment. They frequently characterized the Issuer's stock as an opportunity to obtain high returns in a short period of time – but only if the prospective investor acted immediately. Some investors were urged to liquidate savings and legitimate investments, or even to take out loans to purchase the Issuer's stock.

58. After an individual agreed to invest in the stock of an Issuer, defendants provided them a SPA similar to the SPAs provided to China Voice investors. The SPAs falsely stated that investors paid no commissions; falsely asserted that the investor's "Total Consideration" was provided to the Issuer or was maintained on the Issuer's behalf; and falsely represented that "transaction fees" were limited to no more than 1% of

the investment. Although the SPA was almost always sent by either the defendants or the sales agent, defendants left investors with the impression that it came from the Issuer, sometimes sending the documents in packages bearing the return address of the Issuer.

59. As with China Voice, investors in the other Issuers were instructed to fax the first page and executed signature page of their SPA to certain phone numbers within the United States, which were then forwarded to some or each of the defendants.

60. Investors wire-transferred their investment funds to the bank and brokerage accounts of the designated escrow agents, including Global Financial. The escrow agents, through Powers and Reinschreiber, then disbursed the investors' funds to the Issuers and various parties receiving commissions.

61. The escrow agents then caused share certificates for Issuer stock to be sent to the investors; often times accompanied by a letter from the escrow agent. Powers regularly sent share certificates to investors with a cover letter on Handler Thayer stationery and signed by Powers as "Escrow Agent." Defendants led other investors to believe their share certificates came directly from the Issuer, using envelopes with the return address of the Issuer, and with cover letters signed by agents of the Issuer. Defendants never disclosed in the letters the commissions unknowingly paid by the investors.

62. The disbursement of proceeds was substantially similar to the breakdown reflected in the China Voice distribution agreements: more than 60% of the investor funds paid sales commissions, generally deposited in bank accounts maintained in countries with strong bank secrecy laws. Issuers received less than 40% of investor proceeds.

**COUNT I**

**VIOLATIONS OF SECTION 17(A)(1) OF THE SECURITIES ACT  
[15 U.S.C. § 77q(a)(1)]**

**(Against Defendants Bengel, Meyers, von Hase, SHB Capital, International Capital  
and CTA Worldwide)**

63. Paragraphs 1 through 62 are realleged and incorporated by reference.

64. Bengel, Meyers, von Hase, SHB Capital, International Capital and CTA Worldwide in the offer or sale of securities, by the use of the means and instruments of transportation or communication in interstate commerce or by use of the mails, singularly or in concert, directly or indirectly employed devices, schemes or artifices to defraud.

65. The shares of the Issuers are “securities” as that term is defined in Section 2(a)(1) of the Securities Act and Section 3(a)(10) of the Exchange Act [15 U.S.C. §§ 77b(a)(1) and 78(b)(10)].

66. Bengel, Meyers, von Hase, SHB Capital, International Capital and CTA Worldwide knowingly or recklessly engaged in the fraudulent conduct described above.

67. By reason of the foregoing, Bengel, Meyers, von Hase, SHB Capital, International Capital and CTA Worldwide violated Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

**COUNT II**

**VIOLATIONS OF SECTIONS 17(A)(2)  
AND 17(A)(3) OF THE SECURITIES ACT  
[15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)]**

**(Against Defendants Bengel, Meyers, von Hase, SHB Capital, International Capital  
and CTA Worldwide)**

68. Paragraphs 1 through 62 are realleged and incorporated by reference.

69. Bengel, Meyers, von Hase, SHB Capital, International Capital and CTA Worldwide, in the offer or sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, singularly or in concert, have obtained money or property by means of untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or engaged in a transaction, practice, or course of business which operated or would operate as a fraud or deceit upon purchaser of securities.

70. The shares of the Issuers are “securities” as that term is defined in Section 2(a)(1) of the Securities Act and Section 3(a)(10) of the Exchange Act [15 U.S.C. §§ 77b(a)(1) and 78(b)(10)].

71. Bengel, Meyers, von Hase, SHB Capital, International Capital and CTA Worldwide knowingly or recklessly engaged in the fraudulent conduct described above.

72. By reason of the foregoing, Bengel, Meyers, von Hase, SHB Capital, International Capital and CTA Worldwide violated Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

### COUNT III

#### **VIOLATIONS OF SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER [15 U.S.C. § 78j(b) & 17 C.F.R. § 240.10b-5]**

**(Against Defendants Bengel, Meyers, von Hase, SHB Capital, International Capital  
and CTA Worldwide)**

73. Paragraphs 1 through 62 are realleged and incorporated by reference.

74. Bengel, Meyers, von Hase, SHB Capital, International Capital and CTA Worldwide, in connection with the purchase or sale of securities, directly or indirectly,

singularly or in concert, by the use of the means or instrumentalities of interstate commerce or of the mails: (a) used or employed a device, scheme, or artifice to defraud; (b) made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices, or courses of business which operated or would operate as a fraud and deceit upon the purchasers and prospective sellers of such securities.

75. Bengel, Meyers, von Hase, SHB Capital, International Capital and CTA Worldwide knowingly or recklessly engaged in the fraudulent conduct described above.

76. The shares of the Issuers are “securities” as that term is defined in Section 2(a)(1) of the Securities Act and Section 3(a)(10) of the Exchange Act [15 U.S.C. §§ 77b(a)(1) and 78(b)(10)].

77. By reason of the foregoing, Bengel, Meyers, von Hase, SHB Capital, International Capital and CTA Worldwide violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5].

#### **COUNT IV**

#### **AIDING AND ABETTING VIOLATIONS OF SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER [15 U.S.C. § 78j(b) & 17 C.F.R. § 240.10b-5]**

#### **(Against Defendants Powers, Reinschreiber and Global Financial)**

78. Paragraphs 1 through 62 are realleged and incorporated by reference.

79. Bengel, Meyers, SHB Capital and International Capital, have violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5].

80. By their conduct described herein, Powers, Reinschreiber and Global Financial each provided knowing and substantial assistance to Bengel, Meyers, SHB Capital and International Capital in their unlawful conduct alleged in paragraphs 1 through 59 above.

81. Powers, Reinschreiber and Global Financial aided and abetted Bengel, Meyers, SHB Capital and International Capital's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

### COUNT V

#### VIOLATIONS OF SECTION 15(A) OF THE EXCHANGE ACT [15 U.S.C. § 77o(a)]

**(Against Defendants Bengel, Meyers, von Hase, Powers, Reinschreiber, SHB Capital, International Capital, CTA Worldwide, and Global Financial)**

82. Paragraphs 1 through 62 are realleged and incorporated by reference.

83. Defendants Bengel, Meyers, von Hase, Powers, Reinschreiber, SHB Capital, International Capital, CTA Worldwide, and Global Financial, by the conduct described above, directly or indirectly, singularly or in concert, 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 registering with the Commission as a broker or dealer.

84. The shares of the Issuers are "securities" as that term is defined in Section 2(a)(1) of the Securities Act and Section 3(a)(10) of the Exchange Act [15 U.S.C. §§ 77b(a)(1) and 78(b)(10)].

85. By engaging in the conduct described in above, Bengener, Meyers, von Hase, Powers, Reinschreiber, SHB Capital, International Capital, CTA Worldwide, and Global Financial, violated Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

### **REQUESTS FOR RELIEF**

WHEREFORE, the Commission requests that this Court:

- A. Find that each defendant committed the violations alleged herein;
- B. Enter Orders of Permanent Injunction as to each defendant, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, restraining and enjoining:
  - 1. Bengener, Meyers, von Hase, SHB Capital, International Capital, and CTA Worldwide from violating Section 17(a)(1), (2) and (3) of the Securities Act, Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 promulgated thereunder; and
  - 2. Powers, Reinschreiber and Global Financial from aiding and abetting violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and from violating Section 15(a) of the Exchange Act.
- C. Enter an Order requiring defendants to disgorge all ill-gotten gains resulting from their participation in the conduct described above, including pre-judgment interest.
- D. Enter an Order requiring defendants to pay civil penalties pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act [15 U.S.C. §§ 77t(d) and 78u(d)(3)].
- E. Enter an Order barring defendants from participating in any offering of penny stock pursuant to 20(g) of the Securities Act and Section 21(d)(6) of the Exchange Act [15 U.S.C. §§ 77t(g) and 78u(d)(6)].

F. Grant such other and further equitable relief as this Court deems appropriate and necessary.

**JURY TRIAL DEMAND**

The Commission requests a trial by jury.

Dated: March 29, 2010

**UNITED STATES SECURITIES AND  
EXCHANGE COMMISSION**

Eric A. Celauro  
By: One of its Attorneys

Jonathan S. Polish (Illinois Bar No. 6237890)  
John J. Sikora, Jr. (Illinois Bar No. 6217330)  
Kent W. McAllister (Northern District of Illinois Bar No. 90785656)  
Eric A. Celauro (Illinois Bar No. 6274684)

**UNITED STATES SECURITIES  
AND EXCHANGE COMMISSION**

175 W. Jackson Blvd.  
Suite 900  
Chicago, Illinois 60604  
(312) 353-6884