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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA

SECURITIES AND EXCHANGE COMMISSION,	)
Plaintiff,	)
v.	)
CHERYL L. ROBINSON	)
Defendant.	)

COMPLAINT

Plaintiff Securities and Exchange Commission ("Commission") alleges as follows:

SUMMARY

1. Between 2009 and 2011, Defendant Cheryl L. Robinson participated in and aided and abetted an advance-fee high-yield investment scam perpetrated by Switzerland-based Malom Group AG ("Malom") – an acronym for "Make A Lot Of Money" – and Las Vegas-based M.Y. Consultants, Inc. Robinson served as a promoter of the scheme, working with Malom and M.Y. Consultants to recruit investors. She solicited many investors, successfully recruiting at least six

investors who collectively paid $1,225,000 to enter into agreements with Malom and lost all of their invested funds.

2. In her role as a promoter, Robinson variously held herself out as a representative of Malom or as an intermediary between the investors and Malom. She explained the joint venture agreement program to prospective investors, a program that purported to allow the investors, in exchange for an upfront fee, to "use" Malom's purportedly vast financial resources to entice third parties to enter into investment transactions, typically high-yield overseas trading programs, with Malom that would generate astronomically-high investment returns for Malom and the investor. In doing so, she made various misrepresentations and omissions to them, including misrepresentations about Malom's background, its financial resources, and history of success. She also failed to inform investors that none of her clients had received any profits from a transaction with Malom and that all had lost their entire investment. Finally, she omitted to tell any of the investors that she would be paid approximately 25% of the investors' advance fees regardless of whether a transaction produced profits.

3. After investors entered into agreements with Malom and paid Malom an advance fee, Robinson regularly communicated with them about the status of their agreements, their prospective transactions, and, eventually, the possibility of getting a refund.

4. As a result of the activities described in this Complaint, Robinson received approximately $204,417 in transaction-based compensation.

JURISDICTION AND VENUE

5. The Commission brings this action, and this Court has jurisdiction over this action, pursuant to authority conferred by Section 20(b) and 22(a) of the Securities Act [15

U.S.C. §§ 77t(b) 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].

6. This Court has personal jurisdiction over the defendant and venue is proper in the District of Nevada 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] because defendant engaged in transactions, acts, practices, and courses of business constituting the violations alleged in this Complaint within this district.

7. The defendant, directly and indirectly, have made use of the means and instrumentalities of interstate commerce, and the means and instruments of transportation and communication in interstate commerce, in connection with the transactions, acts, practices, and courses of business alleged in this Complaint.

8. While carrying out the actions alleged in this complaint, defendant resided in this judicial district.

DEFENDANT AND RELATED PARTIES

9. **Cheryl L. Robinson**, age 49, is a resident of Peoria, Arizona.

10. **Malom Group AG** is a company formed under the laws of Switzerland in 1973. Its principal place of business is Baar, Switzerland. "Malom" is an acronym for "Make A Lot Of Money." Malom and its principals, Martin U. Schläpfer and Hans-Jurg Lips are named as defendants in *SEC v. Malom Group AG, et al.*, 2:13cv2280 (D. Nev. Dec. 16, 2013).

11. **M.Y. Consultants, Inc.** is a consulting firm formed under the laws of Nevada in April 2007. Its principal place of business was Las Vegas, Nevada. Anthony Brandel served as its sole director. It had few, if any, regular employees. Through Brandel, M.Y. Consultants

arranged transactions with Malom, handled investor funds, negotiated transaction documents, and communicated with investors. M.Y. Consultants and its director, Brandel, are named as defendants in *SEC v. Malom Group AG, et al.*, 2:13cv2280 (D. Nev. Dec. 16, 2013).

FACTS

I. The Scheme to Defraud

12. From approximately August 2009 to fall 2011, with lulling activities continuing at least until October 2013, Malom and its principals, agents, and promoters used the mail and wires to defraud at least 31 investors out of approximately $10.8 million through two schemes involving the offer and sale of securities.

13. Of relevance to this complaint is the first of the two schemes employed by Malom: the joint venture offering. The joint venture offering targeted investors with the promise that, for an advance fee, they could enter into trading programs and other transactions that could yield extraordinary returns (*e.g.*, 100% in a single day) through risk-free transactions utilizing Malom's substantial assets. This offering lasted from approximately August 2009 to approximately August 2011.

14. Under the joint venture agreements, investors were required to pay an upfront fee of between $150,000 and $1 million and identify transactions to be funded by Malom and to be entered into between Malom and third parties. In turn, Malom was to provide the investors with evidence of its supposedly substantial assets, such as a bank statement or "proof of funds" bank letter, showing that Malom, or an entity whose funds Malom purportedly had access to, had tens to hundreds of millions of dollars available in overseas banks. Malom was then responsible for

exploring the investors' proposed transactions with third parties, called "contract counter-parties."

15. If, in its sole discretion, Malom deemed a transaction acceptable, it was to enter into the transaction directly with the contract counter-party and give a lion's share of the profit back to the investor. Malom deemed acceptable only those transactions that posed "no perceptible risk of loss" to its funds.

16. Although termed "Joint Venture Agreements," the agreements did not purport to create separate legal entities, contained no management provisions, and expressly did not create general partnerships between the investors and Malom.

17. None of the transactions in securities offered or sold by or for Malom was registered with the Commission, or is eligible for an exemption from registration.

II. Defendant's Involvement in the Scheme

18. Robinson began working as a promoter for Malom and M.Y. Consultants in approximately fall 2009 and continued in this role through 2011.

19. During this time, Robinson had little knowledge or past experience in subjects such as domestic and foreign securities and financial markets, banking and bank instruments, the SWIFT system, or securities trading; had no licenses in these industries; and had received no training in such subjects.

20. Furthermore, Robinson was not registered with the Commission as a broker-dealer, as is required for offering securities to investors in the circumstances described in this complaint.

21. As a promoter, Robinson recruited investors for the joint venture program by soliciting investors through telephone, email, and internet communications. In these communications, she directly offered investors the opportunity to participate in the joint venture program.

22. Robinson also offered the joint venture program through internet advertisements on websites like Craigslist.com and on internet message boards.

23. Robinson held herself out as a representative of Malom or as an intermediary between the investors and Malom. She explained the joint venture agreement program, handled investment contracts, and regularly communicated with investors regarding the status of their agreements.

24. In recruiting investors and explaining the joint venture program to them, Robinson led investors to believe that Malom's funds could somehow be used as collateral, leveraged, or "monetized" by contract counter-parties by supplying only a "proof of funds," having banks "block" or "reserve" funds in an account, or by issuing bank-to-bank "SWIFT" communications.[1] Robinson needed to invoke these seemingly sophisticated, but ultimately illegitimate or misused processes because Malom did not have the funds reflected in the proof of funds documents, which were all fraudulent and/or forged. In fact, Robinson provided investors and potential investors with copies of joint venture agreements and attachments that used these and other catchphrases that government agencies have warned are indicative of fraudulent high-

[1] "SWIFT" is an acronym for the Society for World Interbank Financial Telecommunication, an organization owned by more than 2,500 member banks that provides a system of standardized interbank telecommunications. References to SWIFT messages are commonly used in prime bank schemes as they provide an illusion of sophistication.

yield or "prime bank" schemes, in addition to describing terms or transactions in confusing and highly complex (but meaningless) ways, another indication of their fraudulent nature.

25. Although the joint venture agreements charged investors with identifying and proposing trading programs or transactions for Malom to enter into, in certain instances Robinson provided investors specific programs to propose to Malom, including one called the "Chase One-Day Program." Beginning in March 2010, Robinson beginning promoting a trading program whereby investors could supposedly secure a 100%, guaranteed return in a single day by trading U.S. Treasury STRIPS[2] through the "Fed window" at JP Morgan Chase Bank in Manhattan.

26. According to program documents Robinson touted, these securities could be bought from the bank and almost immediately sold back to it for a 100% profit. The process could be done in two hours and could be repeated for as long as the bank had instruments available.

27. To enter the program, investors needed $5.5 million, which, according to Robinson and as set out in Malom's joint venture agreement, investors could secure from Malom in exchange for an advance fee ranging from $150,000 to $200,000.

28. Robinson mislead investors into believing such programs existed, despite knowing or being reckless in not knowing that programs promising such astronomical, guaranteed returns were fraudulent.

29. As a result of this effort, Robinson successfully recruited six investors into joint venture agreements to secure "proof of funds" for $5.5 million each in return for transaction fees

[2] "STRIPS" is an acronym for Separate Trading of Registered Interest and Principal of Securities.

collectively totaling $1,225,000. None of the investors received a return on their investment or a refund of their upfront fees.

30. After accepting the upfront fees for the joint venture agreements, Malom proceeded to reject every transaction proposed by the investors Robinson recruited, and in some cases multiple transactions proposed by the same investor. These rejections occurred repeatedly, even though Malom and Robinson touted the same programs the investors proposed and thus knew at least basic details about the transactions before investors entered into joint venture agreements and paid fees to Malom.

31. If a transaction was not rejected outright, Malom's representatives gave investors various excuses why the transaction had not occurred. They would purport to encounter delay after delay resulting from feigned illnesses and hospitalizations, banking holidays, weather crises, and vacations until the window for the proposed transaction closed or the investors or contract counter-parties abandoned the transaction.

32. Malom allocated approximately 25% of the fees paid by each investor to compensate the promoter who recruited them. M.Y. Consultants was responsible for collecting funds from investors and distributing those funds among Malom's various representatives, including the promoters.

33. At Robinson's direction, M.Y. Consultants distributed the 25% allocated to her to bank accounts in her own and her mother's name, as well as to other promoters who assisted her in recruiting individual investors.

34. For her efforts, Robinson received approximately of $204,417 in transaction-based compensation.

COUNT ONE
Violation of Exchange Act Section 10(b) and Rule 10b-5

35. The Commission realleges and incorporates herein by reference paragraphs 1 through 34 above.

36. Defendant, directly and indirectly, with scienter, by use of the means or instrumentalities of interstate commerce, or of the mails, employed devices, schemes or artifices to defraud; 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 engaged in acts, practices or courses of business which have been and are operating as a fraud or deceit upon the purchasers or sellers of securities.

37. As a part of and in furtherance of their scheme, defendant, directly and indirectly, prepared, disseminated, or used contracts, written offering documents, promotional materials, bank documents, investor and other correspondence, and oral presentations, which contained untrue statements of material facts and misrepresentations of material facts, and which 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, including, but not limited to, those set forth in Paragraphs 1 through 36 above.

38. By reason of the foregoing, defendant has violated and, unless restrained and enjoined, will continue to violate Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5].

COUNT TWO
Aiding and Abetting Violations of Exchange Act Section 10(b) and Rule 10b-5

39. The Commission realleges and incorporates herein by reference paragraphs 1 through 38 above.

40. Pursuant to Exchange Act Section 20(e) [15 U.S.C. § 78t(e)], defendant at least recklessly aided and abetted Malom by providing it with substantial assistance in furtherance of its violations of Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5].

41. Furthermore, defendant at least recklessly aided and abetted M.Y. Consultants by providing it with substantial assistance in furtherance of its violations of Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5].

COUNT THREE
Violation of Securities Act Section 17(a)

42. The Commission realleges and incorporates herein by reference paragraphs 1 through 41 above.

43. Defendant, directly or indirectly, in the offer or sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails: (a) has employed, is employing, or is about to employ devices, schemes or artifices to defraud; (b) has obtained, is obtaining or is about to obtain money or property by means of untrue statements of material fact and omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) has engaged, is engaged, or is about to engage in transactions, acts, practices and courses of business that operated or would operate as a fraud upon purchasers of securities.

COUNT FOUR
Aiding and Abetting Violations of Securities Act Section 17(a)

44. The Commission realleges and incorporates herein by reference paragraphs 1 through 43 above.

45. Pursuant to Securities Act Section 15(b) [15 U.S.C. § 77o(b)], defendant knowingly or at least recklessly aided and abetted Malom and M.Y. Consultants by providing them with substantial assistance in furtherance of their violations of Securities Act Section 17(a) [15 U.S.C. § 77q(a)].

COUNT FIVE
Violation of Securities Act Section 5

46. The Commission realleges and incorporates herein by reference paragraphs 1 through 45 above.

47. Defendant, directly or indirectly, made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer and sell securities through the use or medium of a prospectus or otherwise, and carried or caused to be carried through the mails or in interstate commerce, such securities for the purpose of sale or for delivery after sale, when no registration statement had been filed or was in effect as to such securities and no legally recognized exemption from registration applied.

48. By reason of the foregoing, defendant violated and unless restrained and enjoined, will continue to violate Securities Act Sections 5(a) and (c) [15 U.S.C. § 77e(a) and (c)].

COUNT SIX
Violation of Exchange Act Section 15(a)

49. The Commission realleges and incorporates herein by reference paragraphs 1 through 48 above.

50. Defendant, while acting as a broker or dealer, made use of the mails or any means or instrumentality of interstate commerce to effect transactions in, or to induce or attempt to induce the purchase or sale of, securities without being registered with the Commission as a broker or dealer or an associated person of a registered broker-dealer.

51. By reason of the foregoing, defendant violated and, unless restrained and enjoined, will continue to violate Exchange Act Section 15(a) [15 U.S.C. § 78o(a)].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

I.

Enter judgment in favor of the Commission finding that the defendant violated the federal securities laws and Commission rules alleged against them in this Complaint;

II.

Permanently enjoin the defendant from further violations of the federal securities laws and Commission rules alleged in this Complaint;

III.

Permanently enjoin the defendant from directly or indirectly participating in the issuance, offer, or sale of any security, including but not limited to joint venture agreements, proofs of funds, bank guarantees, medium term notes, standby letters of credit, structured notes, and similar instruments, with the exception of the purchase or sale of securities listed on a national securities exchange;

IV.

Order defendant to disgorge, as the Court may direct, all ill-gotten gains received or benefits in any form derived from the illegal conduct alleged in this Complaint, together with pre-judgment interest thereon;

V.

Order defendant to pay civil monetary penalties pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)]; and

VI.

Grant such other equitable and legal relief as may be appropriate or necessary for the benefit of investors pursuant to Exchange Act Section 21(d)(5) [15 U.S.C. § 78u(d)(5)].

Date: June 26, 2014

By:

/s/ Stephen W. Simpson

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