

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

U.S. Securities and Exchange Commission,
100 F Street, N.E.
Washington, DC 20549

Plaintiff,

v.

Analytica Bio-Energy Corp.
c/o The Company Corporation
251 Little Falls Drive
Wilmington, DE 19808

Douglas G. Murdock,
1896 Stoneybrook Court
Mississauga, Ontario, Canada L5L 3W2
(905) 820-6503, and

Luiz O. Brasil Neto,
3950 Worthview Place
Mississauga, Ontario, Canada L5N 6S7
(416) 804-2569,

Defendants.

C.A. No. 18-472

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff, the United States Securities and Exchange Commission (the “Commission” or “SEC”), alleges as follows:

SUMMARY

1. This action arises from the fraudulent conduct of Analytica Bio-Energy Corp. (“Analytica” or the “Company”); Douglas Murdock (“Murdock”), an undisclosed control person and *de facto* officer of Analytica; and Luiz Brasil (“Brasil”), the former President of Analytica. From 2013 to 2014, Murdock knowingly caused Analytica to file numerous misleading periodic

reports with the SEC and engaged in a fraudulent scheme to unlawfully obtain and sell Analytica shares to the public.

2. Murdock had directed Analytica's affairs for years during its status as a shell company when, in 2013, he arranged for Analytica's reverse merger with a Taiwanese company whose purported business was developing water purification systems in Asia. While arranging the merger, Murdock supervised Analytica's filing of overdue periodic reports with the SEC that, among other misrepresentations, repeatedly falsified Brasil's signature and failed to disclose Murdock's key role at Analytica. Thus, Analytica falsely told the investing public that its President oversaw controls of disclosure and financial reporting while hiding the fact that Murdock, previously sanctioned by a regulator for corporate-related misconduct, was an undisclosed control person and *de facto* officer of Analytica. Altogether, between September 2013 and October 2014, Analytica made material false statements or omissions in 18 periodic reports that it filed with the SEC.

3. Brasil, who knew his signature appeared on Analytica filings even though he had not reviewed or signed them, was complicit in, and substantially assisted, those false filings. Brasil continued to serve as a figurehead President for Analytica without fulfilling any corporate responsibilities, thereby allowing Murdock's continued undisclosed control of Analytica.

4. Meanwhile, Murdock, a major Analytica shareholder, exploited his control of Analytica and engaged in deceptive conduct to obtain illicit profits through an unregistered share distribution. Between July 2013 and August 2014, Murdock orchestrated a fraudulent scheme in which he (i) improperly caused Analytica's transfer agent to issue over a million Analytica shares to companies wholly owned by Murdock; (ii) improperly induced the transfer agent to remove restrictive legends from other Analytica shares; and (iii) routed the improperly issued or

processed shares to another third party who then sold them to the public in violation of applicable laws and regulations. Murdock received at least \$340,000 from the unlawful sales of Analytica shares.

5. By engaging in the conduct described herein, Analytica, Murdock, and Brasil (collectively “Defendants”) violated or aided and abetted violations of the antifraud and registration provisions of the federal securities laws as follows:

- a. Analytica is liable for violating Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].
- b. Murdock is liable for violating Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)], 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 Section 10(b) of the Exchange Act and Rule 10b-5 thereunder pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)].
- c. Brasil is liable for violating 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] pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)].

6. The Commission brings this action seeking permanent injunctive relief to prevent future violations of the federal securities laws, disgorgement of ill-gotten gains with prejudgment interest, civil penalties, officer and director bars, penny stock bars, and any other appropriate relief.

JURISDICTION AND VENUE

7. This Court has jurisdiction over this action pursuant to 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].

8. Venue lies in this Court 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 certain of the acts and transactions alleged in this Complaint occurred within the District of Columbia and were effected, directly or indirectly, by making the use of means or instrumentalities of transportation or communication in interstate commerce, or the mails. For example, the Company's filings, for which Murdock and Brasil are also culpable, were electronically filed with the Commission, which is headquartered in the District.

9. Defendants, directly and indirectly, made use of the mails and of the means and instrumentalities of interstate commerce in connection with the acts, practices, and courses of business described in this Complaint.

DEFENDANTS

10. **Analytica (the Company)**, originally known as Nitar Tech Corp. ("Nitar"), is a Delaware corporation that was headquartered at Murdock's residential address in Ontario, Canada. Since before July 2013, and continuing to the present, Analytica's shares have been quoted on the Over-the-Counter Markets, most recently under the symbol "ABEC." Analytica's stock is considered a penny stock under the Exchange Act and the rules thereunder. Currently, Analytica appears not to have operations.

11. **Murdock**, age 84, resides in Mississauga, Ontario, Canada. In 2002, the Ontario Securities Commission issued an order permanently prohibiting Murdock from trading in

securities and from acting as an officer or director of any issuer. *In the Matter of Edwards Securities, Inc., et al.*, 25 O.S.C. Bull. 8444 (Ontario Sec. Comm'n Dec. 11, 2002) ("OSC Order"). The OSC Order resulted from settled allegations that Murdock was the president and sole director of a company that used funds for purposes undisclosed to investors. From July 11, 2013 through October 2014, Murdock owned at least 10% of Analytica's outstanding shares; at different times during this period, his ownership exceeded 25%.

12. **Brasil**, age 57, resides in Mississauga, Ontario, Canada. Brasil was the nominal President of Analytica until he resigned on January 15, 2015.

OTHER RELEVANT PERSONS

13. **Associate A**, age unknown, is believed to reside in Indonesia. Associate A was an Analytica shareholder and associate of Murdock.

14. **Olde Monmouth Stock Transfer Co., Inc. ("Olde Monmouth")**, based in New Jersey and registered with the Commission since 1992, was Analytica's transfer agent from 2004 until August 2014. A transfer agent is a financial institution retained by an issuer to maintain accurate investor records and to issue or cancel stock certificates, among other functions. On February 7, 2017, in Securities Act Release 10303, the Commission instituted settled public administrative and cease-and-desist proceedings against Olde Monmouth and its President for claims that it violated Sections 5(a) and 5(c) of the Securities Act in connection with unregistered transactions involving Analytica's and other securities.

FACTS

A. Murdock Meets Brasil and Facilitates the Company's Mergers

15. Murdock met Brasil in approximately 2000, when Brasil ran a small internet technology business.

16. In July 2004, Murdock facilitated the merger of Brasil's private business into the shell company Nitar. Brasil became Nitar's President. In October 2004, Nitar was listed on the Over-the-Counter Markets. Thereafter and continuing to the present, Nitar's shares, or the shares of its successor companies, could be publicly traded on the Over-the-Counter Markets.

17. In 2005, Nitar filed a registration statement with the SEC under the Securities Act, an amended version of which became effective in March 2006. Thereafter and continuing to the present, Nitar and its successors were required to file reports with the SEC under Section 15(d) of the Exchange Act.

18. While President of Nitar, Brasil was actively involved in reviewing and signing SEC filings.

19. By 2007, Nitar's business operations failed, and Brasil accepted Murdock's offer to try to identify other companies with which Nitar could merge. Brasil ceased day-to-day involvement with the Company and relinquished Company records to Murdock, but kept the title of President.

20. Murdock caused the Company to change its name to Winscon Electronics Co. Ltd. ("Winscon") in 2009 and to Uniwell Electronic Corp. ("Uniwell") in 2010, but the Company's operations stayed dormant.

21. On September 30, 2013, the Company reverse merged with Analytica Bio-Energy, Inc. ("ABEI"), a Taiwanese company with a purported "unique water purification system," and changed its name to Analytica. At the time of the merger, Brasil resigned as CEO

but remained President, despite having no active role with the Company. Although a new CEO joined the Company upon completion of the merger, Murdock continued to direct many significant Company activities.

B. Murdock Controls and Is a *De Facto* Officer of Analytica

22. By directing key corporate activities from at least July 2013 through October 2014, Murdock controlled and was a *de facto* officer of Analytica. During this period:

- a. Murdock was Brasil's sole contact at Analytica. Brasil did not communicate with any other Analytica personnel.
- b. Murdock drafted or supervised the preparation of, and authorized, Analytica's filings with the SEC. Among other activities, Murdock personally directed the filing of Analytica's reports with the SEC, thereby making those filings available to the public.
- c. Murdock drafted or supervised the preparation of, and authorized, Analytica's issuance of press releases and marketing efforts.
- d. Murdock hired a vendor to set up Analytica's website and authorized the website's content. Murdock personally sent all of the website's content to the vendor and gave instructions on when it should be posted.
- e. On behalf of Analytica, Murdock engaged and managed relationships with Analytica's promoters, auditors, and transfer agents. For example, after Olde Monmouth rejected one of Murdock's requested transactions in July 2014, Murdock terminated Analytica's relationship with Olde Monmouth and engaged a new transfer agent on behalf of Analytica.
- f. Murdock's home address served as Analytica's corporate address.

23. Murdock further demonstrated his control of the Company by holding himself out as its Treasurer and Secretary. On or about June 25, 2014, Murdock provided to Olde Monmouth a form stating that he was Analytica's "Secretary." This form attached a purported resolution of the Company's Board of Directors, dated July 18, 2013, appointing Murdock as Treasurer of the Company "with full signing powers to act for and on behalf of the corporation" (the "July 2013 Board Resolution"). Based on the July 2013 Board Resolution, Olde Monmouth recognized Murdock as authorized to sign on behalf of the Company. Although the 2013 Board Resolution purportedly had been signed by Brasil and Analytica's CEO, in fact, Murdock forged these individuals' signatures by affixing copies of their signatures to the document without their knowledge or consent.

C. Analytica Makes Materially False SEC Filings

24. Between September 2013 and October 2014, under Murdock's direction and control, Analytica filed with the SEC a total of 18 periodic reports that contained false statements and/or misleading omissions. These 18 reports include five annual reports on Form 10-K for the periods ending July 31, 2010 through July 31, 2013, and December 31, 2013¹ ("Annual Reports"); and 13 quarterly reports on Form 10-Q for periods ending between July 31, 2010 and September 30, 2014 ("Quarterly Reports"). Of these reports, four Annual Reports and nine Quarterly Reports were filed on September 6, 2013, when Murdock was arranging the Company's reverse merger with ABEI.

25. Each of the Annual Reports and Quarterly Reports attached a Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 ("SOX Certification"). Each such SOX Certification purported to have been signed

¹ In August 2013, the Company changed its year end to December 31, 2013, to correspond to the year end of its subsidiary.

by Brasil and stated, in summary form, that:

- a. Brasil reviewed the report to which the Certification was attached;
- b. Based on Brasil's knowledge, the report did not contain false statements or misleading omissions and fairly presented Analytica's financial condition and results of operations;
- c. Brasil was responsible for and had designed Analytica's disclosure controls and procedures and internal control over financial reporting; had evaluated their effectiveness; and had disclosed in the report any change in the internal control over financial reporting that had occurred in the most recent fiscal quarter; and
- d. Brasil disclosed to Analytica's auditors and the Audit Committee of Analytica's Board of Directors pertinent weaknesses in the design or operation of internal control over financial reporting, and any fraud involving Analytica management.

26. Contrary to the statements in the SOX Certifications, Brasil had not reviewed the reports to which the SOX Certifications were attached; had not exercised responsibility over and had not designed, evaluated, or disclosed changes in Analytica's disclosure controls and procedures and internal control over financial reporting; had not made the requisite disclosures to Analytica's auditors and Audit Committee; and had not signed the SOX Certifications.

27. Similarly, the Annual Reports falsely stated that Brasil had conducted evaluations of Analytica's internal control over financial reporting, and disclosure controls and procedures. The Annual Reports indicated that Brasil was the "sole member of [Analytica's] management" and falsely stated that "our management concluded that our internal control over financial

reporting was adequate,” when Brasil had made no such conclusion.

28. Further, the Annual Reports misleadingly failed to disclose any of Murdock’s involvement with Analytica, let alone that he was a *de facto* officer and control person of Analytica.

29. Analytica made the misrepresentations and omissions described above in paragraphs 24 to 28 in connection with the purchase or sale of securities. Such misrepresentations and omissions, individually and in the aggregate, were material. A reasonable investor likely would have viewed omitted information about Murdock’s role as important, among other reasons, because it concerned who actually controlled and managed the Company, and because of the prior OSC Order sanctioning Murdock for corporate-related misconduct.

30. Murdock was responsible for filing the Annual Reports and Quarterly Reports. Murdock applied Brasil’s signature to the reports and the accompanying SOX Certifications, and he authorized the reports to be filed with the SEC and posted on the Company’s website.

31. Murdock and Analytica, through Murdock’s conduct, knew or were reckless in not knowing that the statements made in the Annual Reports and Quarterly Reports and accompanying SOX Certifications, concerning Brasil’s involvement in Analytica’s disclosure controls and procedures and internal control over financial reporting, were false. Murdock and Analytica, through Murdock’s conduct, also knew or were reckless in not knowing that, by failing to disclose his own role in the company, the reports omitted to state material facts necessary to make the reports not misleading under the circumstances.

32. Brasil substantially assisted Analytica’s false statements and omissions in the Annual Reports and Quarterly Reports, described herein, by agreeing to serve as a nominee

President of Analytica while abdicating all of his responsibilities in that position, and by allowing Murdock to apply his signature to the reports. Brasil did not draft, sign, or approve any of the reports before they were filed. However, by occasionally reviewing the reports post-filing, Brasil knew that Murdock had applied his signature to the reports. From his prior experience running Nitar before that business became dormant, Brasil was aware of Analytica's need to provide a SOX Certification with certain reports.

33. Brasil knew or was reckless in not knowing that statements made in the Annual Reports and Quarterly Reports and accompanying SOX Certifications, including Brasil's purported signatures on the documents and his involvement in Analytica's disclosure controls and procedures and internal control over financial reporting, were false. Brasil also knew or was reckless in not knowing that, by failing to disclose Murdock's role as a *de facto* officer of Analytica, the reports omitted to state material facts necessary to make the reports not misleading under the circumstances.

D. Murdock Schemes to Unlawfully Obtain and Sell Analytica Shares

34. In 2013 and 2014, Murdock engaged in deceptive conduct as part of a scheme to unlawfully obtain shares of Analytica, improperly cause the removal of the restrictive legend from certain shares, and to indirectly sell unregistered Analytica shares to the public, in violation of statutes and rules designed to ensure that adequate information about Analytica had first been disclosed to the public.

1. Murdock Deceptively Obtains Analytica Shares

35. On or around June 6, 2013, Murdock sent to Olde Monmouth a purported services agreement (the "Services Agreement") between Analytica's predecessor entity, Uniwell, and two companies wholly owned by Murdock, Belmont Capital Management Ltd. and Industrial Consultants Ltd. (collectively the "Murdock Entities"), dated June 27, 2009. The Services

Agreement stated that Uniwell would pay certain amounts to the Murdock Entities for, among other services, help with SEC filings and marketing.

36. Murdock knew, or was reckless in not knowing, that the Services Agreement he sent to Olde Monmouth was fake. Although the Services Agreement was purportedly signed on behalf of Uniwell by Brasil, in fact, Murdock had forged Brasil's signature, by copying the signature from another document without Brasil's knowledge or authorization.

37. Murdock also back-dated the Services Agreement. The name of the Company entity appearing in the Services Agreement is "Uniwell." However, on the purported date of the Services Agreement, June 27, 2009, the Company's name was still Nitar. The Company did not change its name to Uniwell until over a year later, in July 2010.

38. Approximately a month after receiving the Services Agreement, on or around July 11, 2013, Olde Monmouth received from Murdock an undated letter, purportedly signed by Brasil, authorizing the issuance of 750,000 shares of Uniwell to each of the Murdock Entities for payment of services provided under the Services Agreement (the "Brasil Letter"). The Brasil Letter stated that failure to issue the shares two years earlier, in 2011, was an oversight by Brasil.

39. Murdock knew, or was reckless in not knowing, that the Brasil Letter he provided to Olde Monmouth was also fake. Murdock drafted the Brasil Letter and forged Brasil's signature without Brasil's knowledge or authorization. Additionally, the Brasil Letter stated that Uniwell had entered into an agreement with the Murdock Entities in June 2008, which was inconsistent with the supposed June 2009 date of the Services Agreement.

40. Having received the fake Services Agreement and fake Brasil Letter, along with other documentation, Olde Monmouth issued 1.5 million shares, 750,000 each to the two Murdock Entities, on July 11, 2013 (the "July 11, 2013 Issuance"). Murdock's companies had

no legitimate claim to these shares.

41. Although the 1.5 million shares issued by Olde Monmouth were not registered with the SEC, the shares did not bear a legend indicating they were restricted from resale into the public marketplace. By sending the backdated Services Agreement and fake Brasil Letter to Olde Monmouth – inaccurately indicating that the Murdock Entities should have received the shares two years earlier, in 2011 – Murdock intentionally created the false impression that the shares were exempt from the registration requirements of the federal securities laws and could be immediately resold to the public.

2. Murdock Fraudulently Induces Olde Monmouth to Remove Restrictive Legend from Company Shares

42. Section 5 of the Securities Act prohibits the unregistered offer or sale of securities, unless an exemption applies. SEC Rule 144 provides a safe harbor from Section 5's prohibition, by allowing resale of securities under specified conditions. The rule's safe harbor is generally unavailable to shell companies, which are easy vehicles for manipulation.

43. On or around March 27, 2014, Murdock sent to Olde Monmouth certificates for 1,150,000 shares of Analytica, held in Murdock's name, that bore the legend "RESTRICTED." Murdock also sent a "Rule 144 Seller's Certification" requesting that the transfer agent remove the restrictive legend on these certificates.

44. The Seller's Certification, signed by Murdock and dated March 25, 2014, stated that (i) Murdock was not an affiliate of Analytica and had not been an affiliate during the three months preceding the date of the letter; and (ii) Analytica was not, and had not been within the preceding 12 months, a shell company, and the referenced shares had not been issued to Murdock while Analytica was a shell company. The Seller's Certification defined "shell company" to include "(i) a company that has no or nominal operations, or (ii) assets consisting

solely of cash and cash equivalents, or (iii) assets consisting of cash and cash equivalent assets nominal other assets.”

45. Murdock further stated in the Seller’s Certification: “I am familiar with Rule 144 of the Securities and Exchange Commission and agree that you may rely on the above statement in executing the order” to remove the restrictive legend on the certificates listed in the Seller’s Certification.

46. Murdock sent the Seller’s Certification to Olde Monmouth knowing, or being reckless in not knowing, that its statements that Murdock was not an affiliate and Analytica had not been a shell company were false. Murdock was an affiliate of Analytica because he controlled Analytica as a *de facto* officer and because, when he signed the Seller’s Certification, he beneficially owned more than 25% of Analytica’s outstanding common stock, which qualified him as a “control person.” Moreover, Analytica had been a shell company within the previous twelve months. After receiving the false Seller’s Certification from Murdock, Olde Monmouth removed the restrictive legend from the 1,150,000 Analytica shares on March 27, 2014 (the “March 27, 2014 Legend Removal”). Had it not been removed, the restrictive legend would have warned stock brokers or other market participants that the shares were potentially prohibited from resale to the public.

3. Murdock Uses Third-Party to Sell Analytica Shares Into the Public Market

47. On April 15, 2014, Murdock instructed Olde Monmouth to transfer five million unregistered shares that Murdock controlled – including the 1.5 million shares fraudulently issued to Murdock’s wholly-owned companies in the July 11, 2013 Issuance and the 1.15 million shares from which the restrictive legend was improperly removed in the March 27, 2014 Legend Removal, all described herein – to Associate A and his wife. Olde Monmouth made the

requested transfer the same day, allocating 2.5 million shares to Associate A and 2.5 million shares to his wife.

48. Because Murdock was an affiliate of Analytica, all of the 5 million shares transferred to Associate A and Associate A's wife on April 15, 2014 were restricted securities under the Securities Act and rules thereunder. Because none of the transferred share certificates bore a restrictive legend, neither Associate A's portfolio manager nor the investors who later purchased shares from Associate A were alerted to the fact that the resale of the shares to the public was prohibited.

49. Between April 14, 2014 and April 21, 2014, to help Associate A set up the brokerage account that received Murdock's shares, Murdock corresponded with and received account application materials from Associate A's portfolio manager.

50. On April 25, 2014, Murdock emailed Associate A's portfolio manager a letter, dated a day later, April 26, 2014, and purportedly signed by Brasil. The April 26, 2014 letter purported to provide assurances about Associate A's ability to sell Analytica shares, stating that Associate A was not an officer, director, or employee of Analytica and did not have a "control position" in Analytica shares. Contrary to the representation that Brasil was providing the assurances in the letter, in fact, Murdock drafted the letter and forged Brasil's signature on it, by copying Brasil's signature without his knowledge or authorization.

51. Starting in June 2014, Analytica shares were sold into the public market from the brokerage account that Murdock helped set up in Associate A's name, and profits from these sales were transferred to Murdock. On June 9, 2014, 293,681 Analytica shares were sold from Associate A's account, resulting in profits of approximately \$294,000. Three days later, on June 12, 2014, a check for \$294,000 was drawn from Associate A's brokerage account and made

payable to a third-party firm, which, on June 20, 2014, issued a check for over \$240,000 that was deposited into the bank account of Murdock's wholly-owned Belmont Capital Management Ltd. ("Belmont").

52. In multiple transactions between June 16, 2014 and August 12, 2014, a total of 263,469 additional Analytica shares were sold from Associate A's brokerage account, resulting in additional profits of approximately \$263,000. These additional profits were then shared with Murdock when, on August 19, 2014, a check for \$100,000 was drawn from Associate A's account and deposited into Belmont's bank account.

53. Altogether from June through August 2014, Associate A's account sold 581,550 Analytica shares into the public market for profits of approximately \$582,000. Of these profits, at least \$340,000 was shared with Murdock.

E. Murdock Unlawfully Sells Analytica Shares to the Public in Unregistered Transactions

54. The transfers of Analytica shares from Murdock to Associate A and Associate A's wife were not registered and were not exempt from the registration requirements of the federal securities laws, based on, among other factors, Murdock's status as an affiliate of Analytica.

55. Murdock transferred the Analytica shares to Associate A, and Associate A obtained the shares from Murdock, with a view toward selling the shares to the public and profiting therefrom.

56. Murdock participated in the sale of Analytica shares by Associate A to the public, as reflected by, among other actions, Murdock's transfer of 2.5 million Analytica shares to Associate A, Murdock's assistance in setting up the brokerage account of Associate A, Murdock's sending Associate A's portfolio manager a forged letter concerning Associate A's ability to sell the shares, and Associate A's payment of at least \$340,000 to Murdock's company,

Belmont, between June and August 2014.

57. The sales of shares by Associate A into the public market from June to August 2014 were not registered and were not exempt from the registration requirements of the federal securities laws.

58. The distribution of Analytica shares effectuated through Murdock's transfer of shares to Associate A and Associate A's sale of the shares to the public market, described herein, was made using the means and instruments of transportation or communication in interstate commerce or of the mails, including the use of the internet, interstate or international phone calls, and Federal Express.

FIRST CLAIM FOR RELIEF

Violation of Section 10(b) of the Exchange Act and Rule 10b-5(b) Thereunder (The Company and Murdock)

59. Paragraphs 1 through 58 are realleged and incorporated by reference herein.

60. Defendants the Company and Murdock, acting with scienter and in connection with the purchase or sale of securities and by the use of any means or instrumentality of interstate commerce or by use of the mails or any facility of any national securities exchange, directly or indirectly, made an untrue statement of material fact or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

61. The Company violated Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder [15 U.S.C. § 78j(b)(5), 17 C.F.R. § 240.10b-5(b)], by knowingly or recklessly filing false and misleading periodic reports, as described herein.

62. Murdock violated Section 10(b) of the Exchange Act and Rule 10b-5(b), by knowingly or recklessly making false statements in documents that he then sent to Olde

Monmouth for the purpose of effectuating the improper issuance of Company shares to the Murdock Entities, as described herein.

63. The Company and Murdock, unless enjoined, will in the future violate Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder.

SECOND CLAIM FOR RELIEF

**Aiding and Abetting Violations of Section 10(b) of the Exchange Act
and Rule 10b-5(b) Thereunder
(Murdock and Brasil)**

64. Paragraphs 1 through 63 are realleged and incorporated by reference herein

65. Defendants Murdock and Brasil knowingly or recklessly provided substantial assistance to, and therefore aided and abetted, the Company's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. § 78j(b)(5), 17 C.F.R. § 240.10b-5(b)].

66. Unless enjoined, Murdock and Brasil will in the future violate or aid and abet violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

THIRD CLAIM FOR RELIEF

**Violations of Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) Thereunder
(Murdock)**

67. Paragraphs 1 through 66 are realleged and incorporated by reference herein.

68. Defendant Murdock, acting with scienter and in connection with the purchase or sale of securities and by the use of any means or instrumentality of interstate commerce or by use of the mails or any facility of any national securities exchange, directly or indirectly, (i) employed a device, scheme, or artifice to defraud; and (ii) engaged in an act, practice, or course of business which operated or would have operated as a fraud or deceit upon sellers, purchasers, or prospective purchasers of securities.

69. Murdock violated Section 10(b) of the Exchange Act and Rules 10b-5(a) and 10b-

5(c) thereunder [15 U.S.C. § 78j(b)(5), 17 C.F.R. §§ 240.10b-5(a) and (c)], by knowingly or recklessly engaging in deceptive conduct as part of a scheme to obtain Company shares to which he was not entitled, induce the removal of restrictive legends from Company shares, and indirectly sell those shares to the public, in violation of applicable statutes and rules, as described herein.

70. Unless enjoined, Murdock will in the future violate Section 10(b) of the Exchange Act and Rules 10b-5(a) and 10b-5(c) thereunder.

FOURTH CLAIM FOR RELIEF

Violations of Sections 17(a)(1) and (3) of the Securities Act (Murdock)

71. Paragraphs 1 through 70 are realleged and incorporated by reference herein.

72. Defendant Murdock, acting with scienter, in the offer or sale of securities and by the use of means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, (i) employed a device, scheme, or artifice to defraud; and (ii) engaged in a transaction, practice, or course of business which operated or would have operated as a fraud or deceit upon purchasers.

73. Murdock violated Sections 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)], by knowingly or recklessly engaging in deceptive conduct as part of a scheme to obtain Company shares to which he was not entitled, induce the removal of restrictive legends from Company shares, and indirectly sell those shares to the public, in violation of applicable statutes and rules, as described herein.

74. Murdock violated 17(a)(3) of the Securities Act [15 U.S.C. § 77q(a)(3)], by knowingly, recklessly, or negligently engaging in the deceptive conduct referenced in paragraph 73 above.

75. Unless enjoined, Murdock will in the future violate, Sections 17(a)(1) and (3) of the Securities Act.

FIFTH CLAIM FOR RELIEF

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

76. Paragraphs 1 through 75 are realleged and incorporated by reference herein.

77. Defendant Murdock, notwithstanding the fact that there was no applicable exemption, directly or indirectly: (a) made use of any means or instruments of transportation or communication in interstate commerce or the mails to sell, through the use or medium of a prospectus or otherwise, securities as to which no registration statement was in effect; (b) carried or caused to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale, securities as to which no registration statement was in effect; and/or (c) made use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell, through the use or medium of any prospectus or otherwise, securities as to which no registration statement had been filed.

78. By engaging in the conduct described above, Murdock violated, and unless enjoined will in the future violate, Sections 5(a) and (c) of the Securities Act [15 U.S.C. § 77e(a) and (c)].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

A. Enter judgment in favor of the Commission finding that the Company, Murdock, and Brasil each violated the federal securities laws and Commission rules as alleged in this Complaint;

B. Permanently enjoin the Company and its successors from directly or indirectly engaging in conduct in violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5];

C. Permanently enjoin Murdock from directly or indirectly engaging in conduct in violation of: (1) Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5]; (2) Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)]; and (3) Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. § 77e(a), (c)];

D. Permanently enjoin Brasil from directly or indirectly engaging in conduct in violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5];

E. Order that Murdock disgorge all ill-gotten gains obtained as a result of the violation alleged in this Complaint, with prejudgment interest;

F. Order that Murdock pay civil 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. § 78u(d)], in an amount to be determined by the Court;

G. Pursuant to Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)], and, with respect to Murdock, Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)], bar Murdock and Brasil from participating in any offering of penny stock;

H. Pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], and, with respect to Murdock, Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)], bar Murdock and Brasil from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)]; and

I. Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

Dated: February 28, 2018

Respectfully Submitted,

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