

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Civil Action No.:

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Plaintiff,

v.

DANIEL RUDDEN,
FINANCIAL VISIONS INC.,
FINANCIAL VISIONS WEST, LLC,
FINANCIAL VISIONS WEST 1, LLC, and
FV-2, LLC,

Defendants,

and

THE VOLCANO FUND, LLC,
VICTORY FUND, LLC, and
VELOCITY FUND, LLC,

Relief Defendants.

COMPLAINT

Plaintiff United States Securities and Exchange Commission (“Commission” or “SEC”) alleges as follows against Defendants Daniel Rudden (“Rudden”), Financial Visions, Inc., Financial Visions West, LLC, Financial Visions West 1, and FV-2, LLC (collectively the “Defendants”); and Relief Defendants The Volcano Fund, LLC, Victory Fund, LLC, and Velocity Fund, LLC (collectively the “Relief Defendants”):

I. SUMMARY OF THE ACTION

1. This SEC enforcement action concerns a Ponzi scheme perpetrated by Rudden through Financial Visions, Inc., Financial Visions West, LLC, Financial Visions West 1, and FV-2, LLC (the “Financial Visions Companies”), which he owns and controls. Rudden has repeatedly admitted – in writing to Financial Visions Companies investors, to law enforcement, and on television – that this enterprise was, in fact, a Ponzi scheme.

2. From approximately 2001 through approximately July 2018, the Financial Visions Companies raised as much as \$55 million from as many as 150 investors in multiple states through a promissory note offering. The Financial Visions Companies paid annual interest rates of 12% on promissory notes by allegedly earning profits through “life insurance assignments.”

3. Essentially, the Financial Visions Companies’ purported business of “life insurance assignments” involved financing funeral and related expenses in exchange for repayment of those expenses plus a 5% fee secured by a decedent’s life insurance policy. Thus, family members of a deceased individual would allegedly assign the decedent’s life insurance policy to a Financial Visions Company in exchange for the Financial Visions Company immediately releasing funds for the decedent’s funeral and related expenses. The Financial Visions Company would then recoup these costs, plus a 5% fee, when the decedent’s life insurance policy paid out.

4. Rudden repeatedly told investors that the Financial Visions Companies’ business was profitable, claimed that he needed additional funds to obtain more life

insurance assignments, and encouraged individuals to invest more money and to find others to also invest.

5. In reality, since approximately 2010 or 2011, the Financial Visions Companies were not earning sufficient income from its life insurance assignment business to pay interest and redemptions to its investors. Instead, since approximately 2010 or 2011, Rudden operated the Financial Visions Companies as a Ponzi scheme by paying monthly and quarterly interest payments and redemptions to existing investors with money raised from other investors.

6. Rudden concealed the Financial Visions Companies' true financial performance and condition from new and existing investors. Among other things, Rudden concealed that he was engaging in a Ponzi scheme, hid from investors the Financial Visions Companies' perennial net losses and the widening gap between amounts owed to its investors and its total income and assets, represented that the Financial Visions Companies' life insurance assignment business was profitable, created fake financials to show the Financial Visions Companies had profits, continued to raise new funds from investors through promissory notes knowing their repayment depended on defrauding future investors, and continued to represent that investors' principal could be "called and deemed payable UPON 90 days written notice" when that was not possible absent bringing in new investor money. Further, on information and belief, Relief Defendants received illicit proceeds from Rudden and the Financial Visions Companies' fraud to which they have no legitimate claim.

II. SUMMARY OF VIOLATIONS

7. As a result of the conduct described herein, Rudden and the Financial Visions Companies obtained money or property on the basis of misleading statements and omissions, and made misleading statements and omissions. Accordingly, Rudden and the Financial Visions Companies have violated and, unless restrained and enjoined, will continue to violate Section 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)] and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(b) thereunder [17 C.F.R. § 240.10b-5(b)].

8. As a result of the conduct described herein, Rudden and the Financial Visions Companies engaged in a scheme to defraud and have violated and unless restrained and enjoined will continue to violate Section 17(a)(1) and (3) of the Securities Act [15 U.S.C. § 77q(a)(1) and (3)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(a) and (c) thereunder [17 C.F.R. § 240.10b-5(a) and (c)].

III. JURISDICTION AND VENUE

9. The SEC brings this action pursuant to authority conferred on it by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Sections 21(d) and 21(e) of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u(e)] to restrain and enjoin the Defendants from engaging in the acts, practices, and courses of business described in this Complaint and acts, practices, and courses of business of similar purport and object. The SEC seeks permanent injunctions, disgorgement of ill-gotten gains derived from the conduct alleged in the Complaint plus prejudgment interest thereon, and third-tier penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the

Exchange Act [15 U.S.C. §§ 78u(d)(3)]. The SEC further seeks equitable disgorgement against Relief Defendants.

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]. In connection with the transactions, acts, practices, and courses of business described in this Complaint, Defendants, directly and indirectly, made use of the means or instrumentalities of interstate commerce, of the mails, or of the means and instruments of transportation or communication in interstate commerce.

11. Venue lies in this Court pursuant to 15 U.S.C. §§ 77u(a) and 78aa and 28 U.S.C. § 1391(b)(2). Defendant Rudden resides in Greenwood Village, Colorado. Financial Visions, Inc. is a Colorado corporation with its principal place of business in Greenwood Village, Colorado. The remaining Financial Visions Companies are each Colorado limited liability companies that maintain their principal place of business in Greenwood Village, Colorado. Similarly, each Relief Defendant is a Colorado limited liability company that maintains its principal place of business in Greenwood Village, Colorado. In addition, many of the acts and practices described in this Complaint occurred in the District of Colorado.

IV. DEFENDANTS

12. **Daniel Rudden**, age 71, is a resident of Greenwood Village, Colorado. Rudden is the owner of, and exercised control over, the Financial Visions Companies, the Velocity Fund, the Victory Fund, and the Volcano Fund.

13. **Financial Visions, Inc.** is a Colorado corporation with its principal place of business in Greenwood Village, Colorado.

14. **Financial Visions West, LLC** is a Colorado limited liability company with its principal place of business in Greenwood Village, Colorado.

15. **Financial Visions West 1, LLC** is a Colorado limited liability company with its principal place of business in Greenwood Village, Colorado.

16. **FV-2, LLC** is a Colorado limited liability company with its principal place of business in Greenwood Village, Colorado.

V. RELIEF DEFENDANTS

17. **Velocity Fund, LLC** is a Colorado limited liability company with its principal place of business in Denver, Colorado. Upon information and belief, at Rudden's direction, and for no recognizable consideration, funds raised from the Financial Visions Companies' investors were transferred to or from, and/or commingled in, Velocity Fund, LLC's financial accounts. Velocity Fund, LLC has no legitimate claim to such funds.

18. **Victory Fund, LLC** is a Colorado limited liability company with its principal place of business in Greenwood Village, Colorado. Upon information and belief, at Rudden's direction, and for no recognizable consideration, funds raised from the Financial Visions Companies' investors were transferred to or from, and/or commingled in, Victory Fund, LLC's bank accounts. Victory Fund, LLC has no legitimate claim to such funds.

19. **The Volcano Fund, LLC** is a Colorado limited liability company with its principal place of business in Greenwood Village, Colorado. Upon information and belief, at Rudden's direction, and for no recognizable consideration, funds raised from the Financial Visions Companies' investors were transferred to or from, and/or commingled in, The Volcano Fund, LLC's bank accounts. The Volcano Fund, LLC has no legitimate claim to such funds.

VI. FACTS

A. Financial Visions Companies' Purported Life Insurance Assignment Business

20. Financial Visions, Inc. was formed in or around 2001 to offer life insurance assignments to family members of deceased individuals to pay for funeral expenses before the payout of the decedent's life insurance policy. Rudden managed and eventually owned Financial Visions, Inc.

21. Rudden subsequently established Financial Visions West, LLC, in or around 2005, to offer funeral funding services in Oregon and Washington in exchange for life insurance assignments. In or around 2009, Rudden formed FV-2, LLC. In or around January 2017, Rudden formed Financial Visions West 1, LLC. On information and belief, both FV-2, LLC and Financial Visions West 1, LLC similarly offered funeral funding services in exchange for life insurance assignments.

22. Since no later than 2010 or 2011, Rudden represented that the Financial Visions Companies' life insurance assignment business was profitable and growing as "new" funeral homes began using the services of the Financial Visions Companies. Rudden referenced this alleged profitability and growth in seeking additional funds from

investors, claiming that new funds were needed to fund expanding demand of the Financial Visions Companies' services.

23. In or around April 2018, the Financial Visions Companies ceased making interest payments to investors. Rudden sent an email to investors representing that this was because of a large capital call due to an "inordinate number of deaths of our investor group (12 people with over \$ 2,000,000 invested)." Rudden claimed that "[w]ith no relief in sight" he had opted to sell the companies and represented that he had entered into a "contract for the sale of Financial Visions," that closing was scheduled for May 2018, and that at closing investors would receive their "principal and any past due interest."

24. In or around June 2018, Rudden sent text messages to investors stating that he was meeting with investor groups pursuant to the sale, and subsequently that the sale had been finalized and that Financial Visions Companies investors would receive their principle and outstanding interest within a few days.

25. In or around July 2018, Rudden admitted that the Financial Visions Companies had operated as Ponzi scheme since 2010 or 2011 and that the alleged sale of the company was a ruse he invented because the Financial Visions Companies no longer had enough funds – or the prospect of obtaining new funds – to meet existing obligations.

26. On or about July 10, 2018, Rudden sent an email wherein he stated:
- a. "Financial Visions went from being a traditional business to a Ponzi on or about 2010 or 2011";

- b. “Most people never asked for financial information and if they did, I would put out a financial statement that I fabricated that would show a profit”;
- c. “[I]n 2010 the outstanding loans were near \$ 10 million” but “[b]y 2018, the amount has grown to over \$55 million” with “interest needed for each quarter [] well over 1 million”;
- d. “At least 95% of new money went directly into the business to pay the interest to the [prior] investors”;
- e. “[O]nce a Ponzi starts, it is like a freight train out of control. The addiction becomes money. By the end, I would have taken money from almost anyone who breathes. No one was off limits. People thought their principal was safe, many invested so much more than they should have”;
- f. “I have no defense. I made a conscious choice along the way to keep taking money to keep interest current. At that point, it became a Ponzi”;
- g. “Eventually (2014), I realized I had reached a point of ‘no return’ In reality, the my (*sic*) investments were criminal and typical of the Ponzi mentality. Once you are in ‘so deep’ there is no turning back. It’s very sad but true”;
- h. “I purported a sale of the company to stall for more time, in fact there is no company to sell. My crimes are horrendous. The evil results from

the Financial Visions crimes will be devastating and long lasting for anyone who knew me”; and

- i. “This is how I have chosen to tell the story, and let so many good people know that their life savings is gone.”

B. Promissory Note Offerings

27. From approximately 2001 through the present, Defendants have raised funds – purportedly to operate a business obtaining life insurance assignments from family members of deceased individuals thereby allowing the family to pay for funeral expenses prior to the payout of the decedent’s life insurance policy in exchange for a 5% fee – by continuously offering and selling promissory notes to investors.

28. The definition of a “security” under Section 2(a)(1) of the Securities Act [15 U.S.C. § 77b(a)(1)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. § 77c(a)(10)] includes “any note, stock . . . participation in any profit-sharing agreement [or] . . . investment contract.”

29. The Financial Visions Companies promissory notes are securities under the Securities Act and the Exchange Act. The Financial Visions Companies promissory notes are “notes” and/or “investment contracts” as defined by Section 2(a)(1) of the Securities Act and Section 3(a)(10) of the Exchange Act. The Financial Visions Companies promissory notes are also investment contracts because investors made an investment of money, in a common enterprise, with an expectation of profits to be derived solely from the efforts of the promoter or a third party.

30. Rudden had primary responsibility for conducting the Financial Visions Companies promissory note offerings. On behalf of the Financial Visions Companies, Rudden provided prospective investors with brochures and marketing materials that contained a general description of the Financial Visions Companies' purported life insurance assignment business.

31. Rudden also met in person with or had telephone conversations with prospective investors, instructed prospective investors on how to invest, negotiated with prospective investors on how and when they would receive their interest payments, and collected investment funds.

32. At least some investors provided funds via wire transfer, and therefore used the means or instrumentalities of interstate commerce and communications in interstate commerce.

33. In connection with the receipt of investors' funds, Rudden drafted and signed a one-page promissory note with an open-ended term. The promissory notes typically bore interest at the rate of 12 % annualized simple interest with the interest payment due each month or quarter. The promissory notes also stated that the investor could call the entire principal balance plus any accrued interest upon 90 days written notice.

34. In addition, according to the terms of the promissory note, if an interest payment was missed, the entire principal balance plus accrued interest would become immediately due and payable. If the amount was not immediately paid, the entire principal amount plus all accrued but unpaid interest would bear interest at the rate of

24% interest per year compounded monthly, and that the respective Financial Visions Company would pay all costs of collection of amounts due including reasonable attorney fees.

35. From approximately 2001 through July 2018, the Financial Visions Companies raised as much as \$55 million dollars from as many as 150 investors located in Colorado, among other states.

C. Defendants Made False, Fraudulent, and Material Misrepresentations and Omissions in Connection with Their Offer and Sale of Promissory Notes.

36. In raising funds from investors and in convincing investors to continue to invest, Defendants made numerous written and oral material misrepresentations and omissions regarding, among other things, the use of investor proceeds, the Financial Visions Companies' performance and condition, and the safety of the promissory note investment.

i. Material Misrepresentations and Omissions Regarding Financial Visions Use of Proceeds and Ponzi Payments.

37. Defendants made material misrepresentations and omissions regarding the Financial Visions Companies' use of investor proceeds to make Ponzi payments to other investors.

38. Throughout the Financial Visions Companies' promissory note offerings, in numerous one-on-one meetings with investors and telephone conversations, Rudden orally repeated the same description of the Financial Visions Companies' business as was contained in brochures and marketing materials, and represented the business model was profitable. For example, in an April 2015 meeting with a prospective investor:

- a. Rudden provided a detailed description of the Financial Visions Companies' life insurance assignment business, and how it generated income to pay Financial Visions investors;
- b. Rudden stated interest payments stemmed from the success of the Financial Visions Companies' life insurance assignment business; and
- c. Rudden stated that Financial Visions Companies needed cash to meet expanding demand for its life insurance assignment services.

39. Each of the above representations regarding the Financial Visions Companies' life insurance assignment business was false and misleading because since approximately 2011 through the present, Rudden knew, or was reckless in not knowing, that although the Financial Visions Companies obtained some life insurance assignments at a 5% profit, it used the majority of investors' funds to make Ponzi payments to other investors.

40. The Financial Visions Companies' misrepresentations and omissions as to use of proceeds were material to investors because the investors believed that their funds were being used to profitably finance funeral expenses in exchange for a 5% fee, not to make Ponzi payments to other investors.

ii. Material Misrepresentations and Omissions Regarding The Financial Visions Companies Poor Financial Performance and Condition.

41. Throughout the promissory notes offering, Rudden and the Financial Visions Companies raised funds from investors by misrepresenting the Financial Visions Companies as a thriving and profitable business that sought additional investor funds to obtain more life insurance assignments.

42. Rudden both orally and in writing touted the success of the Financial Visions Companies' business model. For example, in a March 2017 letter to investors written on Financial Visions letterhead, Rudden stated the following:

- a. "2016 was our best year ever and with the addition of 'new' funeral homes who are using our service across the country, I feel 2017 will continue to increase our opportunities and provide the returns that we are accustomed to receiving";
- b. "We are still taking in investment dollars both short term (2 % monthly) or long term (12 % annual). Between the combination of growth dollars and people who need to redeem their capital, we continue to take in investment \$\$\$"; and
- c. "Anyone seeking income would be a good candidate. If you choose to add to your account or if you can refer potential investors to us, it would be appreciated."

43. The above representations to investors regarding the Financial Visions Companies' 2016 performance that was allegedly the result of new funeral homes using the Financial Visions Companies services were false and misleading because Rudden knew, or was reckless in not knowing, that the Financial Visions Companies were not profitable and that its returns to investors did not stem from increased business, but rather from new investor funds (which could only be obtained through fraud).

44. The above representations were also false and misleading because the statement that Rudden "fe[lt] 2017 w[ould] continue to increase [the Financial Visions

Companies’] opportunities and provide the returns that [investors] are accustomed to receiving” falsely implied that Rudden believed Financial Visions Companies would be profitable and support interest payments to investors, when in fact, Rudden knew or was reckless in not knowing, that the Financial Visions Companies would only be able to support investors’ interest payments with new investor funds.

45. The above representations were also false and misleading because the statement “[b]etween the combination of growth dollars and people who need to redeem their capital, we continue to take in investment \$\$\$” implied that Rudden and the Financial Visions Companies sought additional investments in order to grow the company and replenish principal payouts when, in fact, Rudden knew, or was reckless in not knowing, that new investments would be, and were, needed and used to make interest payments to earlier investors in order to keep the Ponzi scheme afloat.

46. The above representations were also false and misleading because the statement “[a]nyone seeking income would be a good candidate” implied that an investor who entered into a promissory note with the Financial Visions Companies in or after March 2017 was expected to receive income when, in fact, Rudden knew, or was reckless in not knowing, that future investments would not return income, but rather would – at best – return only new investor funds for as long as the Ponzi scheme stayed afloat.

47. Rudden also made false and misleading statements orally. For example, in meetings with investors as recently as April 2018, Rudden represented that he had secured a buyer for the Financial Visions Companies, that through this sale all investors would be paid their principal and outstanding interest, and that there would be profits left

over for Rudden. These representations were false and misleading because Rudden knew, or was reckless in not knowing, that there was not a buyer for the Financial Visions Companies, that investors would not receive their principal and outstanding interest, and that there would be no future profits from a sale of the Financial Visions Companies.

48. Each of the above representations to investors were false and misleading because Rudden knew, or was reckless in not knowing, that in fact, the Financial Visions Companies' had incurred net losses since approximately 2010 or 2011. Each of these representations to investors was also false and misleading because Rudden knew, or was reckless in not knowing, that due to the Financial Visions Companies' extremely poor financial performance and condition, it had functioned as a Ponzi scheme since approximately 2011.

49. Rudden and the Financial Visions Companies also omitted material information regarding the Financial Visions Companies' poor financial performance and condition. For example, Rudden knew, or was reckless in not knowing, yet failed to disclose to investors, that:

- a. The Financial Visions Companies had not been profitable in any year from 2010 or 2011 through present, but instead had incurred net losses in each of those years;
- b. The Financial Visions Companies did not have a viable business model but rather remained in business only through raising new funds

and using those funds to pay earlier investors under the guise of returning profits from the underlying business to investors;

- c. Since approximately 2010 or 2011, the Financial Visions Companies' life insurance assignment business had not generated sufficient positive cash flow with which to make the cash payments it made to promissory noteholders for redemptions and interest. Instead, the Financial Visions Companies used additional cash obtained from new or existing promissory note investors to pay interest and redemptions to other investors as they have come due;
- d. Continuously since approximately 2010 or 2011, the Financial Visions Companies have owed their promissory noteholders more than they held in total assets, and that their interest payments exceeded income generated from life insurance assignments.

50. The Financial Visions Companies' financial performance was material to its investors because the investors relied upon that performance to pay their expected interest returns. The Financial Visions Companies' financial conditions were material to their investors because the investors relied upon that financial condition to repay their principal and guard against the loss of their investment.

D. Defendants Engaged in a Scheme and Fraudulent Practices or Courses of Business That Defrauded the Financial Visions Companies' Promissory Notes Investors; the Financial Visions Companies Were a Ponzi Scheme.

51. Rudden has engaged in a scheme to defraud the Financial Visions Companies' promissory note investors from approximately 2010 or 2011 through present.

52. Rudden operated the Financial Visions Companies as a Ponzi scheme since approximately 2010 or 2011 whereby Rudden raised funds from investors through promissory notes and used those funds to pay interest returns to earlier investors under the guise of operating a successful and profitable life insurance assignment business.

53. Rudden and the Financial Visions Companies continually misrepresented to both prospective and existing investors that the Financial Visions Companies operated a profitable life insurance assignment business capable of paying investors' interest returns.

54. Rudden and the Financial Visions Companies concealed to both prospective and existing investors that investors' interest returns did not stem from profits of the underlying life insurance assignment business, but rather stemmed from new funds raised from investors that brought additional interest and principal obligations to the Financial Visions Companies.

55. Rudden and the Financial Visions Companies concealed to both prospective and existing investors that their future interest payments depended not on the success of the life insurance assignment business, but on Rudden raising new investor funds, which in turn depended on Rudden concealing that he was operating a Ponzi scheme in order to defraud investors and induce them to invest.

56. In addition, Rudden and the Financial Visions Companies have engaged in numerous practices or courses of business that defrauded the Financial Visions Companies investors, including, but not limited to:

- a. Making oral and written misrepresentations to investors as alleged herein;

- b. Authoring, reviewing, and disseminating letters from the Financial Visions Companies' that represented business was going well and seeking new investments;
- c. Authoring, reviewing, and signing promissory notes that falsely represented the Financial Visions Companies had the ability to provide investors with their principal on 90 days written notice;
- d. Raising additional funds from new and existing investors since 2011, while concealing from them the Financial Visions Companies' poor financial performance and condition;
- e. Creating and sending or causing to be sent to investors false and misleading account statements reflecting profits earned by the Financial Visions Companies;
- f. Misrepresenting to existing investors that the Financial Visions Companies could not meet interest payments in April 2018 because of the death of several investors; and
- g. Misrepresenting to existing investors that they were expected to receive their outstanding principal and interest upon the sale of the Financial Visions Companies, which was imminent.

E. Defendants Have Profited From the Fraudulent Scheme.

57. Rudden and the Financial Visions Companies unjustly profited by selling the Financial Visions Companies promissory notes.

58. The Financial Visions Companies may have raised as much as \$55 million from promissory note investors. Since its origin in 2001, funds raised from promissory note investors have constituted the Financial Visions Companies' primary source of cash.

59. Rudden and the Financial Visions Companies profited from the Financial Visions Companies fraudulent offerings by, among other things, using these funds to pay Rudden's salary and his personal expenses.

F. Relief Defendants Received Ill-Gotten Gains.

60. On information and belief, Relief Defendants received proceeds from Rudden and the Financial Visions Companies' fraud and have no legitimate claim to those proceeds.

61. On information and belief, Relief Defendants act as mere nominees of Rudden and hold assets that belong to, and are controlled by, Rudden.

VII. CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF

Fraud in the Offer or Sale of Securities

Violations of Securities Act Section 17(a) [15 U.S.C. §§ 77q(a)]

(All Defendants)

62. Paragraphs 1 through 61 are re-alleged and incorporated herein by reference.

63. Defendants Rudden and the Financial Visions Companies directly or indirectly, in the offer and sale of securities, by use of the means or instruments of transportation or communication in interstate commerce, or of the mails: (a) employed a device, scheme or artifice to defraud with scienter; (b) obtained money or property by means of untrue statements of material fact or by omitting to state material facts

necessary to make the statements made, in light of the circumstances under which they were made, not misleading; or (c) engaged in transactions, practices, or courses of business that operated or would operate as a fraud or deceit upon the purchasers of such securities.

64. By reason of the foregoing, Defendants Rudden and the Financial Visions Companies violated, and unless enjoined will continue to violate, Section 17(a) of the Securities Act [15 U.S.C. §§ 77q(a)].

SECOND CLAIM FOR RELIEF

**Fraud in the Purchase or Sale of Securities
Violations of Exchange Act Section 10(b) and Rule 10b-5
[15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5]
(All Defendants)**

65. Paragraphs 1 through 61 are re-alleged and incorporated herein by reference.

66. Defendants Rudden and the Financial Visions Companies, directly or indirectly, with scienter, by use of the means or instruments of interstate commerce, or of the mails, or of a facility of national securities exchange, in connection with the purchase or sale of a security: (a) employed devices, schemes or artifices 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; or (c) engaged in acts, practices or courses of business which operated or would have operated as a fraud or deceit upon any person.

67. Defendants Rudden and the Financial Visions Companies, directly or indirectly, with scienter, by use of the means or instruments of interstate commerce, or of

the mails, or of a facility of national securities exchange, in connection with the purchase or sale of a security: (a) employed devices, schemes or artifices 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; or (c) engaged in acts, practices or courses of business which operated or would have operated as a fraud or deceit upon any person.

THIRD CLAIM FOR RELIEF

**Equitable Disgorgement
(Relief Defendants The Volcano Fund, LLC, Victory Fund, LLC, and Velocity
Fund, LLC)**

68. Paragraphs 1 through 61 are re-alleged and incorporated herein by reference.

69. Relief Defendants obtained money, property, and assets as a result of the violations of the securities laws by Defendants, to which Relief Defendants have no legitimate claim.

70. Relief Defendants should be required to disgorge all ill-gotten gains which inured to their benefit, including under the equitable doctrines of disgorgement, unjust enrichment and constructive trust.

VIII. PRAYER FOR RELIEF

WHEREFORE, the SEC respectfully requests that the Court:

I.

Find that each of the Defendants committed the violations alleged in this Complaint;

II.

Enter an Injunction, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, temporarily, preliminarily, and permanently restraining and enjoining each of the Defendants from violating the laws and rules alleged against them in this Complaint;

III.

Order that each of the Defendants and Relief Defendants disgorge any and all ill-gotten gains, together with pre-judgment and post-judgment interest, derived from the activities set forth in this Complaint;

IV.

Order that each of the Defendants pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]; and

V.

Grant such other relief as this Court may deem just or appropriate.

JURY DEMAND

Plaintiff demands a jury trial in this matter.

DATED: July 19, 2018.

Respectfully submitted,

s/ Mark L. Williams

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