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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION**

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**vs.**

**CLINTON MAURICE TUCKER  
II, an individual,**

**Defendant.**

**Case No.**

**COMPLAINT**

1 Plaintiff Securities and Exchange Commission (the “Commission”), alleges  
2 as follows:

3 **JURISDICTION AND VENUE**

4 1. The Commission brings this action pursuant to Sections 20(b) and  
5 20(d) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77t(b) and (g)]  
6 and Sections 21(d) and (e) of the Securities Exchange Act of 1934 (“Exchange  
7 Act”) [15 U.S.C. § 78u(d) and (e)] to enjoin such acts, practices, and courses of  
8 business, and to obtain disgorgement, prejudgment interest, civil money penalties,  
9 and such other and further relief as this Court may deem just and appropriate.

10 2. Clinton Maurice Tucker II (“Defendant”) was involved in the offer  
11 and sale of the common stock of numerous microcap companies, which are each a  
12 “security” as that term is defined under Section 2(a)(1) of the Securities Act [15  
13 U.S.C. § 77b(a)(1)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. §  
14 78c(a)(10)].

15 3. Defendant, directly or indirectly, made use of the mails or the means  
16 or instrumentalities of interstate commerce in connection with the conduct alleged  
17 in this Complaint.

18 4. This Court has subject matter jurisdiction over this action pursuant to  
19 Section 22 of the Securities Act [15 U.S.C. § 77v], Sections 21(d) and 27 of the  
20 Exchange Act [15 U.S.C. §§ 78u(d) and 78aa], and 28 U.S.C. § 1331.

21 5. Venue in this District is proper because Defendant is found, inhabits,  
22 and/or transacted business in the Central District of California and because one or  
23 more acts or transactions constituting the violations occurred in the Central District  
24 of California.

25 **SUMMARY OF THE ACTION**

26 6. From at least December 2014 through at least May 2019, Defendant  
27 has been involved in the business of soliciting investors to purchase securities.

28 7. While acting as an investor solicitor, Defendant defrauded investors

1 through two investment schemes.

2 8. First, Defendant participated in a matched trading scheme, pursuant to  
3 which certain shareholders of microcap companies paid Defendant and others to  
4 facilitate the sale of their shares through coordinated trades.

5 9. Second, upon identifying particularly vulnerable investors through  
6 this matched trading scheme, Defendant further defrauded them by soliciting them  
7 for additional ostensible investment opportunities and directing them to send funds  
8 directly to him. Instead of using the funds as represented to these investors,  
9 Defendant misappropriated the investors' money for other purposes, including to  
10 pay for personal expenses.

11 10. While Defendant engaged in the solicitations in both schemes, he was  
12 neither registered with the Commission as a broker or dealer nor associated with a  
13 broker or dealer registered with the Commission.

14 11. By engaging in this conduct, as further described herein, Defendant  
15 violated and, unless restrained and enjoined by this Court, may continue to violate  
16 Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Sections 10(b) and  
17 15(a)(1) of the Exchange Act [15 U.S.C. §§ 78j(b), 78o(a)(1)], and Exchange Act  
18 Rule 10b-5 [17 C.F.R. § 240.10b-5].

19 **DEFENDANT**

20 12. Clinton Maurice Tucker II, age 50, is last known to reside in Trabuco  
21 Canyon, California. Defendant failed to respond to any of the Commission staff's  
22 attempts at communication or subpoenas, including those that were served upon  
23 him via process server.

**FACTS**

**Defendant Offered and Sold Securities in Matched-Trading Schemes**

13. Beginning in or around December 2014, Defendant began acting as an investor solicitor on behalf of William S. Marshall (“Marshall”), the undisclosed control person of microcap company Intertech Solutions, Inc. (“ITEC”), a Nevada company that is headquartered in Scottsdale, Arizona.

14. Marshall, through various entities he controlled, obtained large blocks of ostensibly unrestricted ITEC shares and sought to sell those shares into the market without significantly affecting ITEC’s share price.

15. Defendant agreed to assist Marshall in selling his ITEC stock and thus engaged in a matched-trading scheme that generally operated as follows:

- a. Marshall obtained large blocks of ostensibly unrestricted shares of ITEC via private transactions and desired to profit quickly from them by selling the shares into the market.
- b. Marshall however, understood that selling large amounts of thinly-traded microcap securities through standard brokerage sell orders would likely take a long time (if using limit orders) and/or cause a collapse in the price of the shares he sought to sell (if using market orders).
- c. To avoid this, Marshall hired solicitors, including Defendant, to solicit investors to purchase Marshall’s shares of ITEC.
- d. Defendant used purchased lead lists to cold call prospective investors and inquired if the investor had an active brokerage account with online order-entry functionality.
- e. If so, Defendant pitched the value of an investment in ITEC to the prospective investor.
- f. If the prospective investor was swayed and decided to purchase shares of ITEC, Defendant would enquire of the prospect how

1 much money s/he wished to invest.

2 g. Defendant would then contact Marshall or his agent and inform  
3 him of the total dollar amount that the investor desired to invest.

4 h. Marshall or his agent then checked the then-current level II  
5 quotation for ITEC (which shows offers on the ask and bid) and  
6 provided Defendant with a limit order price at which the  
7 prospective investor was to enter his or her purchase order.

8 i. Defendant then conveyed the determined limit order price to the  
9 prospective investor, who would enter a buy limit order for ITEC  
10 stock at the designated price.

11 j. Simultaneously, Marshall or his agent entered a sell limit order for  
12 the same amount of shares at the same price. Through these means,  
13 the investor's buy order and Marshall's sell order were likely to  
14 match, at least in part, with the effect that Marshall was able to  
15 liquidate his position piecemeal into a market with ready  
16 purchasers.

17 k. Marshall or his agent and Defendant communicated about how  
18 many shares of the investor's order were "captured" (i.e., matched  
19 between the investor and Marshall), and Marshall paid Defendant,  
20 via wire transfers, a commission equal to a percentage of the sale  
21 price of the shares.

22 16. While still working for Marshall, Defendant began working for other  
23 securities solicitation operations and became extensively involved in the securities  
24 solicitation business.

25 17. Between early 2015 and at least May 2019, Defendant worked as a  
26 solicitor in at least seven securities solicitation operations.

27 18. Each of these operations participated in a matched-trading scheme  
28 similar to the one carried out by Marshall.

1 19. Specifically, individuals like Marshall who owned large blocks of  
2 illiquid microcap securities (the “selling shareholders”) would seek to dump their  
3 shares without causing the price of the shares to crash.

4 20. To do so, they hired securities solicitation operations like the ones  
5 Defendant worked for to cold call prospective investors and solicit them to  
6 purchase shares of the same microcap companies the selling shareholders were  
7 seeking to dump.

8 21. If an investor agreed to purchase shares, information about the  
9 intended investment was relayed to the selling shareholder, and the selling  
10 shareholder determined a price and volume for the trade.

11 22. Without telling the investor about the involvement of the selling  
12 shareholder, the solicitor, Defendant, then instructed the investor to enter a buy  
13 order at the coordinated price and volume.

14 23. Simultaneously, the selling shareholder placed an opposing sell order  
15 at the same price and volume.

16 24. If the trade between the selling shareholder and the solicited investor  
17 successfully matched, the selling shareholder paid the securities solicitation  
18 operation a commission, a portion of which was paid to the solicitor, Defendant,  
19 who was responsible for the trade.

20 25. Total commissions generally ranged from 35% to 50% of investor  
21 proceeds, a portion of which was retained by the securities solicitation operation  
22 and a portion of which the securities solicitation operation paid to Defendant.

23 26. Defendant was not simply an unwitting solicitor in this matched-  
24 trading scheme but instead knew or was reckless in not knowing the nature of the  
25 scheme.

26 27. In total, Defendant received gross commissions of almost \$600,000  
27 between May 2015 and May 2019 for his involvement as a solicitor in the  
28 matched-trading scheme, including over \$33,000 in direct payments from a selling

1 shareholder (as opposed to a particular solicitation entity engaged in match-trade  
2 solicitations) clearly demonstrating his awareness that the selling shareholders  
3 were paying him for his solicitation efforts.

4 28. Defendant deceived investors by failing to inform them of the selling  
5 shareholders' involvement, thereby leading investors to believe they were entering  
6 into standard open-market transactions.

7 29. Defendant further deceived investors by using a variety of fictitious  
8 names, including David Heinz, Clifton Jones, Steve Smith, and CJ Wilson, in order  
9 to conceal his identity from investors.

10 30. In at least one instance, Defendant misled an investor into believing  
11 that he was not receiving commissions for his solicitations, and instead told the  
12 investor that he would receive a warrant as compensation if the stock increased in  
13 value. Through these means, Defendant obtained money from at least one investor  
14 by means of these misrepresentations and omissions, which he made knowingly or  
15 with severe recklessness. A reasonable investor would have considered the  
16 misstatements and omissions about Defendant's true compensation arrangements  
17 and use of investor funds in deciding whether to invest.

18 31. Furthermore, by using fictitious names, Defendant knowingly or with  
19 severe recklessness made material misrepresentations and omissions to investors.  
20 A reasonable investor would have considered the misstatements and omissions  
21 about his true identity important in deciding whether to invest, particularly where  
22 the Defendant soliciting the transaction was not licensed to engage in securities  
23 solicitations and neither registered with the Commission as a broker or dealer, nor  
24 associated with a broker or dealer registered with the Commission.

### 25 **Defendant Lied to Investors and Misappropriated Investor Funds**

26 32. As a solicitor in the above-discussed matched-trading schemes,  
27 Defendant cultivated a relationship with certain investors by repeatedly soliciting  
28 them over the course of several months and convincing them to purchase multiple

1 securities.

2 33. After developing a relationship with these repeat investors, Defendant  
3 transitioned from soliciting them to purchase shares through the matched-trading  
4 scheme to convincing them to send investment funds directly to him for other  
5 ostensible investment opportunities.

6 34. In this activity, Defendant targeted elderly or otherwise vulnerable  
7 investors, several of whom have since passed away.

8 35. Defendant invented a variety of evidently fictitious investment  
9 opportunities that he pitched to investors, including opportunities to purchase  
10 shares of companies at a discount, opportunities to purchase shares of a company  
11 before a merger, an investment in a gold venture, and an investment in a  
12 cryptocurrency venture.

13 36. Upon persuading targeted investors to invest in the contrived  
14 opportunity, Defendant instructed investors to send checks or wires to bank  
15 accounts controlled by him or K.W., who, upon information and belief, is or has  
16 been Defendant's girlfriend or wife.

17 37. For example, in 2018, Defendant, using the fictitious name David  
18 Heinz, contacted an investor from North Andover, Massachusetts, and told him  
19 that he had access to discount shares of two companies that were seeking to raise  
20 funds.

21 38. Defendant offered the investor the shares of one company for around  
22 \$0.20 per share and told him they were already worth \$1.00 per share and could  
23 increase to even higher in value.

24 39. Defendant told the investor that as soon as the shares increased in  
25 value, he would send the investor the profits.

26 40. The investor did not initially purchase the shares from Defendant, but  
27 after Defendant contacted him multiple times over the course of nearly a year, the  
28 investor decided to invest.



1 41. Defendant instructed the investor to wire his funds to a bank account  
2 that, upon information and belief is controlled by K.W.

3 42. Between approximately January 9, 2019 and May 10, 2019, the  
4 investor wired a total of \$85,000 to the bank account controlled by K.W.  
5 comprising a total of eight transactions.

6 43. Defendant never sent the investor any stock certificates or  
7 documentation indicating ownership of the shares he purchased, and the investor  
8 never received a return on his investment.

9 44. For the Massachusetts investor, and at least five other investors,  
10 financial records demonstrate no subsequent transfer to the represented investment  
11 opportunities. Instead, the financial records show that after the subject bank  
12 accounts received an inflow of funds from solicited investors, those funds would  
13 immediately be withdrawn as cash and/or used to pay for personal expenses such  
14 as gasoline, restaurant bills, and credit card payments until the account balance was  
15 drawn to a nearly zero balance.

16 45. In several instances, Defendant told investors that they had received a  
17 return on their investment and that Defendant would be sending the investors  
18 checks or wires reflecting their returns. In all but two of these instances, the  
19 investors never received the promised payments.

20 46. As to those two instances where payment was made, one investor  
21 from Linden, Michigan, received only \$2,000 on or around November 28, 2014,  
22 after being told he was entitled to returns of \$15,000 on his \$33,500 investment.

23 47. The second payment was made to an investor from Alberta, Canada,  
24 who received a \$500 money order on his \$10,000 investment, which he made on or  
25 around October 9, 2015.

26 48. The Alberta investor was originally told by Defendant that his  
27 \$10,000 was going to be used to purchase 40,000 restricted shares of microcap  
28 issuer Kimberly Parry Organics at a discount and that, once the shares became

1 unrestricted, Defendant would sell the shares and pay the proceeds to the investor.

2 49. On or around October 9, 2015, the Alberta investor was told by  
3 Defendant that Defendant had sold the shares and that the investor would soon  
4 receive \$32,000 via wire transfer. The investor never received any such wire  
5 transfer from Defendant, although several months later the investor did receive a  
6 check from Defendant for \$10,000, but the check bounced.

7 50. Through these means, Defendant obtained money, at least \$165,000  
8 from investors between May 2015 and May 2019, by means of misrepresentations  
9 and omissions. Defendant failed to disclose that he intended to and did use  
10 investor funds for other things than the represented investments. Defendant made  
11 these representations knowingly or with severe recklessness. A reasonable  
12 investor would have considered the Defendant's misstatements and omissions  
13 about the use of investor funds important in deciding whether to invest.

14 **FIRST CLAIM FOR RELIEF**

15 **Violations of Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)]**

16 1. The Commission re-alleges and incorporates by reference each and  
17 every allegation in paragraphs 1–50, inclusive, as if they were fully set forth  
18 herein.

19 2. By engaging in the conduct described above, Defendant:

20 a. engaged in the business of effecting transactions in securities  
21 for the account of others; and

22 b. directly or indirectly, made use of the mails or the means or  
23 instrumentalities of interstate commerce to effect transactions in, or to induce or  
24 attempt to induce the purchase or sale of, securities without being registered as a  
25 broker or dealer with the Commission or associated with a broker or dealer  
26 registered with the Commission.

27 3. By reason of the foregoing, Defendant violated and, unless enjoined,  
28 will continue to violate Sections 15(a)(1) of the Exchange Act [15 U.S.C.

1 § 78o(a)(1)].

2 **SECOND CLAIM FOR RELIEF**

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

4 4. The Commission re-alleges and incorporates by reference each and  
5 every allegation in paragraphs 1–50, inclusive, as if they were fully set forth  
6 herein.

7 5. By engaging in the conduct described above, Defendant, directly or  
8 indirectly, individually or in concert with others, in the offer and sale of securities,  
9 by use of the means and instruments of transportation and communication in  
10 interstate commerce or by use of the mails has (1) employed devices, schemes, or  
11 artifices to defraud; (2) obtained money or property by means of untrue statements  
12 of material fact or omissions to state material facts necessary in order to make the  
13 statements made, in light of the circumstances under which they were made, not  
14 misleading; and (3) engaged in transactions, practices, or courses of business  
15 which operated or would operate as a fraud or deceit.

16 6. With respect to violations of Sections 17(a)(2) and 17(a)(3) of the  
17 Securities Act, Defendant was at least negligent in his conduct and in the untrue  
18 and misleading statements alleged herein.

19 7. With respect to violations of Section 17(a)(1) of the Securities Act,  
20 Defendant engaged in the above-referenced conduct knowingly or with sever  
21 recklessness.

22 8. By reason of the foregoing, Defendant violated and, unless enjoined,  
23 will continue to violate Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

24 **THIRD CLAIM FOR RELIEF**

25 **Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and**  
26 **Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5]**

27 9. The Commission re-alleges and incorporates by reference each and  
28 every allegation in paragraphs 1–50, inclusive, as if they were fully set forth

1 herein.

2 10. By engaging in the conduct described above, Defendant, directly or  
3 indirectly, individually or in concert with others, in connection with the purchase  
4 or sale of securities, by use of the means and instrumentalities of interstate  
5 commerce or by use of the mails has (a) employed devices, schemes, and artifices  
6 to defraud; (b) made untrue statements of material facts or omitted to state material  
7 facts necessary in order to make the statements made, in light of the circumstances  
8 under which they were made, not misleading; and (c) engaged in acts, practices,  
9 and course of business which operated as a fraud and deceit upon purchasers,  
10 prospective purchasers, and other persons.

11 11. Defendant engaged in the above-referenced conduct and made the  
12 above-referenced untrue and misleading statements knowingly or with severe  
13 recklessness.

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

17 **PRAYER FOR RELIEF**

18 WHEREFORE, the Commission respectfully requests that this Court enter a  
19 final judgment:

20 **I.**

21 Permanently restraining and enjoining Defendant from, directly or  
22 indirectly, engaging in conduct in violation of Section 17(a) of the Securities Act  
23 [15 U.S.C. § 77q(a)], Sections 10(b) and 15(a)(1) of the Exchange Act [15 U.S.C.  
24 §§ 78j(b), 78o(a)(1)], and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5];

25 **II.**

26 Permanently restraining and enjoining Defendant from directly or indirectly,  
27 including, but not limited to, through any entity owned or controlled any of them,  
28 soliciting any person or entity to purchase or sell any security;

1 **III.**

2 Ordering Defendant to disgorge all ill-gotten gains or unjust enrichment  
3 derived from the activities set forth in this Complaint, together with prejudgment  
4 interest thereon;

5 **IV.**

6 Ordering Defendant to pay a civil penalty pursuant to Section 20(d) of the  
7 Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15  
8 U.S.C. § 78u(d)(3)];

9 **V.**

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

15 **VI.**

16 Granting such other and further relief as this Court may deem just, equitable,  
17 or necessary in connection with the enforcement of the federal securities laws and  
18 for the protection of investors.

19 **VII.**

20 Granting such other and further relief as this Court may deem just, equitable,  
21 or necessary in connection with the enforcement of the federal securities laws and  
22 for the protection of investors.

23  
24 Dated: May 11, 2020

25 /s/ Amy Jane Longo

26 Amy Jane Longo  
27 Attorney for Plaintiff  
28 Securities and Exchange Commission

# Complaints and Other Initiating Documents

[8:20-cv-00875 Securities and Exchange Commission v. Tucker II](#)

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

## Notice of Electronic Filing

The following transaction was entered by Longo, Amy on 5/11/2020 at 8:47 AM PDT and filed on 5/11/2020

**Case Name:** Securities and Exchange Commission v. Tucker II

**Case Number:** [8:20-cv-00875](#)

**Filer:** Securities and Exchange Commission

**Document Number:** [1](#)

### Docket Text:

**COMPLAINT No Fee Required - US Government, filed by Plaintiff Securities and Exchange Commission. (Attorney Amy J Longo added to party Securities and Exchange Commission(pty:pla))(Longo, Amy)**

**8:20-cv-00875 Notice has been electronically mailed to:**

Amy J Longo longoa@sec.gov, irwinma@sec.gov, kassabguir@sec.gov, LAROFiling@sec.gov

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**Document description:**Main Document

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