

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**RUDOLF D. PAMEIJER,
LINDSAY R. SAYER,
RYAN W. KOESTER,
RYKOWORKS CAPITAL GROUP, LLC.**

Defendants.

COMPLAINT

C. A. No. 1:12-cv-1364

Plaintiff Securities and Exchange Commission (the "Commission") alleges:

SUMMARY

1. This case involves a fraudulent investment scheme in which Rudolf Pameijer ("Pameijer"), Lindsay Sayer ("Sayer"), and Ryan Koester ("Koester"), operating through their entities Plan America and Rykoworks Capital Group, LLC ("Rykoworks"), misappropriated nearly \$1.7 million of investor money.

2. Koester purported to be an expert foreign currency trader, and falsely represented that his unique trading strategy offered investors a principal guaranteed investment opportunity. Pameijer and his daughter, Sayer, solicited clients to invest in Koester's trading system, and then misappropriated the majority of investor funds for their personal use. The investor funds transferred to Koester and his entity Rykoworks were depleted through trading losses and Koester's misappropriation of funds for his personal spending. As part of the scheme, each of the defendants made materially false

representations to investors, including providing false account information and statements.

3. By virtue of their conduct, as described below, Defendants violated Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)], and Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. Additionally, Pameijer and Sayer violated Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

JURISDICTION AND VENUE

4. This Court has jurisdiction over this action pursuant to Sections 20(d)(1) and 22(a) of the Securities Act of 1933 [15 U.S.C. §§ 77t(d)(1) and 77v(a)], and Sections 21(d), 21(e), and 27 of the Securities Exchange Act of 1934 [15 U.S.C. §§ 78u(d), 78u(e), and 78aa]. Defendants, directly or indirectly, have made use of the means or instrumentalities of interstate commerce or of the mails in connection with the acts, transactions, practices and courses of business alleged in this Complaint.

5. Venue is proper because certain acts or transactions constituting the violations occurred within this judicial district.

DEFENDANTS

6. Rudolf D. Pameijer, age 61, is a resident of Trafalgar, Indiana. Pameijer, doing business as Plan America, sold Rykoworks securities from at least March 2010 to October 2011. Since 1977, Pameijer has sold insurance products for various companies.

7. Lindsay R. Sayer, age 32, is a resident of Breckenridge, Colorado. Sayer is the daughter of Rudolf Pameijer. Sayer sold Rykoworks securities from at least March

2010 to October 2011. During the relevant period, Sayer worked for her father, Pameijer, and Plan America.

8. Ryan W. Koester, age 40, is a resident of Brownsburg, Indiana. Koester, through his entity Rykoworks Capital Group, LLC, sold Rykoworks securities from at least March 2010 to October 2011.

9. Rykoworks Capital Group, LLC is an Indiana Limited Liability Company owned and operated by Koester. The company was organized on December 12, 2009.

OTHER RELEVANT ENTITY

10. Plan America is a d/b/a for Rudolf Pameijer. Pameijer reserved the name “Plan America” with the Indiana Secretary of State on September 17, 2010. The reservation expired on January 15, 2011.

FACTS

11. In or around October 2009, Pameijer—a career insurance salesman—was introduced to Koester at a multi-level marketing event. At the event, Koester held himself out as an expert foreign exchange (forex) trader, and made a presentation to Pameijer concerning investment opportunities with his company, Rykoworks.

12. The promotional brochure that Koester provided to Pameijer, titled “Rykoworks Investments: Introduction to Our Business,” stated that “Your investments in the stock market probably took a big hit the last few years,” and that “[w]e want to offer you an opportunity to safely grow your money at historical stock market returns.” The brochure stated that Rykoworks offers 12 percent guaranteed returns for money loaned to it, and uses proceeds to invest in the foreign exchange market using a

“proprietary trading methodology.” Under the heading “risks”, the brochure stated that Rykoworks bears all of the risk.

13. The brochure explained how Rykoworks bears all investment risk: “Rykoworks Investments would put in \$5,000 of his [sic] own cash plus the \$20,000 from the loans for a total trading account of \$25,000. If the account ever falls to \$20,000 all funds will be returned to the lenders. By setting up the loans with this stipulation Rykoworks Investments will be taking the risk.”

14. After their initial meeting, Pameijer and Koester met several times to discuss an arrangement through which Pameijer would direct clients to invest with Rykoworks. In December 2009, Koester and Pameijer agreed to a profit sharing arrangement for clients Pameijer brought to Rykoworks. The agreement promised the sharing of profits derived from the trading activities of Rykoworks utilizing Plan America client funds. Pameijer also was to receive transaction based compensation in the form of commissions.

15. Subsequently, Pameijer and his daughter Sayer, who resides in Colorado, began soliciting individuals to invest in Rykoworks. In several instances, Pameijer persuaded clients to terminate existing annuities and liquidate retirement accounts to fund the investment, despite substantial penalties. Pameijer falsely represented to clients that Rykoworks or Plan America would reimburse the termination penalties.

16. Pameijer and Sayer falsely represented to clients and prospective clients that investments with Rykoworks were principal guaranteed. They also made PowerPoint presentations to investors showing that Rykoworks investments had historical performance ranging from 8.4 percent to 38 percent per month. These

presentations were false. The promotional materials also stated that “The client is protected from losses because our managed trades stop at the principal amount (or deposit) and are not allowed to create a negative principal balance for an individual clients [sic] account.”

17. Rykoworks used promissory note agreements to procure investor funds. Rykoworks purportedly offered investors different fixed rates of return options as well as an option to earn returns based on Rykoworks’ trading performance. Under each option, however, Rykoworks purportedly guaranteed the investor’s principal against loss.

18. From at least March 2010 through October 2011, Pameijer and Sayer raised over \$1.5 million from at least ten individuals for investment in Rykoworks. Many of the investors were unsophisticated, and some included friends and family of Pameijer. Most investors selected the “profit sharing” option. The promissory notes to the investors were signed by Rudolf Pameijer for Plan America as the “broker” and by Ryan Koester as the “trader/manager” of Rykoworks. The promissory notes listed Plan America as a limited liability company.

19. Pameijer and Sayer misappropriated most of the investor funds intended for Rykoworks and, in at least some instances, forged Koester’s signature on the promissory notes. These investor funds were pooled in a Plan America bank account, and Pameijer and Sayer used the funds to cover various personal expenses.

20. Pameijer used investor funds for luxury automobiles, a motorcycle, a thirty-foot boat, various home renovations, his son’s college tuition, an automobile for Sayer, and Sayer’s wedding and honeymoon in St. Lucia. Pameijer also used the funds to pay commissions to Sayer.

21. Sayer, who had access to the Plan America account, also frequently withdrew from the account, to pay for rent, wedding expenses, and other expenses.

22. The largest defrauded investors were Donald Poynter, a retired scrap metal worker, and his wife Vicky (the "Poynters"). In August 2008, after befriending the retired couple, Pameijer convinced the Poynters to invest \$1.1 million in Midland National Life ("Midland") annuities through Plan America.

23. Pameijer only placed \$500,000 of the funds in Midland annuities, and misappropriated the remaining \$600,000.

24. In October 2008, Pameijer gave the Poynters false account statements showing that \$1.1 million of their money was invested in Midland annuities, and that the value of their accounts exceeded \$1.3 million.

25. In an attempt to seize the remaining \$500,000 that was actually invested in annuities, Pameijer urged the Poynters to liquidate their annuities and to place these funds with Rykoworks.

26. Mr. Poynter, repeatedly told Pameijer that they would not invest the money unless the opportunity was risk free, and explained that they needed an income stream for retirement. Pameijer assured the Poynters that the investment was principal guaranteed and told them that they would receive income payments of at least \$10,000 per month for their retirement.

27. In February 2011, after Pameijer convinced the Poynters to invest their money with Rykoworks, he assisted them in liquidating their annuities with Midland. In liquidating the annuities, the Poynters incurred a surrender charge of \$73,227.52 and

received a net amount of \$432,963. Then, in April 2011, the Poynters signed a \$1.34 million note with Rykoworks on which Pameijer forged Koester's signature.

28. In total, Pameijer misappropriated over \$800,000 from the Poynters for his and his daughter's personal use and transferred an additional \$310,000 to Rykoworks. Further, Pameijer told Koester that \$15,000 of the \$310,000 was his money to be used for his daughter's wedding expenses.

29. Pameijer provided the Poynters with false account information that overstated the value of their investment. After the Poynters received a few partial monthly income payments from Rykoworks and Pameijer, the payments stopped. Pameijer placed the blame with Koester, and eventually told the Poynters that Koester had absconded with the funds.

30. Sayer directly raised at least \$187,000 from investors in this scheme. Sayer actively lured investors into this scheme with false representations of fixed rates of returns and principal guaranteed against loss. For example, Sayer spent months befriending and gaining the trust of Tricia Taylor ("Taylor"), who eventually placed nearly \$100,000 for a purported investment with Rykoworks.

31. In soliciting the investment, Sayer attempted to bolster Plan America's legitimacy by falsely representing that it had a team of investment experts and a legal staff.

32. Sayer also offered Taylor the contact information of satisfied clients, Shannon and Anthony Gantzer. Sayer failed to disclose that Shannon Gantzer is her sister.

33. To allay Taylor's concerns regarding access to her funds, Sayer offered Taylor documents showing that another investor was able to liquidate freely her investment with Rykoworks. In fact, Plan America returned funds to that investor, Patricia Vogel, only after she brought new prospective investors to the firm.

34. In September 2011, Taylor invested \$99,490 pursuant to a Rykoworks promissory note in which she selected the profit sharing option. Sayer forged Koester's signature on the note, and Plan America retained the funds instead of transferring them to Rykoworks as promised. Sayer and Pameijer spent the money on personal expenditures.

35. Sayer provided Taylor with false account statements and information showing substantial quarterly profits and a growing account balance with Rykoworks. Later, Sayer stopped providing Taylor with account information.

36. When Taylor asked about the status of her account, Sayer told her that account information and statements were unavailable because a new accounting system was being implemented.

37. Eventually, Sayer told Taylor she had resigned from Plan America and directed Taylor to Pameijer.

38. Of the approximately \$1.5 million in investor funds raised, Pameijer and Sayer transferred approximately \$350,000 to Koester and misappropriated the remaining \$1.15 million.

39. Koester raised an additional \$135,000 from investors referred by Jermaine Chaney, another insurance salesman in Indiana.

40. Koester sold Rykeworks promissory notes directly to at least two investors—Matthew Bitar and his sister, Jennifer Bitar. The Bitars invested \$75,000 pursuant to these notes.

41. In total, Koester raised at least \$560,000 from investors.

42. During the period January 2010 through February 2011, Koester withdrew over \$285,000 in cash from the Rykeworks account. He used a portion of these funds to pay his personal expenses.

43. Koester depleted the remainder of investor funds through a combination of trading losses, payments to investors, and payments to Pameijer.

44. During the course of the scheme, Koester, like Pameijer and Sayer, provided false account information to investors to mislead them about the status of their investments, and failed to disclose to investors the misappropriation of investor funds.

45. Koester also failed to disclose to investors the trading losses. In late 2011, after receiving demands for account information and investor funds, Koester told Pameijer that much of the investor money was gone.

46. By fall 2011, Pameijer urgently sought to raise additional investor funds from new investors. Eventually, Koester became unresponsive to Pameijer. Sayer resigned from Plan America and Pameijer told clients that Koester had absconded with their funds.

47. In total, Pameijer, Sayer, and Koester together misappropriated and otherwise misused and depleted nearly \$1.7 million in investor funds.

48. Clients invested their money with Pameijer, Sayer, and Koester based upon Defendants' representations that the funds would be used for foreign currency

trading in the Rykeworks fund. Investor money was pooled in the Rykeworks trading account, and pursuant to promissory note agreements, the investors expected to share in the trading profits.

49. Pameijer and Sayer sold securities for Rykeworks pursuant to a profit sharing arrangement and for commissions. Both actively sought investors, made presentations, and advised them to purchase Rykeworks securities. Pameijer and Sayer received payments in connection with selling the Rykeworks promissory notes.

Material Misrepresentations and Omissions with Scienter

50. Pameijer, Sayer, and Koester each made material misrepresentations and omissions to investors in connection with the sale of securities, and employed and engaged in a scheme to defraud.

51. Pameijer made presentations to prospective investors and distributed promotional materials containing false statements about trading performance, strategy, and risk.

52. In these presentations, investors were falsely told that they could expect returns exceeding 8.4 percent per month with no risk of loss to their principal investment.

53. While directing clients to purchase notes with Rykeworks, Pameijer falsely told clients that their money was going to be used for foreign exchange trading, that the investment was principal guaranteed, and that they would receive returns based on trading performance. Instead, Pameijer misappropriated the majority of investor funds.

54. Pameijer forged Koester's signature on the notes to trick investors into thinking they were investing with Rykeworks. Pameijer did not disclose to investors that

he had diverted their funds, and that he was using their money for personal expenditures.

Pameijer did not disclose to investors that he had entered into a profit sharing arrangement with Koester.

55. Pameijer gave clients account statements and information that misstated the status of their investments, typically showing dramatic quarterly returns despite the fact that he had misappropriated most of the investor funds.

56. In connection with selling notes to investors, Sayer represented to clients that their money would be used for risk free trading, and that they would receive returns based on trading performance. Sayer knew that this was untrue, as she knew that the money was being misappropriated by her and Pameijer.

57. On at least two occasions, Sayer forged Koester's signature on notes to mislead investors into thinking that their funds were invested with Rykoworks.

58. Sayer had access to Plan America's account, and thus knew that investor money was being diverted into it.

59. Sayer frequently withdrew from the account to pay for a variety of personal expenses, and failed to disclose this to investors.

60. Sayer gave clients false account statements and information.

61. Sayer misled clients by falsely boasting about Plan America's team of financial experts and legal staff.

62. Sayer falsely told at least one investor that account information was unavailable due to new accounting software being implemented.

63. Koester, through his entity Rykoworks, made material misrepresentations and omissions.

64. Koester presented investors with promotional materials containing various untrue statements, including that he is offering risk free investment opportunities with his currency trading platform.

65. Koester falsely stated that investments with Rykoworks were principal guaranteed, and described a trading system in which investor account balances could never drop below the principal amount. In fact, all investor principal was depleted due to misappropriation of funds and trading losses.

66. Koester failed to disclose to clients that he was using their money for personal spending, and that he was suffering trading losses with the remainder. Instead, Koester misled investors by portraying their account balances as growing at a rapid rate by providing false and misleading account information.

FIRST CLAIM FOR RELIEF

**(Violations of Section 10(b) of the Securities Exchange Act of 1934
and Rule 10b-5 Thereunder)**

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

68. Defendants, with scienter, in connection with the purchase or sale of securities, by the use of means or instrumentalities of interstate commerce or of the mails, directly or indirectly: (a) employed devices, schemes or artifices to defraud; (b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon purchasers of securities.

69. By reason of the conduct described above, Defendants violated Section 10(b) [15 U.S.C. § 78j(b)] of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

SECOND CLAIM FOR RELIEF

(Violations of Section 17(a) of the Securities Act of 1933)

70. Paragraphs 1 through 66 are realleged and incorporated by reference.

71. Defendants directly or indirectly, knowingly, recklessly, or negligently, in the offer or sale of securities, by use of means or instruments of transportation or communication in interstate commerce or by use of the mails: (a) employed devices, schemes or artifices to defraud; (b) obtained money or property by means of untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in transactions, practices or courses of business which operated or would have operated as fraud or deceit upon purchasers of securities.

72. By reason of the forgoing, defendants violated Section 17(a) of the Securities Act of 1933 [15 U.S.C. § 77q(a)].

THIRD CLAIM FOR RELIEF

(Violations of Section 15(a) of the Securities Exchange Act of 1934)

73. Paragraphs 1 through 66 are realleged and incorporated by reference.

74. Pameijer and Sayer, directly and indirectly by the use of the means and instrumentalities of interstate commerce, while acting as a broker or dealer engaged in the business of effecting transactions in securities for the accounts of others, effected transactions in securities, or induced or attempted to induce the purchase and sale of

securities, without registering as a broker-dealer in accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b).

75. By reason of the forgoing, Pameijer and Sayer violated Section 15(a) of the Securities Exchange Act of 1934 [15 U.S.C. § 78o(a)].

PRAYER FOR RELIEF

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

A. permanently enjoining each Defendant from violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], and Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)]; and permanently enjoining Pameijer and Sayer from violating Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

B. ordering each Defendant to disgorge, with prejudgment interest, all ill-gotten gains resulting from the conduct alleged in this Complaint;

D. ordering each Defendant to pay civil 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)]; and

E. granting such other and further relief as the Court deems just and appropriate.

Respectfully submitted,

/s/ Charles D. Stodghill
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