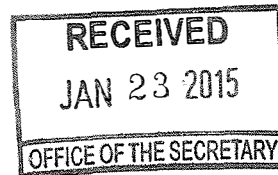


UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No.

ADMINISTRATIVE PROCEEDING
File No. 3-16152



In the Matter of

Albert Reda,

Respondent.

DECLARATION OF MARTIN F. HEALEY

I, Martin F. Healey, declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the following is true and correct:

1. I am an attorney and a member in good standing of the bar of the Commonwealth of Massachusetts. I work in the Boston Regional Office ("BRO") of the Enforcement Division ("Division") of the Securities and Exchange Commission ("Commission") as Regional Trial Counsel and am lead trial counsel on the above-referenced matter.

2. I make this declaration based upon: (i) personal knowledge, (ii) information and documents produced to the Division during the course of the investigation and litigation of the above-referenced matter, and (iii) information presented during a jury trial in a parallel criminal proceeding in the District of Massachusetts (United States v. Albert Reda; CR No. 11-CR-10415-DJC; District of Massachusetts) ("the criminal case").¹

¹ An appeal of Mr. Reda's criminal conviction in the criminal case is pending in the United States Court of Appeals for the First Circuit.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Boston Regional Office
33 Arch Street, 23rd Floor
Boston, Massachusetts 02110-1424



FAX TRANSMITTAL SHEET

From: MARTIN HEALEY

Telephone Number: (617) 573-8900

Telecopier Number: (617) 573-4590

1/23/2015
(Date)

PLEASE DELIVER THE FOLLOWING PAGES TO:

Name: OS. SEC

Company: _____

Fax: 703-813-9793

Telephone Number: _____

Total Number of Pages (including cover sheet): 94

MESSAGE: IN RE: REDA AD# 3-16152
DIVISION'S MOTION FOR DEFAULT PAPERS

CONFIDENTIALITY NOTE: THIS FACSIMILE TRANSMISSION IS INTENDED ONLY FOR THE PERSON TO WHOM IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL OR OTHERWISE PROTECTED FROM DISCLOSURE. DISSEMINATION, DISTRIBUTION OR COPYING OF THIS FACSIMILE OR THE INFORMATION HEREIN BY ANYONE OTHER THAN THE INTENDED RECIPIENT IS PROHIBITED. IF YOU HAVE RECEIVED THIS FACSIMILE TRANSMISSION IN ERROR PLEASE RETURN IT TO THE U.S. SECURITIES AND EXCHANGE COMMISSION BY MAIL.

If you do not receive all the pages, please call immediately.

J:\share\Parker\Fax Cover Sheets\Generic Fax Cover Sheet.DOC

A. Proof of Service

3. On September 22, 2014, the Commission issued an Order Instituting Proceedings (“OIP”) as to Albert Reda. *Exhibit 1*. Also on September 22, 2014, the Commission’s Office of the Secretary sent by Certified Mail, Return Receipt Requested, correspondence to Mr. Reda that enclosed the OIP. The Office of the Secretary mailed the correspondence to Attorney William L. Buus, who previously had represented Mr. Reda in matters relating to the criminal case. I subsequently spoke with Mr. Buus who advised me that he would not be representing Mr. Reda in this matter and that he was not authorized to accept service of the OIP on behalf of Mr. Reda.

4. On October 17, 2014, I mailed the OIP and accompanying letters from the Division (*Exhibit 2*) and the SEC’s Office of the Secretary² (*Exhibit 3*) to Mr. Reda at the following address, which is a federal correctional institution where he is incarcerated serving a sentence resulting from his conviction in the criminal case:

Albert Reda (Inmate #161948-112)

[REDACTED]

The OIP was sent via certified mail, including a request for a return receipt. Our office received the return receipt on November 12, 2014, indicating that the certified mailing containing the OIP and letter from the Office of the Secretary had been received and signed for at USP Lompoc on November 6, 2014. *Exhibit 4*.

² Among other things, the letter from the Office of the Secretary specifically references Section IV of the OIP, which sets out the requirement for Mr. Reda to file an answer to the OIP within twenty (20) days.

5. On November 17, 2014, I spoke with the case manager for Mr. Reda at the Lompoc facility, Tracy DuBose. Ms. DuBose advised me that procedures at Lompoc ensure that mail received at the facility is delivered to an inmate within twenty-four hours of its receipt at the facility, which means Mr. Reda received the OIP no later than November 7, 2014.

B. Default

6. Section IV of the OIP ordered that Mr. Reda file an Answer to the allegations contained in the OIP within twenty (20) days. The Division has not received an answer to the allegations from or on behalf of Mr. Reda. In addition, the Division is not aware of an answer having been filed with the Office of the Secretary.

7. On November 25, 2014, the Court issued an Order setting a prehearing conference for December 4, 2014. I forwarded a copy of the Order via facsimile to Mr. Reda at USP Lompoc. On November 26, 2014, I forwarded telephone dial-in information for the prehearing conference to Mr. Reda, also via facsimile. Between November 25/26 and the December 4, 2014, I was not able to confirm that Mr. Reda had received the Court's November 25, 2014 Order or the dial-in information sent on November 26. Mr. Reda or a representative did not call in to the scheduled December 4 prehearing conference. At the request of the Division, based on uncertainty as to whether Mr. Reda had received the notices referenced above, the Court ordered that the telephonic prehearing conference be rescheduled to December 17, 2014, at 4:00 p.m. EST.

8. On December 5, 2014, I forwarded a copy of the Order, via certified and overnight mail with return receipt requested, to Mr. Reda at USP Lompoc. *Exhibit 5*. Our office received an executed return receipt for the correspondence that included the Order on December 15, 2014 indicating receipt at USP Lompoc on December 11. *Exhibit 6*. Also on

December 11, I sent dial-in information for the prehearing conference to the legal department at USP Lompoc and, on that same date, received an e-mail from a legal assistant at USP Lompoc, Stacey Morales, who confirmed that the legal department at USP Lompoc had received the dial-in information for the December 15 prehearing conference. *Exhibit 7*. At the December 15, 2014, prehearing conference, Mr. Reda did not dial-in. The Court recessed the hearing for fifteen minutes and during that time I spoke with Desaree Diaz, who identified herself as a camp secretary at USP Lompoc. Ms. Diaz advised me that on the appointed time on that date (4:00 p.m. EST; 1:00 p.m. PST) Mr. Reda had been brought to the conference room at USP Lompoc that had been set aside for him to be able to call in to the prehearing conference. When he arrived, Mr. Reda informed the correctional facility personnel at USP Lompoc that he did not wish to participate in the call. *See Exhibit 8 (transcript of December 15, 2014, prehearing conference)*.

B. The Criminal Proceedings

9. On January 11, 2012, a federal grand jury in Boston returned a superseding indictment against Mr. Reda and two others that, among other things, charged Mr. Reda with one count of wire fraud, attempted wire fraud and conspiracy to commit securities fraud relating to a scheme and artifice to defraud (Count Eleven) and one count of mail fraud, attempted mail fraud and conspiracy to commit securities fraud relating to a scheme and artifice to defraud (Count Twelve). *See Exhibit 9*. The criminal case against Mr. Reda went to trial in October 2013, and after a six day trial the jury returned guilty verdicts as to Mr. Reda on both the wire fraud and mail fraud counts. *Exhibit 10*.

10. The scheme and artifice to defraud of which Mr. Reda was convicted was described in the indictment (*Exhibit 9*) as a funding/kickback scheme relating to 1st Global Financial, Inc.

("1st Global"), a real estate company incorporated in Nevada for which Reda was the Treasurer and a member of the Board of Directors. *Exhibit 9, ¶¶ 5-6, 11-12, 14-33*. The OIP in this matter charges Mr. Reda with civil violations of the federal securities laws for the identical scheme and artifice to defraud. Those related criminal and civil charges stem from parallel investigations conducted by the federal criminal authorities and the Commission.

11. The evidence introduced at the criminal trial, which consisted primarily of 1) the testimony of an undercover agent of the Federal Bureau of Investigation ("FBI"), 2) video and audio recordings of meetings of meetings and/or telephone calls involving the undercover FBI agent and/or one or more individuals cooperating with the FBI in its investigation, and Mr. Reda and/or one or more of his confederates, and 3) documentary evidence. The Division would rely on the same testimonial and documentary evidence, as well as the video and audio recordings, at any hearing in this matter.

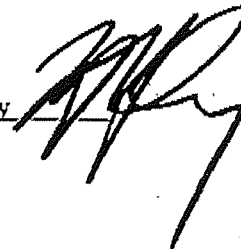
12. On day six of Mr. Reda's jury trial the trial judge instructed the jury prior to its deliberations. Among others things, the Court instructed as to the elements of wire fraud and mail fraud. *See Exhibit 11 (excerpts of jury charge)*. The Court instructed that in order for the jury to find Mr. Reda guilty of wire fraud and mail fraud, respectively, the jury had to find 1) that there was a scheme to defraud or to obtain money or property by means of materially false or fraudulent pretenses, representations or promises, 2) that Mr. Reda knowingly and willfully participated in that scheme with the intent to defraud or to obtain money or property by means of materially false or fraudulent pretenses, representations or promises, and 3) the use of interstate wire communications or the mails, respectively, in furtherance of the scheme. *Exhibit 11, pp. 6-(130-137)*. The Court then gave expanded instruction as to each of those

elements. *Id.* The jury returned guilty verdicts as to each of the charged conspiracies. *Exhibit*

10.

Executed under the pains and penalties of perjury this 23d day of January 2015 at
Boston, Massachusetts.

//s// Martin F. Healey
Martin F. Healey



JAN. 23. 2015 1:00PM

SEC-BOSTON OFFICE

NO. 7866 P. 8

Exhibit 1

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 73172 / September 22, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16152

In the Matter of

ALBERT REDA,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS PURSUANT
TO SECTIONS 15(b) AND 21C OF THE
SECURITIES EXCHANGE ACT OF
1934

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Albert Reda ("Respondent" or "Reda").

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Respondent, age 67, a resident of Tustin, California, was Treasurer of 1st Global Financial, Inc. ("1st Global") and a member of its Board of Directors. During the period June 30, 2011 through July 6, 2011, Respondent participated in an offering of the stock of 1st Global, which is a penny stock. On November 4, 2013, Respondent was found guilty after a jury trial of one count of wire fraud and one count of mail fraud in *U.S. v. Reda, et al.*, 11-CR-10416-DJC (D. Mass.). On March 11, 2014, Respondent was sentenced to 26 months' imprisonment, to be followed by one year's supervised release. He was also ordered to pay a fine of \$6,000 and to forfeit \$16,000.

B. OTHER RELEVANT ENTITIES AND INDIVIDUALS

1. 1st Global Financial, Inc. a Nevada corporation with its principal place of business in Las Vegas, Nevada is purportedly in the real estate investment or development business. Reda was a member of 1st Global's Board of Directors and its Treasurer. 1st Global appears to have operated under several other company names in the past, including Global Debit Cash Card, Inc.; Venture Media Communications; Venturenet.com, Inc.; and Mount McKinley Gold, Inc. Venturenet.com, Inc. registered its common stock under Exchange Act Section 12(g) in 2000, and then filed a Form 15 on October 15, 2001 terminate its Section 12(g) registration. On December 1, 2011, the Commission, pursuant to Exchange Act Section 12(k), suspended trading in the securities of 1st Global for a period of ten business days. 1st Global's stock had been quoted on OTC Pink under the symbol "FGBF," but its symbol changed to "PROD" on August 28, 2013. OTC Markets has discontinued quoting PROD stock and has applied the "caveat emptor" label to it.

2. Kelly Black-White ("Black-White"), age 53, a resident of Mesa, Arizona, was president of Premier Funding Services, Inc. and Premier Media Services, Inc., which purport to provide investor and public relations services to small cap market companies. Black-White pleaded guilty to one count of conspiracy to commit securities fraud and eleven counts of mail fraud on September 12, 2013 in *U.S. v. Kelly Black-White, et al.*, 11-CR-10416-DJC (D. Mass.). On February 5, 2014, Black-White was sentenced to 12 months and one day of imprisonment, to be followed by two years' supervised release, and was ordered to pay a \$7,500 fine. She was ordered to forfeit \$6,050 on February 10, 2014.

C. KICKBACK SCHEME

1. These proceedings arise out of a fraudulent scheme in which insiders of publicly-traded penny stock companies paid secret kickbacks to a purported corrupt hedge fund manager, who was in fact an undercover agent with the Federal Bureau of Investigation ("Fund Manager"), in exchange for the Fund Manager's purchase of restricted stock of the penny stock companies on behalf of his purported hedge fund ("the Fund"), which did not actually exist.

2. At some time prior to June 29, 2011, Black-White arranged for Reda to meet with the Fund Manager to discuss funding for 1st Global.

3. On or about June 29, 2011, Reda met with the Fund Manager (the "June 29 Meeting"). The Fund Manager explained to Reda that he was prepared to invest Fund monies of up to \$5 million in 1st Global stock in exchange for a secret fifty percent kickback to him, enabling the Fund Manager to keep for himself half of the money he was supposedly investing on behalf of the Fund.

4. At the June 29 Meeting, the Fund Manager also explained the mechanics of the funding, informing Reda that while the Fund Manager could commit to an investment of \$5 million of the Fund's money, with \$2.5 million being kicked back to the Fund

Manager, the Fund Manager did not want to invest the entire amount at once. Therefore, the Fund Manager told Reda he would invest the money over time in tranches, or installments, of increasing amounts.

5. At the June 29 Meeting, the Fund Manager further discussed with Reda the mechanics of how monies would be kicked back to the Fund Manager. The Fund Manager arranged with Reda that 1st Global would execute a consulting agreement with a nominee consulting company that the Fund Manager purportedly controlled, but that the Fund Manager would not actually provide any consulting services. Reda was told that invoices would be issued by the Fund Manager's nominee company to 1st Global in order to disguise the kickbacks.

6. At the June 29 Meeting, Reda agreed to the funding/kickback arrangement.

7. On various dates between June 30, 2011 and July 5, 2011, Reda sent the Fund Manager documents related to the kickback transaction, including a consulting agreement between 1st Global and the Fund Manager's nominee consulting company and stock purchase agreements between 1st Global and the Fund.

8. On or about July 5, 2011, in accordance with wiring instructions provided by Reda, \$32,000 was sent by wire transfer from a bank account maintained in Massachusetts, purportedly belonging to the Fund, to a 1st Global corporate bank account outside of Massachusetts. This wire transfer represented the first tranche of funding to 1st Global.

9. On or about July 5, 2011, Reda caused a stock certificate representing the purchase by the Fund of 1st Global shares to be sent to the Fund Manager.

10. On or about July 6, 2011, Reda caused a total of \$16,000 to be sent by wire transfer from a 1st Global corporate bank account outside of Massachusetts to a Citizens bank account held in the name of the Fund Manager's nominee company in Massachusetts. This wire transfer represented Reda's kickback to the Fund Manager from the first tranche of funding to 1st Global.

D. VIOLATIONS

1. As a result of the conduct described above, Reda willfully violated Section 10(b) of the Exchange Act and Rule 10b-5(a) thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act including, but not limited to, disgorgement, and civil penalties pursuant to Section 21B of the Exchange Act; and

C. Whether, pursuant to Section 21C of the Exchange Act, Respondent should be ordered to cease and desist from committing or causing violations of and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, whether, pursuant to Section 21C(f) of the Exchange Act, Respondent should be prohibited, conditionally or unconditionally, and permanently or for such period of time as shall be determined, 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, or that is required to file reports pursuant to Section 15(d) of the Exchange Act, whether Respondent should be ordered to pay a civil penalty pursuant to Section 21B(a) of the Exchange Act, and whether Respondent should be ordered to pay disgorgement pursuant to Sections 21B(e) and 21C(e) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.


If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.


Jill M. Peterson
Assistant Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Order") on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

JAN. 23. 2015 1:02PM

SEC-BOSTON OFFICE

NO. 7866 P. 15

Exhibit 2



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
BOSTON REGIONAL OFFICE
33 ARCH STREET
23RD FLOOR
BOSTON, MA 02110-1424

ENFORCEMENT
DIVISION

Martin F. Healey
Regional Trial Counsel
(617) 573-8952
healeym@sec.gov

October 17, 2014

Albert Reda
Inmate #61948-112
USP Lompoc
U.S. Penitentiary
3901 Klein Boulevard
Lompoc CA 93436

Re: In the Matter of Albert Reda, AP No. 3-16152

Dear Mr. Reda:

Enclosed please find copies of an Order Instituting Proceedings and a letter from the SEC's Office of the Secretary that is addressed to you but initially was sent to Mr. Buus, your former attorney. I believe the Order and letter are self-explanatory, but feel free to contact me with any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "M. Healey", written over a printed name and title.

Martin F. Healey
Regional Trial Counsel

Encs.

Exhibit 3



OFFICE OF
THE SECRETARY

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

100 F Street, N.E.
Washington, D.C. 20549

SEP 22 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Albert Reda
c/o William L. Buus, Esq.



Re: In the Matter of Albert Reda

Dear Mr. Reda:

Please find enclosed the Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Order") in the above-referenced matter.

Your attention is directed to Section IV of the Order, which requires you to file an answer pursuant to Rule 220 of the Commission's Rules of Practice. The Commission's Rules of Practice can be found at <http://www.sec.gov/about/rulesofpractice.shtml>. Rules 220 and 310 of the Commission's Rules of Practice provide that if you fail to file the required answer or fail to appear at a hearing after being duly notified, you may be deemed in default and the proceedings may be determined against you upon consideration of the order for proceedings, the allegations of which may be determined as true.

Please file an original and three copies of your answer or other pleadings as required by Rule 152(d) of the Commission's Rules of Practice. Please also file a notice of appearance as required by Rule 102(d) of the Commission's Rules of Practice.

If you have questions or wish to discuss any aspect of the proceedings, you may communicate with Martin F. Healey, Esq., Regional Trial Counsel, Boston Regional Office, Securities and Exchange Commission, 33 Arch Street, 23rd Floor, Boston, MA 02110, tel. (617) 573-8952.

Sincerely,

A handwritten signature in cursive script that reads "Jill M. Peterson".
Jill M. Peterson
Assistant Secretary

Enclosure



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
100 F Street, N.E.
Washington, D.C. 20549

OFFICE OF
THE SECRETARY

SEP '2 2 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William L. Buus, Esq.
[REDACTED]

Re: In the Matter of Albert Reda

Dear Mr. Buus:

Please find enclosed the Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Order") in the above-referenced matter.

Your attention is directed to Section IV of the Order, which requires your client to file an answer pursuant to Rule 220 of the Commission's Rules of Practice. The Commission's Rules of Practice can be found at <http://www.sec.gov/about/rulesofpractice.shtml>. Rules 220 and 310 of the Commission's Rules of Practice provide that if you fail to file the required answer or fail to appear at a hearing after being duly notified, you may be deemed in default and the proceedings may be determined against you upon consideration of the order for proceedings, the allegations of which may be determined as true.

Please file an original and three copies of your client's answer or other pleadings as required by Rule 152(d) of the Commission's Rules of Practice. Please also file a notice of appearance as required by Rule 102(d) of the Commission's Rules of Practice.

If you have questions or wish to discuss any aspect of the proceedings, you may communicate with Martin F. Healey, Esq., Regional Trial Counsel, Boston Regional Office, Securities and Exchange Commission, 33 Arch Street, 23rd Floor, Boston, MA 02110, tel. (617) 573-8952.

Sincerely,

Jill M. Peterson
Jill M. Peterson
Assistant Secretary

Enclosure

JAN. 23. 2015 1:04PM

SEC-BOSTON OFFICE

NO. 7866 P. 20

Exhibit 4

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece or on the front if space permits.

Article Addressed to:



COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
[Handwritten Signature]

B. Received by (Printed Name) C. Date of Delivery
[Handwritten Name] *[Handwritten Date]*

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
4. Restricted Delivery? (Extra Fee) Yes

Article Number: 7004 0750 0000 5531 7127
(Transfer from service label)
SI Form 3811, February 2004 Domestic Return Receipt PSN 0258-02-M-1540

UNITED STATES POSTAL SERVICE
FIRST CLASS PERMIT NO. 207 BOSTON MA 02111

First Class Mail
Postage & Fees Paid
USPS
Permit No. 1016

• Sender: Please print your name, address, and ZIP+4 in this box. •

Margaret Healy
Securities and Exchange Commission
35 Arch Street
23rd Floor
Boston, MA 02110-1424

RECEIVED

NOV 12 2014

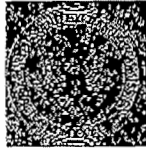
SECURITIES AND EXCHANGE COMMISSION
MAIL ROOM

JAN. 23. 2015 1:04PM

SEC-BOSTON OFFICE

NO. 7866 P. 22

Exhibit 5



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
BOSTON REGIONAL OFFICE
33 ARCH STREET
23RD FLOOR
BOSTON, MA 02110-1424

ENFORCEMENT
DIVISION

Martin F. Healey
Regional Trial Counsel
(617) 573-8952
healeym@sec.gov

December 5, 2014

Albert Reda



Re: In the Matter of Albert Reda, AP No. 3-16152

Dear Mr. Reda:

Enclosed please find copies of an Order scheduling a telephonic prehearing conference in this matter for Wednesday, December 17, 2014, at 4:00 p.m. EST (1:00 p.m. PST). A copy also has been sent to the Legal Department at Lompoc. The call-in information for the conference is as follows: 888-732-8001 (toll free) or 202-551-7000. Once the call is answered the access code is: 994 004 934.

Very truly yours,

Martin F. Healey
Regional Trial Counsel

7004 0750 0000 5531 9143

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	Albert Reda
Sent To	

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 2096/December 4, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16152

In the Matter of

ALBERT REDA

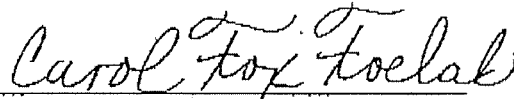
:
:
ORDER

The Securities and Exchange Commission instituted this proceeding with an Order Instituting Proceedings on September 22, 2014, pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 against Respondent Albert Reda (Reda).

Previously, as requested by the Division of Enforcement, with the consent of Reda, who is incarcerated, a telephonic prehearing conference was scheduled for Thursday, December 4, 2014, at 4:00 p.m. EST (1:00 p.m. PST); prison officials had agreed to make him available for a telephonic prehearing conference at that time. *Albert Reda*, Admin. Proc. Rulings Release No. 2055, 2014 SEC LEXIS 4476 (A.L.J. Nov. 25, 2014). However, a call was not received from Reda at the appointed time.

Accordingly, the telephonic prehearing conference will be rescheduled for Wednesday, December 17, 2014, at 4:00 p.m. EST (1:00 p.m. PST)

IT IS SO ORDERED.



Carol Fox Foelak
Administrative Law Judge

JAN. 23. 2015 1:05PM

SEC-BOSTON OFFICE

NO. 7866 P. 25

Exhibit 6

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Réda
 [Redacted Address]

2. Article Number
(Transfer from service label)

[Redacted Article Number]

COMPLETE THIS SECTION ON DELIVERY

A. Signature  Agent Addressee

B. Received by (Printed Name)  C. Date of Delivery

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

UNITED STATES POSTAL SERVICE



First Class Mail
 PSN
 Permit No. G-10

11 DEC 2014 PM 3 L

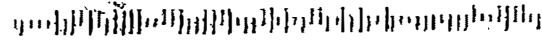
• Sender: Please print your name, address, and ZIP+4 in this box •

RECEIVED

Martin Healey
 US SEC
 33 Arch Street Suite 2300
 Boston, MA 02110

SECURITIES AND EXCHANGE COMMISSION
 BOSTON REGIONAL OFFICE

DEC 15 2014





Shipment Receipt

Transaction Date: 05 Dec 2014

Tracking Number: [REDACTED]

Address Information		
Ship To: Legal Department [REDACTED]	Ship From: SEC-Boston REGIONAL [REDACTED] Telephone: 617.573.8937	Return Address: SEC-Boston REGIONAL [REDACTED] Telephone: 617.573.8937

Package Information			
Weight	Dimensions / Packaging	Declared Value	Reference Numbers
1. Letter (Letter billable)	UPS Letter		Reference #1 - COURT ORDER - Reda

UPS Shipping Service and Shipping Options			
Service:	UPS Next Day Air		
Estimated Delivery*:	12:00 PM Monday, Dec 8, 2014		
Shipping Fees Subtotal:	37.10 USD	Additional Shipping Options	
Transportation	34.35 USD	Quantum View Notify E-mail Notifications:	No Charge
Fuel Surcharge	2.75 USD	1 desistasos@sec.gov: Exception, Delivery	

* UPS service guarantees may not apply during periods of heavy shipping volume. Please read the UPS Tariff/Terms and Conditions of Service for more information.

Payment Information	
Bill Shipping Charges to:	Shipper's Account A376E1
A discount has been applied to the Daily rates for this shipment	
Total Charges:	37.10 USD
Negotiated Total:	4.44 USD

Note: Your invoice may vary from the displayed reference rates.

* For delivery and guarantee information, see the UPS Service Guide. To speak to a customer service representative, call 1-800-PICK-UPS for domestic services and 1-800-782-7882 for international services.

JAN. 23. 2015 1:06PM

SEC-BOSTON OFFICE

NO. 7866 P. 28

Exhibit 7

Healey, Martin (BRO-ENF)

From: LOX/Legal Svcs~ LOX/Legal Svcs~ <LOX/LegalSvcs~@bop.gov>
Sent: Thursday, December 11, 2014 2:16 PM
To: Healey, Martin (BRO-ENF)
Subject: Court Ordered Telephonic Hearing for REDA #61948-112

Mr. Healey,

We received your fax of the court ordered telephonic hearing. Inmate Reda's Unit Team will be conducting the telephonic hearing on December 17, 2014, at 1 p.m. (PST) to the phone numbers you provided in your cover letter.

Thank you,

Stacey M. Morales

Legal Assistant
Federal Bureau Of Prisons
Federal Correctional Complex



Office: 805-735-2771
Fax: 805-737-3157
Hours: M-Th, 6:00 a.m. - 4:00 p.m.

Please consider the environment before printing this e-mail.

JAN. 23. 2015 1:06PM

SEC-BOSTON OFFICE

NO. 7866 P. 30

Exhibit 8

Page 2

1 APPEARANCES:
 2
 3 On behalf of the Securities and Exchange Commission:
 4 MARTIN HEALEY, ESQ.
 5 33 Arch Street, 23rd Floor
 6 Boston, Massachusetts 02110
 7 (617) 573-8913
 8 E-mail: HealeyM@sec.gov
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Page 4

1 notice of this hearing with the contact information
 2 to Mr. Reda by registered mail on December 5th, 2014,
 3 I had received an e-mail from Ms. Morales confirming
 4 receipt of the -- the Court's order as well as my
 5 cover letter and other information that provided
 6 contact information for this call for our telephonic
 7 pre-hearing conference.
 8 While I was on the telephone trying to
 9 contact Ms. Morales just after four o'clock, I
 10 received a telephone call from a woman named Desarce
 11 Diaz, D-i-a-z. She identified herself as a camp
 12 secretary at the federal correctional complex at
 13 Lompoc.
 14 Ms. Diaz advised me that Mr. Reda was
 15 brought up to the conference room at Lompoc that had
 16 been set aside for him to be able to call in to this
 17 pre-hearing conference, and when he arrived, Mr. Reda
 18 informed the correctional facility personnel that he
 19 did not wish to participate in the call.
 20 I apologize for being long-winded, but I
 21 wanted to get all of that information as part of the
 22 record.
 23 JUDGE FOELAK: Okay. Well, he has not
 24 filed an answer, so --
 25 MR. HEALEY: We will proceed accordingly,

Page 3

1 PROCEEDINGS
 2 MR. HEALEY: We'll go on the record for
 3 this, Your Honor.
 4 JUDGE FOELAK: Okay. We can go on the
 5 record.
 6 This was scheduled to be a pre-hearing
 7 conference in the matter of Albert Reda,
 8 Administrative Proceeding No. 3 dash 16152, and I'm
 9 Judge Foelak, and Mr. Healey who, I guess, will enter
 10 an appearance is about to report on his efforts to
 11 reach the place where the Respondent is incarcerated.
 12 MR. HEALEY: Yes, Your Honor, Martin
 13 Healey for the Division of Enforcement.
 14 After we initially got on the -- the call
 15 was scheduled for four o'clock, and at four o'clock,
 16 the Court was on the call, and the Division of
 17 Enforcement was on the call. Mr. Reda was not.
 18 We recessed the call for me to try to find
 19 out whether or not -- basically, what was going on
 20 with Mr. Reda.
 21 I placed a phone call to Stacey Morales,
 22 M-o-r-a-l-e-s. Ms. Morales is a legal assistant at
 23 the federal correctional complex in Lompoc,
 24 California which is where Mr. Reda is an inmate.
 25 I called Ms. Morales, because after sending

Page 5

1 Your Honor.
 2 JUDGE FOELAK: Okay. Okay. Perhaps, I
 3 will -- okay. Then we'll act accordingly. Sounds
 4 good.
 5 If you don't have anything more, I guess
 6 I'll, you know, declare the conference over.
 7 MR. HEALEY: There's nothing -- I have
 8 nothing else on behalf of the Division of
 9 Enforcement, Your Honor.
 10 JUDGE FOELAK: Okay. Thank you for your
 11 efforts and good-bye.
 12 MR. HEALEY: All right. Take care. Bye.
 13 (Whereupon, at 4:19 p.m., the examination
 14 was concluded.)
 15 * * * * *
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1 PROOFREADER'S CERTIFICATE

2

3 In the Matter of: ALBERT REDA

4 ADMINISTRATIVE PROCEEDINGS - PRE-HEARING CONFERENCE

5 File Number: 3-16152

6 Date: Wednesday, December 17, 2014

7 Location: Boston, MA

8

9 This is to certify that I, Donna S. Raya,
10 (the undersigned), do hereby swear and affirm that
11 the attached proceedings before the U.S. Securities
12 and Exchange Commission were held according to the
13 record and that this is the original, complete, true
14 and accurate manuscript that has been compared to the
15 reporting or recording accomplished at the hearing.

16

17

18 _____
(Proofreader's Name) (Date)

19

20

21

22

23

24

25

JAN. 23. 2015 1:07PM

SEC-BOSTON OFFICE

NO. 7866 P. 34

Exhibit 9

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA)	Criminal No. <i>11cr 10416 DJC</i>
)	
v.)	VIOLATIONS:
)	18 U.S.C. § 1349 (Conspiracy to
(1) KELLY BLACK-WHITE)	Commit Securities Fraud)
(2) ALBERT REDA)	18 U.S.C. §§ 1343, 1349, 2 (Wire Fraud)
(3) STEPHEN STUART)	18 U.S.C. §§ 1341, 1349, 2 (Mail Fraud)
)	18 U.S.C. § 981 (Criminal Forfeiture)
)	28 U.S.C. § 2461 (Criminal Forfeiture)
)	
)	

SUPERSEDING INDICTMENT

The Grand Jury charges that:

INTRODUCTION

1. At all times material to this Indictment, defendant, KELLY BLACK-WHITE, was a resident of Arizona.
2. At all times material to this Indictment, BLACK-WHITE operated Premier Funding & Financial Marketing, LLC, Premier Media Services, Inc. and a web site entitled hotchicksstockpicks.com through which she promoted penny stocks and assisted public companies in finding sources of funding.
3. At all times material to this Indictment, BLACK-WHITE served as a member of the Board of Directors of Symbolon Pharmaceuticals, Inc. ("Symbolon"), a Delaware corporation that was in the business of developing and marketing pharmaceuticals. Symbolon's common stock was publicly quoted on OTC Markets, Inc. ("OTC"), an inter-dealer electronic quotation and trading system in the over-the-counter securities market. Symbolon was an issuer of stock with a class of securities registered under Section 12 of the Securities Exchange Act of 1934.

4. At all times material to this Indictment, defendant, ALBERT REDA, was a resident of California.

5. At all times material to this Indictment, 1st Global Financial, Inc ("1st Global") was a real estate company incorporated in Nevada. REDA was Treasurer and a member of the Board of Directors of 1st Global.

6. At all times material to this Indictment, 1st Global's common stock was publicly quoted on OTC.

7. At all times material to this Indictment, defendant, STEPHEN STUART, was a resident of Maryland.

8. At all times material to this Indictment, ComCam International, Inc. ("ComCam") was a Delaware corporation in the business of developing and manufacturing surveillance equipment. STUART was a consultant to, and shareholder of, ComCam.

9. At all times material to this Indictment, ComCam's common stock was publicly quoted on OTC.

10. At all times material to this Indictment, "UA" was an undercover agent of the Federal Bureau of Investigation (the "FBI") who purported to be a representative of a major investment fund (the "Fund"). In actuality, and unbeknownst to BLACK-WHITE, REDA and STUART, the Fund never existed, except as part of an ongoing FBI undercover operation.

THE FRAUD

11. As set forth below, beginning in or about May 2011 and continuing through at least July 2011, BLACK-WHITE engaged in, attempted to engage in, and conspired to engage in a scheme to defraud and to obtain money and property by means of materially false and fraudulent

pretenses, representations and promises, by agreeing to introduce executives of public companies to UA so they could enter into the funding/kickback arrangement described below.

12. As set forth below, beginning in or about June 2011 and continuing through at least July 2011, REDA engaged in, attempted to engage in, and conspired to engage in a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, by secretly kicking back to UA fifty percent of Fund monies invested in 1st Global.

13. As set forth below, beginning in or about June 2011 and continuing through at least August 2011, STUART engaged in, attempted to engage in, and conspired to engage in a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, by secretly kicking back to UA fifty percent of Fund monies invested in ComCam.

MANNER AND MEANS OF THE FRAUD

BLACK-WHITE'S AGREEMENT TO INTRODUCE EXECUTIVES TO UA IN EXCHANGE FOR A PORTION OF THE KICKBACK MONIES

14. At some time prior to June 13, 2011, E.H. told BLACK-WHITE that UA was willing to invest Fund money in companies in exchange for a fifty percent kickback that would go to UA.

15. On or about June 13, 2011, BLACK-WHITE met with UA (the "June 13 BLACK-WHITE Meeting"). At the June 13 BLACK-WHITE Meeting, UA offered to pay BLACK-WHITE a fee for introducing UA to executives of publicly traded companies who would agree to pay a kickback to UA in exchange for investing the Fund's money in their companies, enabling UA to pocket half of the money he was supposedly investing on behalf of the Fund.

16. In particular, BLACK-WHITE was told that UA was prepared to invest up to \$5 million of the Fund's money in various publicly traded companies, provided those companies secretly kicked back fifty percent of those funds (*i.e.*, \$2,500,000.00) to UA. BLACK-WHITE was informed that the Fund was not to be informed of the kicked back payments.

17. BLACK-WHITE was told that if the Fund purchased \$5 million of stock all at once, the transaction might attract attention at the Fund. In order to avoid detection, therefore, UA said that he would invest the Fund's money gradually, in tranches (or installments) that would increase in size over time.

18. As a further means of concealing the nature of the transactions, BLACK-WHITE was told that the kickback payments would be made to one or more "nominee" consulting companies that

UA purportedly controlled and which the Fund did not know about. BLACK-WHITE also was told that invoices would be issued by UA's "nominee company" in order to disguise the kickbacks.

19. BLACK-WHITE agreed that UA would pay BLACK-WHITE approximately ten percent of the kickbacks paid by any executive whom BLACK-WHITE introduced to UA.

20. Prior to the June 13 BLACK-WHITE Meeting, BLACK-WHITE had referred executives from at least two publicly traded companies, Symbolion and MicroHoldings, Inc., to UA so that those executives could enter into a funding/kickback agreement with UA.

21. After the June 13 BLACK-WHITE Meeting, BLACK-WHITE referred the following individuals and companies to UA so that they could enter into a funding/kickback arrangement with UA: REDA, and his company 1st Global; STUART and his company, ComCam; and executives from Oriens Travel & Hotel Management, Inc. and A5 Laboratories, Inc.

22. Each of the executives whom BLACK-WHITE referred to UA agreed to, and did, pay a kickback to UA in exchange for UA causing the Fund to invest in their respective companies. In connection with the investments, each of the executives also caused stock certificates to be issued representing the purchase by the Fund of shares in their respective companies.

23. The investments in the companies that BLACK-WHITE referred to UA were made by wire transfers from a bank account maintained in Boston, Massachusetts. The kickback payments from the various companies BLACK-WHITE referred to UA were made by wire transfers from the various companies to Citizens Bank account number *****0517, which was held in the name of one of UA's "nominee companies" in Massachusetts.

24. Based on her agreement with UA, on various dates between June 22, 2011 and July 5, 2011, BLACK-WHITE received a portion of the kickbacks paid by executives she had referred

to UA. BLACK-WHITE's shares of the kickbacks were paid by wire transfer from Citizens Bank account number *****0517, which was held by one of UA's "nominee companies" in Massachusetts to JP Morgan Chase account number *****6930, a bank account held by Premier Funding & Financial Marketing, LLC and controlled by BLACK-WHITE.

BLACK-WHITE INTRODUCES UA TO REDA WHO AGREES TO PROVIDE A SECRET KICKBACK TO UA IN EXCHANGE FOR FUND INVESTMENT

25. Some time prior to June 29, 2011, BLACK-WHITE arranged for REDA to meet with UA to discuss funding for 1st Global.

26. On or about June 29, 2011, REDA met with UA (the "June 29 REDA Meeting"). UA explained to REDA that he was prepared to invest Fund monies of up to \$5 million in 1st Global, in exchange for a secret fifty percent kickback to UA, enabling UA to pocket half of the money he was supposedly investing on behalf of the Fund.

27. At the June 29 REDA Meeting, UA also explained the mechanics of the funding, informing REDA that while UA could commit to an investment of \$5 million of the Fund's money, with \$2.5 million being kicked back to UA, UA did not want to invest the entire amount at once. Therefore, UA told REDA he would invest the money over time in tranches, or installments, of increasing amounts.

28. At the June 29 REDA Meeting, UA further discussed with REDA the mechanics of how monies would be kicked back to UA. UA arranged with REDA that REDA's company would execute a consulting agreement with a "nominee" consulting company that UA purportedly controlled, but that UA would not actually provide any consulting services. REDA was told that invoices would be issued by UA's nominee company to 1st Global in order to disguise the kickbacks.

29. At the June 29 REDA Meeting, REDA agreed to the funding/kickback arrangement.

30. On various dates between June 30, 2011 and July 8, 2011, REDA sent UA documents related to the kickback transaction, including a consulting agreement between 1st Global and UA's nominee consulting company and stock purchase agreements between 1st Global and the Fund.

31. On or about July 5, 2011, in accordance with wiring instructions provided by REDA, \$32,000 was sent by wire transfer from a bank account maintained in Boston, Massachusetts, purportedly belonging to the Fund, to a 1st Global corporate bank account outside of Massachusetts. This wire transfer represented the first tranche of funding to 1st Global.

32. On or about July 5, 2011, REDA caused a stock certificate representing the purchase by the Fund of 1st Global shares to be sent to UA by Federal Express.

33. On or about July 6, 2011, REDA caused a total of \$16,000 to be sent by wire transfer from a 1st Global corporate bank account outside of Massachusetts to Citizens Bank account number *****0517, which was held in the name of UA's "nominee company" in Massachusetts. This wire transfer represented REDA's kickback to UA from the first tranche of funding to 1st Global.

BLACK-WHITE INTRODUCES UA TO STUART WHO AGREES TO PROVIDE A SECRET KICKBACK TO UA IN EXCHANGE FOR FUND INVESTMENT

34. At some time prior to June 29, 2011, BLACK-WHITE arranged for STUART and D.G., the Chief Executive Officer of ComCam, to meet with UA to discuss funding for ComCam.

35. On or about June 29, 2011, STUART and D.G. met with UA (the "June 29 STUART Meeting"). UA explained to STUART and D.G. that he was prepared to invest Fund monies of up to \$5 million in ComCam, in exchange for a secret fifty percent kickback to UA, enabling UA to pocket fully half of the money he was supposedly investing on behalf of the Fund.

36. At the June 29 STUART Meeting, UA also explained the mechanics of the funding, informing STUART and D.G. that while UA could commit to an investment of \$5 million of the Fund's money, with \$2.5 million being kicked back to UA, UA did not want to invest the entire amount at once. Therefore, UA told STUART and D.G. that he would invest the money over time in tranches, or installments, of increasing amounts.

37. At the June 29 STUART Meeting, UA further discussed with STUART and D.G. the mechanics of how monies would be kicked back to UA. UA arranged with STUART and D.G. that STUART's and D.G.'s company would execute a consulting agreement with a "nominee" consulting company that UA purportedly controlled, but that UA would not actually provide any consulting services. STUART and D.G. were told that invoices would be issued by UA's nominee company to ComCam in order to disguise the kickbacks.

38. At the June 29 STUART Meeting, STUART and D.G. agreed to the funding/kickback arrangement.

39. On various dates between June 30, 2011 and July 8, 2011, D.G. sent UA documents related to the kickback transaction, including a consulting agreement between ComCam and UA's nominee consulting company and stock purchase agreements between ComCam and the Fund.

40. On or about July 5, 2011, in accordance with wiring instructions provided by D.G., \$34,000.20 was sent by wire transfer from a bank account maintained in Boston, Massachusetts, purportedly belonging to the Fund, to a ComCam corporate bank account outside of Massachusetts. This wire transfer represented the first tranche of funding to ComCam.

41. On or about July 8, 2011, STUART and D.G. caused a stock certificate representing the purchase by the Fund of ComCam shares to be sent to UA by Federal Express.

42. On or about July 6, 2011, STUART and D.G. caused a total of \$17,000 to be sent by wire transfer from a ComCam corporate bank account outside of Massachusetts to Citizens Bank account number *****0517, which was held in the name of UA's "nominee company" in Massachusetts. This wire transfer represented STUART's and D.G.'s kickback to UA from the first tranche of funding to ComCam.

COUNT ONE

(18 U.S.C. § 1349 – Conspiracy to Commit Securities Fraud)

43. Paragraphs 1-42 are re-alleged and incorporated by reference as though fully set forth herein.

44. From in or about May 6, 2011 through no earlier than July 8, 2011, in the District of Massachusetts and elsewhere, the defendant,

(1) KELLY BLACK-WHITE,

together with others known and unknown to the Grand Jury, conspired and attempted to knowingly execute a scheme and artifice (a) to defraud persons in connection with the securities of an issuer with a class of securities registered under Section 12 of the Securities and Exchange Act of 1934, to wit, Symbollon Pharmaceuticals, Inc., and (b) to obtain, by means of materially false and fraudulent pretenses, representations and promises, money and property in connection with the purchase and sale of securities of an issuer with a class of securities registered under Section 12 of the Securities Exchange Act of 1934, to wit, Symbollon Pharmaceuticals, Inc.

All in violation of Title 18, United States Code, Sections 1348, 1349 and 2.

COUNTS TWO THROUGH TEN
(18 U.S.C. § 1343 - Wire Fraud)

45. Paragraphs 1-42 are re-alleged and incorporated by reference as though fully set forth herein.

46. On or about the dates set forth below, in the District of Massachusetts and elsewhere, the defendant,

(1) KELLY BLACK-WHITE,

having devised and intending to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, for the purpose of executing such scheme and artifice, transmitted and caused to be transmitted in interstate commerce, wire communications, including writings, signals, and sounds, and attempted and conspired to do so, which interstate wire communications included wire transfers and associated on-line notices, instructions and inquiries regarding the transfer of funds into and out of a bank account in the name of one of UA's "nominee companies" in Massachusetts, as follows:

Count	Date	Wire Transmission
2	5/10/11	\$9,000 wire transfer from Symbollon Pharmaceuticals, Inc. to Citizens Bank account no. *****0517 in Boston Massachusetts
3	5/24/11	\$15,000 wire transfer from Symbollon Pharmaceuticals, Inc. to Citizens Bank account no. *****0517 in Boston Massachusetts
4	6/10/11	\$30,000 wire transfer from Symbollon Pharmaceuticals, Inc. to Citizens Bank account no. *****0517 in Boston Massachusetts
5	5/24/11	\$9,000 wire transfer from MicroHoldings, Inc. to Citizens Bank account no. *****0517 in Boston Massachusetts

6	6/10/11	\$15,000 transferred by wire from MicroHoldings, Inc. and the Racer's Edge, Inc. to Citizens Bank account no. *****0517 in Boston Massachusetts
7	6/28/11	\$7,500 wire transfer from A5 Laboratories, Inc. to Citizens Bank account no. *****0517 in Boston Massachusetts
8	6/27/11	\$8,000 wire transfer from Oriens Travel & Hotel Management, Inc. to Citizens Bank account no. *****0517 in Boston Massachusetts
9	6/22/11	\$4,500 wire transfer from Citizens Bank account no. *****0517 in Boston Massachusetts to JP Morgan Chase account number *****6930, a bank account held by Premier Funding & Financial Marketing, LLC and controlled by BLACK-WHITE
10	7/5/11	\$1,550 wire transfer from Citizens Bank account no. *****0517 in Boston Massachusetts to JP Morgan Chase account number *****6930, a bank account held by Premier Funding & Financial Marketing, LLC and controlled by BLACK-WHITE

All in violation of Title 18, United States Code, Sections 1343, 1349 and 2.

COUNT ELEVEN
(18 U.S.C. § 1343 - Wire Fraud)

47. Paragraphs 1-42 are re-alleged and incorporated by reference as though fully set forth herein.

48. On or about the date set forth below, in the District of Massachusetts and elsewhere, the defendants,

- (1) KELLY BLACK-WHITE, and
- (2) ALBERT REDA

having devised and intending to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, for the purpose of executing such scheme and artifice, transmitted and caused to be transmitted in interstate commerce, wire communications, including writings, signals, and sounds, and attempted and conspired to do so, which interstate wire communications included wire transfers and associated on-line notices, instructions and inquiries regarding the transfer of funds into and out of a bank account in the name of one of UA's "nominee companies" in Massachusetts, as follows:

Count	Date	Wire Transmission
11	7/6/11	\$16,000 wire transfer from 1 st Global Financial, Inc. to Citizens Bank account no. *****0517 in Boston, Massachusetts

All in violation of Title 18, United States Code, Sections 1343, 1349 and 2.

COUNT TWELVE
(18 U.S.C. §§ 1341, 1349, 2 - Mail Fraud)

49. Paragraphs 1-42 are re-alleged and incorporated by reference as though fully set forth herein.

50. On or about July 5, 2011, in the District of Massachusetts and elsewhere, the defendant,

(2) ALBERT REDA

having devised and intending to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, for the purpose of executing such scheme and artifice did knowingly cause matter and things to be delivered by the United States Postal Service and private and commercial interstate carriers, and attempted and conspired to do so, namely, the mailing of a stock certificate representing the purchase by the Fund of 320,000 shares of 1st Global Financial, Inc.

All in violation of Title 18, United States Code, Sections 1341, 1349 and 2.

COUNT THIRTEEN
(18 U.S.C. § 1343 - Wire Fraud)

51. Paragraphs 1-42 are re-alleged and incorporated by reference as though fully set forth herein.

52. On or about the date set forth below, in the District of Massachusetts and elsewhere, the defendants,

- (1) KELLY BLACK-WHITE, and
- (3) STEPHEN STUART

having devised and intending to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, for the purpose of executing such scheme and artifice, transmitted and caused to be transmitted in interstate commerce, wire communications, including writings, signals, and sounds, and attempted and conspired to do so, which interstate wire communications included wire transfers and associated on-line notices, instructions and inquiries regarding the transfer of funds into and out of a bank account in the name of one of UA's "nominee companies" in Massachusetts, as follows:

Count	Date	Wire Transmission
13	7/6/11	\$17,000 wire transfer from ComCam International, Inc. to Citizens Bank account no. *****0517 in Boston, Massachusetts

All in violation of Title 18, United States Code, Sections 1343, 1349 and 2.

COUNT FOURTEEN
(18 U.S.C. §§ 1341, 1349, 2 - Mail Fraud)

53. Paragraphs 1-42 are re-alleged and incorporated by reference as though fully set forth herein.

54. On or about July 8, 2011, in the District of Massachusetts and elsewhere, the defendant,

(3) STEPHEN STUART

having devised and intending to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, for the purpose of executing such scheme and artifice did knowingly cause matter and things to be delivered by the United States Postal Service and private and commercial interstate carriers, and attempted and conspired to do so, namely, the mailing of a stock certificate representing the purchase by the Fund of 65,385 shares of ComCam International, Inc.

All in violation of Title 18, United States Code, Sections 1341, 1349 and 2.

Case 1:11-cr-10416-DJC Document 11 Filed 01/11/12 Page 17 of 19

FORFEITURE ALLEGATION
18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461

The Grand Jury further charges that:

55. Upon conviction of one or more of the offenses alleged in Counts One through Fifteen of the Indictment, the defendants,

- (1) KELLY BLACK-WHITE,
- (2) ALBERT REDA, and
- (3) STEPHEN STUART,

shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to such violations.

56. If any of the property described in paragraph 55, above, as a result of any act or omission of the defendants:


- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), to seek forfeiture of any other property of the defendant up to the value of the property described in subparagraphs (a) through (e).

All in accordance with Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States, Section 2461(c).

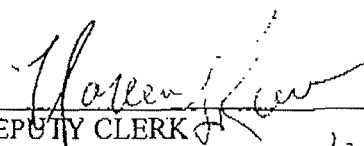
A TRUE BILL


FOREPERSON OF THE GRAND JURY


SARAH E. WALTERS
VASSILI THOMADAKIS
ASSISTANT U.S. ATTORNEYS

DISTRICT OF MASSACHUSETTS; January 11, 2012

Returned into the District Court by the Grand Jurors and filed.


DEPUTY CLERK
2/2/2014
1/11/12

JAN. 23. 2015 1:13PM

SEC-BOSTON OFFICE

NO. 7866 P. 54

Exhibit 10

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA

v.

ALBERT REDA,

Defendant.

CRIMINAL NO. 11-10416-DJC

VERDICT

WE, THE JURY, FIND THE DEFENDANT, ALBERT REDA:

As to the Count of the Indictment Charging Him With Wire Fraud, in Violation of 18 U.S.C. §§ 1343, 1349, 2:

_____ NOT GUILTY _____ GUILTY

As to the Count of the Indictment Charging Him With Mail Fraud, in Violation of 18 U.S.C. §§ 1341, 1349, 2:

_____ NOT GUILTY _____ GUILTY

11/4/2013
DATE


FOREPERSON'S SIGNATURE

JAN. 23. 2015 1:13PM

SEC-BOSTON OFFICE

NO. 7866 P. 56

Exhibit 11

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UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA,
Plaintiff,

Criminal Action
No. 11-10416-DJC

v.

November 4, 2013
8:46 a.m.

ALBERT REDA,

Defendant.

TRANSCRIPT OF JURY TRIAL DAY 6
BEFORE THE HONORABLE DENISE J. CASPER

UNITED STATES DISTRICT COURT
JOHN J. MOAKLEY U.S. COURTHOUSE
1 COURTHOUSE WAY
BOSTON, MA 02210

DEBRA M. JOYCE, RMR, CRR
Official Court Reporter
John J. Moakley U.S. Courthouse
1 Courthouse Way, Room 5204



1 defendant, Mr. Reda, under consideration.

2 I shall now turn to each of the charges alleged
3 against Mr. Reda in the indictment.

4 Wire fraud.

5 The indictment charges the defendant with wire fraud.

6 To convict a person of wire fraud, the government must prove
7 each of the following elements beyond a reasonable doubt:

8 First, a scheme substantially as charged in the
9 indictment to defraud or to obtain money or property by means
10 of materially false or fraudulent pretenses, representations or
11 promises.

12 Second, the defendant's knowing and willful
13 participation in the scheme with the intent to defraud or to
14 obtain money or property by means of materially false or
15 fraudulent pretenses, representations or promises.

16 And third, the use of interstate wire communications
17 on or about the dates alleged in furtherance of the scheme.

18 A scheme includes any plan, pattern or course of
19 action. The term "defraud" means to deprive another of
20 something of value by means of deception or cheating.

21 It is not necessary that the government prove all of
22 the details alleged in the indictment concerning the precise
23 nature and purpose of the scheme. The government must show,
24 however, that the defendant knowingly executed or attempted to
25 execute a scheme that was substantially similar to the scheme

1 alleged in the indictment.

2 Materiality of falsehood is a necessary element of the
3 crime of wire fraud charged in the indictment. The term "false
4 or fraudulent pretenses" means any false statements or
5 assertions that concern a material aspect of the transaction at
6 issue. This includes statements that were known to be untrue
7 when made. It also includes statements that were made with
8 reckless indifference to their truth or falsity and were made
9 with an intent to defraud. It includes direct statements that
10 are false in their entirety, as well as statements of
11 half-truths that are misleading because of what they omit,
12 though what is said may be literally true.

13 A false or fraudulent statement or omission may relate
14 to existing or past facts or to future plans and intentions.
15 The government has to prove as to this charge that any alleged
16 misrepresentation was made with the intent to defraud; that is,
17 to advance the scheme or artifice to defraud.

18 A statement or representation is material if it is one
19 that has a natural tendency to influence or be capable of
20 influencing a decision of the person to whom it is addressed.

21 The government is not required to prove that any
22 person or institution actually relied upon a particular false
23 representation or statement. Nor is the government required to
24 prove any such reliance would have been justifiable.

25 To prove the wire fraud offense alleged in the

1 indictment, the government must prove that the charged
2 defendant acted with a specific intent to defraud. This means
3 that the government must prove that the defendant acted with a
4 specific intent to deceive or cheat for the purposes of
5 obtaining or helping others obtain money or property. To the
6 extent that the government asserts that a defendant intended to
7 deceive by use of half-truths or incomplete statements, the
8 government must prove that the defendant specifically intended
9 for those statements to be misleading or deceptive.

12:44 10 Good faith is an absolute defense to the wire fraud
11 charge in this case; that is, the prosecution must prove beyond
12 a reasonable doubt that the defendant acted in bad faith with a
13 specific intent to defraud. A person acts in good faith if the
14 person acts on the basis of a belief or opinion honestly held
15 even if the belief or opinion may turn out to have been, in
16 fact, wrong. However, a defendant does not act in good faith
17 even if he honestly holds a particular opinion and belief, and
18 yet, knowingly makes false and fraudulent statements or
19 misrepresentations.

12:44 20 The burden to prove intent, as with all of the other
21 elements of the crime, rests with the government.

22 Now, let me turn to the final element of the wire
23 fraud charge, the requirement of causing an "interstate wire
24 communication." This term includes wire transfers of funds
25 between financial institutions. The parties have stipulated

1 that the wire transfers reflected in Exhibits 28 and 29 were
2 interstate wire communications, including debits from and
3 credits to a Citizens Bank Federal Reserve account located at
4 the Federal Reserve Bank of Boston in Boston, Massachusetts, so
5 you are to take that fact as proven.

6 The government is not required to prove that the
7 material transmitted by wire was itself false or fraudulent or
8 that the use of wire communication facilities in interstate
9 commerce was intended as the specific or exclusive means of
10 accomplishing the alleged fraud. The use of the wires must,
11 however, further or assist in the carrying out of the alleged
12 scheme, and it must be reasonably foreseeable. To "cause" an
13 interstate wire communication to be made means to act with
14 knowledge that an interstate wire communication will follow in
15 the ordinary course of business or where such a wire
16 communication could be reasonably foreseen.

17 The indictment also charges the defendant with
18 violating the federal statute making mail fraud illegal. For
19 you to find the defendant guilty of mail fraud, you must be
20 convinced that the government has proven each of the following
21 things beyond a reasonable doubt:

22 First, a scheme substantially as charged in the
23 indictment to defraud or to obtain money or property by means
24 of materially false or fraudulent pretenses.

25 Second, a defendant's knowing and willful

1 participation in this scheme with the intent to defraud or to
2 obtain money or property by means of materially false or
3 fraudulent pretenses, representations, or promises.

4 And third, the use of the United States mail or
5 private or commercial interstate carrier on or about the date
6 charged in furtherance of this scheme.

7 The mailings do not themselves have to be essential to
8 the scheme, but must have been made to carry it out. There's
9 no requirement that the defendant himself was responsible for
10 the mailings.

11 A scheme includes any plan, pattern or course of
12 action. The term "defraud" means to deceive another in order
13 to obtain money or property by misrepresenting or concealing a
14 material fact. It includes a scheme to deprive another of the
15 intangible right of honest services.

16 The term "false or fraudulent pretenses" means any
17 false statements or assertions that concern a material aspect
18 of the matter in question that were either known to be untrue
19 when made or made with reckless indifference to their truth and
12:47 20 that were made with the intent to defraud. They include actual
21 direct false statements as well as half-truths and the knowing
22 concealment of facts.

23 A "material" fact or matter is one that has a natural
24 tendency to influence or be capable of influencing the decision
25 of the decision maker to whom it was addressed.

1 To prove the mail fraud offense alleged in the
2 indictment, the government must prove that the charged
3 defendant acted with the specific intent to defraud. This
4 means that the government must prove that the defendant acted
5 with the specific intent to deceive or cheat for the purposes
6 of obtaining or helping others obtain money or property. To
7 the extent that the government asserts that a defendant
8 intended to deceive by use of half-truths or incomplete
9 statements, the government must prove that the defendant
12:48 10 specifically intended for those statements to be misleading or
11 deceptive.

12 Good faith is an absolute defense to the mail fraud
13 charge in this case; that is, the prosecution must prove beyond
14 a reasonable doubt that the defendant acted in bad faith with a
15 specific intent to defraud. A person acts in good faith if the
16 person acts on the basis of a belief or opinion honestly held,
17 even if the belief or opinion may turn out to have been, in
18 fact, wrong. However, a defendant does not act in good faith
19 even if he honestly holds a particular opinion or belief, and
12:49 20 yet, knowingly makes false and fraudulent statements or
21 misrepresentations.

22 The burden to prove intent, as with all other elements
23 of the crime, again, mail fraud, rests with the government.

24 It is not necessary that the government prove all of
25 the details alleged in the indictment concerning the precise

1 nature and purpose of the scheme or that the material
2 transmitted by mail was itself false or fraudulent or that the
3 alleged scheme actually succeeded in defrauding anyone or that
4 the use of the mail was intended as the specific or exclusive
5 means of accomplishing the alleged fraud.

6 What must be proven beyond a reasonable doubt is that
7 a defendant knowingly deceived or intended to deceive a scheme
8 to defraud that was substantially the same as the one alleged
9 in the indictment, and that the use of the mail on or about the
10:50 10 dates alleged was closely related to the scheme because a
11 defendant either received something in the mail or caused it to
12 be mailed in an attempt to execute or carry out the scheme.

13 Now, let me turn to the final element of the mail
14 fraud charge; that is, the use of the a U.S. mail or private or
15 commercial interstate carrier on or about the date charged in
16 furtherance of the scheme. The parties have stipulated that
17 Federal Express is an interstate commercial carrier, so you are
18 to take that fact as proven.

19 To "cause" the mail to be used is to act with
12:50 20 knowledge that the use of the mail will follow in the ordinary
21 course of business or where such use could be reasonably
22 foreseen.

23 Both substantive counts against the defendant for wire
24 fraud and mail fraud, respectively, also include the charge
25 that the defendant attempted to commit the substantive crimes.

1 To carry its burden of proof for the crime of attempt to commit
2 wire fraud and mail fraud, the government must prove the
3 following two things beyond a reasonable doubt:

4 First, that the defendant intended to commit the
5 crimes of wire fraud and mail fraud; and second, that the
6 defendant engaged in a purposeful act that, under the
7 circumstances as he believed them to be, amounted to a
8 substantial step toward the commission of that crime and
9 strongly corroborated his criminal intent.

12:51 10 A "substantial step" is an act in furtherance of the
11 criminal scheme. A substantial step must be something more
12 than mere preparation but less than the last act necessary
13 before the substantive crime is completed.

14 The substantial step may itself prove the intent to
15 commit the crime, but only if it unequivocally demonstrates
16 such intent.

17 An undercover operation, by definition, means that
18 it's impossible for the substantive crime to have been
19 completed. Nevertheless, impossibility is not a defense to
12:52 20 these charges. The elements of knowledge and intent are
21 satisfied if, under the circumstances as the defendant believed
22 them to be, the defendant takes a substantial step planned to
23 culminate in the crimes charged in the indictment. A defendant
24 may be guilty of an attempt to engage in criminal activity
25 without having actually succeeded, and even if success is



UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 Boston Regional Office
 33 Arch Street, 23rd Floor
 Boston, Massachusetts 02110-1424



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DIVISION'S MOTION FOR DEFAULT PAPERS

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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No.

ADMINISTRATIVE PROCEEDING
File No. 3-16152

In the Matter of

Albert Reda,

Respondent.

DECLARATION OF MARTIN F. HEALEY

I, Martin F. Healey, declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the following is true and correct:

1. I am an attorney and a member in good standing of the bar of the Commonwealth of Massachusetts. I work in the Boston Regional Office ("BRO") of the Enforcement Division ("Division") of the Securities and Exchange Commission ("Commission") as Regional Trial Counsel and am lead trial counsel on the above-referenced matter.

2. I make this declaration based upon: (i) personal knowledge, (ii) information and documents produced to the Division during the course of the investigation and litigation of the above-referenced matter, and (iii) information presented during a jury trial in a parallel criminal proceeding in the District of Massachusetts (United States v. Albert Reda; CR No. 11-CR-10415-DJC; District of Massachusetts) ("the criminal case").¹

¹ An appeal of Mr. Reda's criminal conviction in the criminal case is pending in the United States Court of Appeals for the First Circuit.