

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-20305

In the Matter of

**CLINTON MAURICE
TUCKER II,**

Respondent.

DIVISION OF ENFORCEMENT’S MOTION AND MEMORANDUM OF LAW
SUPPORTING ENTRY OF DEFAULT JUDGMENT AGAINST
RESPONDENT CLINTON MAURICE TUCKER II

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MOTION FOR DEFAULT JUDGMENT

The Division of Enforcement (“Division”) respectfully submits this Motion for Default Judgment, pursuant to Rules 155(a) and 220(f) of the Commission’s Rules of Practice, 17 C.F.R. §§ 201.155(a) and 201.220(f), requesting that a default judgment be entered against Respondent Clinton Maurice Tucker II (“Tucker” or “Respondent”). The Division respectfully requests that the Commission order that Respondent be barred from: (a) associating with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization and (b) participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer, or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

BRIEF IN SUPPORT

I. BACKGROUND

On May 11, 2020, the Commission filed an action in the U.S. District Court for the Central District of California against Respondent entitled *Securities and Exchange Commission v. Clinton Maurice Tucker II*, Civil Action Number 8:20-cv-00875. See Exhibit 1 (Complaint). The Complaint alleged that Respondent was involved in the offer and sale of numerous microcap companies over a period of at least five years while he was neither registered with the Commission as a broker or dealer nor associated with a broker or dealer registered with the Commission; that he participated in matched trading schemes pursuant to which certain shareholders of microcap companies paid Defendant and others to facilitate the sale of their shares through coordinated

trades; and that he misappropriated investor funds to pay for personal expenses. *See generally* Complaint.

On November 16, 2020, a final judgment was entered against Respondent in *Securities and Exchange Commission v. Clinton Maurice Tucker II*, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5], and Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)]. *See* Exhibit 2 (Final Judgment).

This follow-on administrative proceeding was instituted on May 13, 2021. On June 16, 2021, service of the Order Instituting Proceedings (“OIP”) was effected on Respondent. *See* Exhibit 3 (affidavit of service, as previously filed with Commission Secretary on June 22, 2021).

Respondent has thus far failed to file an answer or otherwise communicate with Division staff about his proceeding.

II. ARGUMENT

Respondent was properly served under Commission Rule of Practice 141. Subpart (a)(2)(i) of Rule 141 provides, in part, “[n]otice of a proceeding shall be made to an individual by delivering a copy of the order instituting proceedings to the individual . . . Delivery means – . . . handing a copy of the order to the individual . . .” *See* 17 C.F.R. § 201.141(a)(2)(i).

Having been properly served, Respondent was required by Commission Rule of Practice 220 to file an Answer to the allegations contained in the OIP within twenty (20) days after service of the OIP. *See* 17 C.F.R. § 201.220(b) and § IV, ¶ 2 of the OIP (directing Respondent to file an Answer within 20 days of service). To date, Respondent has failed to do so. As a result, he may

be deemed in default and the allegations contained in the OIP may be deemed true. *See* 17 C.F.R. §§ 201.155(a)(2) and 201.220(f) and § IV, ¶ 4 of the OIP.

Consequently, the Division respectfully requests that the following allegations concerning Respondent in the OIP be deemed true:

1. Respondent, age 52, is last known to reside in Kansas City, Missouri. From at least 2014 to 2019, Respondent was engaged in the business of effecting transactions in, or inducing or attempting to induce the purchase and sale of, securities and received transaction-based compensation. During the period relevant to this action, Respondent was neither registered with the Commission as either a broker or a dealer nor was he associated with a broker or dealer registered with the Commission.

2. On November 16, 2020, a final judgment was entered against Respondent, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5], and Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)], in the civil action entitled *Securities and Exchange Commission v. Clinton Maurice Tucker II*, Civil Action Number 8:20-cv-00875, in the United States District Court for the Central District of California.

3. From at least 2014 to 2019, Respondent misappropriated investor funds and otherwise engaged in a variety of conduct that operated as a fraud and deceit on investors. The complaint also alleged that Respondent, using the mails or other means or instrumentalities of interstate commerce, effected transactions in, or induced or attempted to induce the purchase and sale of, securities and received commissions while he was not registered with the Commission as a

broker or dealer nor while he was associated with an entity registered with the Commission as a broker or dealer.

In light of the entry of a permanent injunction against him pertaining to securities fraud, along with the allegations of having engaged in unregistered broker-dealer activity in connection with his fraudulent activity, Respondent should be barred from: (a) associating with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization and (b) participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer, or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock. These remedies are provided for in Section 15(b)(6) of the Exchange Act, 15 U.S.C. § 78o(b)(6).

Imposition of such remedies is in the public interest. In determining whether a remedial sanction is in the public interest, the Court should look to several factors: “The egregiousness of the defendant’s actions, the isolated or recurrent nature of the infraction, the degree of *scienter* involved, the sincerity of the defendant’s assurances against future violations, the defendant’s recognition of the wrongful nature of his conduct, and the likelihood that defendant’s occupation will present opportunities for future violations.” *Steadman v. SEC*, 603 F.2d 1126 (5th Cir. 1979).

The facts here, as deemed to be true, establish that, over a period of years, Respondent, who is neither registered with the Commission as a broker or dealer nor associated with a broker or dealer registered with the Commission, actively solicited investors to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and omissions of material facts and misappropriated investor funds. Respondent has offered no assurances

against future misconduct, and his failure to participate in the instant proceeding demonstrates his lack of respect for the securities laws. Accordingly, the Division believes the Respondent's conduct justifies the imposition of the aforementioned bars and respectfully requests that the Commission grant this relief.

Dated: August 10, 2021

Respectfully submitted,

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Service List

Pursuant to Rules 150 and 151 of the Commission's Rules of Practice, I hereby certify that a true and correct copy of the foregoing, along with the attached Exhibits 1-3, was served on each of the following, on August 10, 2021, in the manner indicated below.

Vanessa Countryman, Secretary
Office of the Secretary
100 F. Street, N.E.
Washington, DC 20549
Via eFAP and APFilings@sec.gov

Mr. Clinton Maurice Tucker
[REDACTED]
Kansas City, MO [REDACTED]
Via UPS Overnight Mail

/s/ Tracy S. Combs
Tracy S. Combs

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-20305

In the Matter of

**CLINTON MAURICE
TUCKER II,**

Respondent.

DIVISION OF ENFORCEMENT'S INDEX OF ATTACHMENTS

<u>Attachment</u>	<u>Description</u>
Exhibit 1	Complaint (<i>Securities and Exchange Commission v. Clinton Maurice Tucker II</i> , C.D.CA., May 10, 2020)
Exhibit 2	Final Judgment Against Defendant Clinton Maurice Tucker II
Exhibit 3	Proof of Service of OIP

Exhibit 1

1 DAVID D. WHIPPLE (Utah State Bar No. 17347)
2 *PRO HAC VICE* APPLICATION PENDING

3 WhippleDa@sec.gov

4 AMY J. OLIVER (Utah State Bar No. 8785)
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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

16 **SECURITIES AND EXCHANGE**
17 **COMMISSION,**

18
19 **Plaintiff,**

20 **vs.**

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

23 **Defendant.**

Case No.

COMPLAINT

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

3 **JURISDICTION AND VENUE**

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

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

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

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

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

25 **SUMMARY OF THE ACTION**

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

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

1 through two investment schemes.

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

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

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

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

19 **DEFENDANT**

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

1 **FACTS**

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

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

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

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

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

1 much money s/he wished to invest.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 securities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 **FIRST CLAIM FOR RELIEF**

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

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

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

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

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

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

1 § 78o(a)(1)].

2 **SECOND CLAIM FOR RELIEF**

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

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

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

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

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

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

24 **THIRD CLAIM FOR RELIEF**

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

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

1 herein.

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

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

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

17 **PRAYER FOR RELIEF**

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

20 **I.**

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

25 **II.**

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

1 **III.**

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

5 **IV.**

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

9 **V.**

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

15 **VI.**

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

19 **VII.**

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

23
24 Dated: May 11, 2020

25 */s/ Amy Jane Longo*

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

Complaints and Other Initiating Documents

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

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Notice of Electronic Filing

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

Case Name: Securities and Exchange Commission v. Tucker II

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

Filer: Securities and Exchange Commission

Document Number: [1](#)

Docket Text:

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

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

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

8:20-cv-00875 Notice has been delivered by First Class U. S. Mail or by other means BY THE FILER to :

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:F:\marcelom\Tucker\1. Complaint - Tucker (C.D. Cal) (Final).pdf

Electronic document Stamp:

[STAMP cacdStamp_ID=1020290914 [Date=5/11/2020] [FileNumber=29788833-0]
] [58e9ffa8a7415de60907c7cd1b2e4048e6cd3cea78720aae3ae01e76a755b543eb4
6a7240f77e01b525ea2919a0801f56044538a7b993cdb1f16af3a4f18d079]]

Exhibit 2

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

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

vs.

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

Defendant.

Case No.
8:20-cv-00875-DOC-DFM

**FINAL JUDGMENT AGAINST
DEFENDANT CLINTON
MAURICE TUCKER II [20]**

1 This matter came before the Court on the Securities and Exchange
 2 Commission’s (“Commission”) Motion for Default Judgment against Defendant
 3 Clinton Maurice Tucker II. The Court having considered the Commission’s
 4 Complaint, the Motion, the supporting Memorandum of Points and Authorities,
 5 and the other evidence and argument presented to it, and good cause appearing
 6 therefore, grants the Motion and enters this Final Judgment as to Clinton Maurice
 7 Tucker II (“Defendant”).

8 **I.**

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
 10 is permanently restrained and enjoined from violating, directly or indirectly,
 11 Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15
 12 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5],
 13 by using any means or instrumentality of interstate commerce, or of the mails, or
 14 of any facility of any national securities exchange, in connection with the purchase
 15 or sale of any security:

16 (a) to employ any device, scheme, or artifice to defraud;

17 (b) to make any untrue statement of a material fact or to omit to state a
 18 material fact necessary in order to make the statements made, in the light of the
 19 circumstances under which they were made, not misleading; or

20 (c) to engage in any act, practice, or course of business which operates or
 21 would operate as a fraud or deceit upon any person.

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
 23 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
 24 binds the following who receive actual notice of this Final Judgment by personal
 25 service or otherwise: (a) Defendant’s officers, agents, servants, employees, and
 26 attorneys; and (b) other persons in active concert or participation with Defendant
 27 or with anyone described in (a).
 28

II.

1 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
2 that Defendant is permanently restrained and enjoined from violating Section 17(a)
3 of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the
4 offer or sale of any security by the use of any means or instruments of
5 transportation or communication in interstate commerce or by use of the mails,
6 directly or indirectly:

7 (a) to employ any device, scheme, or artifice to defraud;

8 (b) to obtain money or property by means of any untrue statement of a
9 material fact or any omission of a material fact necessary in order to make the
10 statements made, in light of the circumstances under which they were made, not
11 misleading; or

12 (c) to engage in any transaction, practice, or course of business which
13 operates or would operate as a fraud or deceit upon the purchaser.

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
15 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
16 binds the following who receive actual notice of this Final Judgment by personal
17 service or otherwise: (a) Defendant’s officers, agents, servants, employees, and
18 attorneys; and (b) other persons in active concert or participation with Defendant
19 or with anyone described in (a).

20 **III.**

21 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that
22 Defendant is permanently restrained and enjoined from violating, directly or
23 indirectly, Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)] by using
24 any means or instrumentality of interstate commerce, or of the mails, or of any
25 facility of any national securities exchange, to effect transactions in, or induce or
26 attempt to induce the purchase or sale of, securities while not registered with the
27 Commission as a broker or dealer or while not associated with an entity registered
28 with the Commission as a broker or dealer.

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
2 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
3 binds the following who receive actual notice of this Judgment by personal service
4 or otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys;
5 and (b) other persons in active concert or participation with Defendant or with
6 anyone described in (a).

7 IV.

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that pursuant
9 to Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)] Defendant is
10 permanently restrained and enjoined from, directly or indirectly, including, but not
11 limited to, through any entity owned or controlled by Defendant, soliciting any
12 person or entity to purchase or sell any security.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
14 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
15 binds the following who receive actual notice of this Judgment by personal service
16 or otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys;
17 and (b) other persons in active concert or participation with Defendant or with
18 anyone described in (a).

19 V.

20 It Is HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
21 Defendant is liable for disgorgement of \$758,169.32, representing profits gained as
22 a result of the conduct alleged in the Complaint, together with prejudgment interest
23 thereon in the amount of \$36,017.83, for a total of \$794,187.15, and a civil penalty
24 in the amount of \$758,169.32 pursuant to 15 U.S.C. §§77t(D)(2)(c) and
25 87u(d)(3)(b)(iii). Defendant shall satisfy this obligation by paying \$1,552,356.47 to
26 the Securities and Exchange Commission within 30 days after entry of this Final
27 Judgment.

28 Defendant may transmit payment electronically to the Commission, which
will provide detailed ACH transfer/Fedwire instructions upon request. Payment

1 may also be made directly from a bank account via Pay.gov through the SEC
2 website at <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by
3 certified check, bank cashier's check, or United States postal money order payable
4 to the Securities and Exchange Commission, which shall be delivered or mailed to

5 Enterprise Services Center
6 Accounts Receivable Branch
7 6500 South MacArthur Boulevard
8 Oklahoma City, OK 73169

9 and shall be accompanied by a letter identifying the case title, civil action
10 number, and name of this Court; Clinton Maurice Tucker II as a defendant in this
11 action; and specifying that payment is made pursuant to this Final Judgment.

12 Defendant shall simultaneously transmit photocopies of evidence of
13 payment and case identifying information to the Commission's counsel in this
14 action. By making this payment, Defendant relinquishes all legal and equitable
15 right, title, and interest in such funds and no part of the funds shall be returned to
16 Defendant.

17 The Commission may enforce the Court's judgment for disgorgement and
18 prejudgment interest by moving for civil contempt (and/or through other collection
19 procedures authorized by law) at any time after 30 days following entry of this
20 Final Judgment. Defendant shall pay post judgment interest on any delinquent
21 amounts pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds,
22 together with any interest and income earned thereon (collectively, the "Fund"),
23 pending further order of the Court.

24 The Commission may propose a plan to distribute the Fund subject to the
25 Court's approval. Such a plan may provide that the Fund shall be distributed
26 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act
27 of 2002. The Court shall retain jurisdiction over the administration of any
28 distribution of the Fund. If the Commission staff determines that the Fund will not
be distributed, the Commission shall send the funds paid pursuant to this Final

Exhibit 3

