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IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

SECURITIES AND EXCHANGE COMMISSION,

COMPLAINT

PLAINTIFF,

v.

CALYPSO FINANCIAL, LLC, a Utah limited liability company, CALYPSO FINANCIAL ONE, LLC, a Utah limited liability company, CALYPSO FINANCIAL TWO, LLC, a Utah limited liability company, CALYPSO FINANCIAL THREE, LLC, a Utah limited liability company, CALYPSO FINANCIAL FOUR, LLC, a Utah limited liability company, CALYPSO FINANCIAL FIVE, LLC, a Utah limited liability company, CALYPSO FINANCIAL SIX, LLC, a Utah limited liability company, and EMILEE PETERSEN GOLDING, an individual.

Civil No.

2:07 cv 807

Judge

Judge Dee Benson

DEFENDANTS,

and

SIREN NETWORK, LLC, a Utah limited liability company, CAPRI DEVELOPMENT, LLC, a United States Virgin Islands limited liability company, and WTG DEVELOPMENT GATEWAY, LLC, a Utah limited liability company.

RELIEF DEFENDANTS.

Plaintiff, Securities and Exchange Commission (the "Commission"), for its Complaint against Defendants alleges as follows:

INTRODUCTION

1. This matter involves the fraudulent offer and sale of unregistered securities by Calypso Financial, LLC, Calypso Financial One, LLC, Calypso Financial Two, LLC, Calypso Financial Three, LLC, Calypso Financial Four, LLC, Calypso Financial Five, LLC, Calypso Financial Six, LLC (collectively “Calypso” or the “Calypso entities”) and their control person Emilee Petersen Golding (“Petersen”).
2. Petersen marketed Calypso as the financial arm of a group of world class companies that focus on the acquisition, development, management and monetarization of real estate, hard assets and the placement of private investment funds in real estate developments, international finance, water rights, precious metal excavating and stock and futures trading.
3. Petersen recruited investors to purchase promissory notes issued by Calypso paying interest rates of between 4% and 15% per month. Petersen told investors that the proceeds from these promissory notes would be used to develop real estate or to serve as collateral in an international trading program.
4. Petersen did not use the bulk of the funds invested with Calypso as represented. Petersen made a few failed attempts at investing in various trading programs and used some funds to purchase a piece of real estate in St. Croix, U.S. Virgin Islands. However, the majority of funds were diverted to make interest payments to earlier investors, mortgage payments on properties purchased by Petersen in an equity skimming scheme, to pay the operating expenses of Petersen’s network of companies, or to support Petersen’s extravagant lifestyle.
5. Petersen also failed to inform investors that she was essentially insolvent. The relatively small investments she made with investor funds had failed to generate any revenue and Petersen’s real estate investments were fully

encumbered. Instead Petersen provided investors with financial statements that falsely indicated that Calypso had over \$60 million in equity.

6. Instead of managing a world class group of companies as she claimed, Petersen operated a blatant Ponzi scheme using new investor funds to make exorbitant interest payments to earlier investors.

JURISDICTION AND VENUE

7. This Court has subject matter jurisdiction by authority of Sections 20 and 22 of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. §§ 77t and 77v] and Sections 21 and Section 27 of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §§ 78u and 78aa].
8. Defendants, directly and indirectly, singly and in concert, have made use of the means and instrumentalities of interstate commerce and the mails in connection with the transactions, acts and courses of business alleged herein, certain of which have occurred within the District of Utah.
9. Venue for this action is proper in the District of Utah under Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and under Section 27 of the Exchange Act [15 U.S.C. § 78aa] because certain of the transactions, acts, practices, and courses of business alleged in this Complaint took place in this district and because certain of the defendants reside in and transact business in this district.
10. Defendants, unless restrained and enjoined by this Court, will continue to engage in the transactions, acts, practices, and course of business alleged herein and in transactions, acts, practices, and courses of business of similar purport and object.
11. Defendants conduct took place in connection with the offer, purchase and/or sale of Calypso securities in the form of Promissory Notes.

DEFENDANTS

12. **Calypso Financial, LLC** (“Calypso Financial”) is a Utah limited liability company organized on December 13, 2005, that purports to be in the business of real estate development, among other ventures. Calypso Financial filed a Form D with the Commission on April 20, 2007 stating it planned to raise \$90 million through a Rule 506 offering.
13. **Calypso Financial One, LLC** (“Calypso 1”) is a Utah limited liability company used by Petersen to raise funds from investors. Calypso 1 was organized on October 18, 2006.
14. **Calypso Financial Two, LLC** (Calypso 2) is a Utah limited liability company used by Petersen to raise funds from investors. Calypso 2 was organized on October 18, 2006. Calypso 2 also filed a Form D on April 20, 2007 with the Commission seeking to raise \$10 million pursuant to a Rule 506 offering.
15. **Calypso Financial Three, LLC** (“Calypso 3”) is a Utah limited liability company used by Petersen to raise funds from investors. Calypso 3 was organized on October 18, 2006.
16. **Calypso Financial Four, LLC** (“Calypso 4”) is a Utah limited liability company used by Petersen to raise funds from investors. Calypso 4 was organized on December 11, 2006.
17. **Calypso Financial Five, LLC** (“Calypso 5”) is a Utah limited liability company used by Petersen to raise funds from investors. Calypso 5 was organized on March 15, 2007.
18. **Calypso Financial Six, LLC** (“Calypso 6”) is a Utah limited liability company used by Petersen to raise funds from investors. Calypso 6 was organized on March 30, 2007.
19. **Emilee Petersen Golding**, (“Petersen”) age 33, is a resident of Bountiful, Utah. Petersen is the sole member of each of the Calypso Companies.

Petersen claims to have a 6 year history as a successful entrepreneur and investor. She contends that she has an excellent track record of generating high rates of return for investors.

RELIEF DEFENDANTS

20. **Siren Network, LLC** (“Siren”) is a limited liability company formed by Petersen to act as, among other things, the provider of administrative services for the Calypso Companies and Petersen’s other companies. Siren is listed as the manager of the Calypso Companies. Siren received investor funds to pay for its operating expenses, among other things.
21. **Capri Development, LLC** (“Capri”) is a United States Virgin Islands limited liability company formed by Petersen to act as the development arm of her organization. Capri received investor funds to purchase land in St. Croix, U.S. Virgin Islands.
22. **WTG Development Gateway, LLC** (“WTG”) is a limited liability company formed by Petersen’s husband, John L. Golding (“Golding”), on February 15, 2007. Monies from investors were paid to WTG to fund a failed real estate project near St. George, Utah.

BACKGROUND

23. Petersen claims to be in the business of buying and selling residential properties, developing real estate and engaging in other business ventures including precious metal and natural resources development, international finance, and stock and futures trading.
24. Petersen has a network of over twenty limited liability companies the vast majority of which she is the sole owner and control person.
25. Beginning in about 2001, Petersen concocted a scheme involving the purchase of residential homes, utilizing straw buyers’ credit ratings (“FICO Buyers”) to purchase real property.

26. The FICO Buyers and Petersen entered into Management and Option Agreements whereby the FICO Buyers agreed to purchase property located by Petersen and arrange for financing of the purchase.
27. The Management and Option Agreements were executed by Petersen on behalf of one of her companies, usually Aurora Homes, LLC, Hero Property Consultants, LLC, Tall Tree Properties, LLC, Coventry Property Consultants, LLC and/or Denali Holdings, LLC.
28. Petersen paid the FICO Buyers a fee to purchase and extensively encumber the property with a first mortgage and an interest-only second mortgage. In fact the Management and Option Agreements required the FICO Buyer to “draw out any or all equity in the property.” The FICO Buyer then turned the mortgage proceeds over to Petersen to use for her personal gain.
29. For their services, Petersen paid the FICO Buyers at least \$8,000 for each home purchased by the FICO Buyer.
30. Petersen promised the FICO Buyers she would timely pay the mortgages on the properties, all property taxes, utilities, maintenance and repair costs, home owners association and other related fees and maintain insurance on the properties.
31. Petersen purchased at least 17 homes using FICO Buyers.
32. By 2006, Petersen lacked the funds necessary to make the mortgage payments on the properties purchased by the FICO Buyers or pay the expenses associated with the upkeep of those homes. As a result, Petersen decided to obtain the funds necessary to meet her mortgage obligations from hard money lenders in the form of Promissory Notes.

SALE OF PROMISSORY NOTES

33. From 2005 through mid 2007, Petersen raised at least \$20 million from approximately twenty investors by causing Calypso to issue Promissory Notes to investors.
34. On April 20, 2007, Calypso and Calypso 2 filed Forms D under Rule 506 with the Commission, stating those entities planned to raise an aggregate of \$100 million pursuant to that exemption from the registration requirements of the federal securities laws.
35. The Forms D further declared that Calypso Financial and Calypso 2 had raised an aggregate of \$12,434,500 from 17 accredited investors.
36. Calypso Financial also prepared a private placement memorandum (“PPM”) that was purportedly provided to each investor prior to his or her investment.
37. The investments in Calypso were in the form of promissory notes. Those notes specify rates of return ranging from 4 percent to 15 percent per month.
38. Petersen told investors that she is able to pay high interest rates because of her business acumen. Many investors also were told their investments would be secured or collateralized by Petersen’s real estate holdings.
39. Petersen represented to investors that the monthly interest payments they received pursuant to the terms of the promissory notes came from the profits generated by her real estate projects or from a proof of funds trading program.
40. Petersen stated that she ran a company or group of companies that primarily invest in real estate or are engaged in real estate development. Petersen said her organization also invests in other projects such as international banking

transactions, “verification of deposits,” foreign securities instruments and land donations to charities.

41. Specifically, Petersen explained that she deposited investor funds into bank accounts which were used as “Proof of Funds” (“POF”) for larger transactions. Petersen explained to investors that, in a POF program, money is deposited and pooled with other investors’ money and left in a bank account for other companies to verify or “prove up.” The investors who leave the funds on deposit are paid a fee by the companies who use the account to establish an account balance for verification purposes.
42. Petersen told Calypso investors that she has a substantial cash flow resulting from the POF process.
43. Petersen also provided investors with a Private Placement Memorandum which stated that Calypso is the financial arm of a group of world class companies that collectively focus on the acquisition, development, management and monetization of real estate, hard assets and the placement of private investment funds for its clients and business partners.
44. The PPM further stated that “Calypso Financial provides high net-worth individuals . . . various financial platforms focused on generating significant rates of return through six distinct investment sectors and financial strategies. We invest in compelling opportunities across a broad range of market segments, including high equity real estate and development, precious metals, and natural resources, market trading in stock, commodities, S&P Futures,

FOREX and others, small business buyouts and partnerships, international trade & finance and private equity funds. “

45. The PPM describes the Calypso business model as involving issuing unsecured and secured Notes to qualified Note Holders and paying them competitive interest rates. Funds are then invested in various business undertakings that may include, but not be limited to: Investing in existing high-equity residential and commercial real estate, Large-scale real estate development, Precious Metals and Natural Resource development, International Finance, Stock & Futures Trading, Small business investment and acquisition.
46. Petersen also gave investors financial information regarding Calypso, including a balance sheet that presents Calypso as having total assets of \$88 million and total liabilities of \$28 million. Of the \$88 million in assets, \$3,618,016 purports to be in cash, \$20,191,184 in international funds, \$4,538,595 in notes receivable, \$9,953,693 in investment in small businesses and \$49,539,000 in real estate.
47. In the first quarter of 2007, Calypso did not have over \$3,000,000 in cash or \$20,000,000 placed with international funds. Calypso had placed approximately \$3 million of investor funds in purported international trading programs but those funds were either lost or withdrawn before the transactions generated any revenue.

48. Calypso did not own \$49,000,000 in real estate. Any real estate held by Calypso was purchased by FICO Buyers and encumbered by first and second mortgages and had little, if any, equity.
49. The over \$4.5 million in accounts receivable was largely uncollectible and represented long overdue notes with exorbitant interest rates or other bad investments.

USE OF INVESTOR FUNDS

50. Rather than using investor funds as represented, Petersen took the proceeds from the promissory notes and used it to meet the approximately \$70,000 per month obligation for mortgage payments and other expenses associated with the homes purchased by FICO Buyers.
51. Petersen also used the proceeds from the sale of the promissory notes to pay the monthly interest payments to earlier investors. In July 2006, Petersen paid approximately \$230,000 per month in interest to note holders. By mid-2007, Petersen had a monthly obligation to note holders of approximately \$1 million.
52. During that same time period, Calypso had no revenue generating activities whatsoever with the exception of a small amount of rental income from homes purchased by FICO Buyers and some interest earned on deposit accounts.
53. Petersen used the funds deposited by new investors to meet the mortgage obligations on homes purchased by the FICO buyers.
54. In some instances, Petersen would receive an investment from a new investor and immediately withdraw the entire amount to make an overdue interest payment to an earlier investor who was demanding payment.

55. In an email dated January 1, 2007, Petersen wrote that she had talked to an investor about a \$350,000 investment. Petersen added: "I don't want you to talk to him like we are desperate. Even if we are! I will contact him first. . . . I want to pay Bray-conn on their full 394 and change and then it looks like we will have at least 150k for our Adrienne and we can have it to her ASAP. Lets [sic] get the monies and then distribute. Yeay!!!!"
56. Also, in an email on January 25, 2007, Peterson wrote: "Novus will wire in \$500k on Monday . . . This is a Calypso transaction. We can pay investor bills with this money. I have Bray-conn that we owe \$400k to also getting us money and not expecting much more than 50k at the beginning of the month."
57. In an email dated March 14, 2007, one of Petersen's employees wrote: "I will give \$500k of Novus' money to Bray-Conn first thing in the morning. I need to be at Chase when they open, so that's when I will do it."
58. Also in an email dated March 14, between employees reads as follows: "Since funds will be coming in today/tonight I will be paying all mortgages tomorrow, a day early!" One employee responded: "Sounds good. Let's pay while we have it."
59. From February through April 2007, \$6.4 million was invested by note holders in Calypso. Of that amount, \$4.1 million was paid to existing Calypso note holders.
60. By mid 2007, Petersen was unable to make the promised interest payments to note holders. At that time, Calypso was insolvent and unable to meet its obligations.
61. In addition to using investor money to pay preexisting obligations or to make Ponzi payments to earlier investors, Petersen also used investor money to support her extravagant lifestyle. Investor funds were used to make payments on a Volvo, BMW, and Jaguar Petersen used. Petersen also misappropriated

investor funds to pay herself \$240,000 per year salary, for cosmetic procedures, credit card bills, or to pay the operating expenses of her network of companies.

62. Petersen also transferred investor funds to other entities that she controls or in which she has an interest. Specifically, for at least nine months, Petersen transferred \$50,000 per month to WTG Development Gateway, LLC, a company controlled by Petersen's husband, John Golding. These payments were for Petersen's personal share of that business.
63. Petersen also moved investor funds to Capri Development, LLC, another entity controlled by Petersen, in order to purchase a piece of real estate on St. Croix in the U.S. Virgin Islands. That property is held in Capri's name.
64. Finally, Petersen used investor funds to pay the operating expenses of her network of companies. Investor funds went to Siren Network, LLC ("Siren"), a limited liability company Petersen created to provide administrative services to her network of companies. Siren had monthly operating expenses in excess of \$100,000 per month.

MISREPRESENTATIONS AND OMISSIONS

65. Petersen told investors that Calypso was a profitable operation or business enterprise generating income from real estate transactions and from a POF program. This statement was false. From mid 2006 through 2007, Calypso had no revenue generating activities. Any funds devoted to a trading of POF program were either withdrawn or lost before any profits were generated.
66. Calypso's real estate transactions have also failed to make money. Real estate assets held by Petersen's companies, including Calypso, are fully mortgage and have little if any value. Petersen failed to inform investors of this fact.
67. Petersen told investors that their monthly interest payments came from the profits generated by her successful real estate projects and/or trading program.

That statement was false. Essentially, the only source of funds available to Calypso to make its monthly interest payments were from newly invested funds. Petersen failed to inform investors of this fact.

68. The Calypso financial statements Petersen provided to investors contains grossly inaccurate or exaggerated assets and equity. Petersen misrepresented Calypso's financial condition and failed to disclose that it had no revenue generating activities.
69. Petersen failed to disclose to investors that she would use their funds for her personal expenses, transfer their funds to other companies she controlled or that were controlled by her spouse, or to cover the overhead for the operations of her network of companies. Petersen also neglected to inform investors their funds would be used to pay preexisting obligations incurred by Petersen to the FICO Buyers.
70. Petersen's misrepresentations and omissions to investors were material.

FIRST CAUSE OF ACTION
EMPLOYMENT OF A DEVICE, SCHEME OR ARTIFICE TO DEFRAUD
Violation of Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)]

71. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 70, above.
72. Defendants by engaging in conduct described in Paragraphs 1 through 70, above, directly or indirectly, in the offer or sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, with scienter, employed devices, schemes, or artifices to defraud.
73. By reason of the foregoing, Defendants, and each of them, directly or indirectly, violated, and unless restrained and enjoined by this Court, will

continue to violate Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

SECOND CAUSE OF ACTION
FRAUD IN THE OFFER AND SALE OF SECURITIES
Violations of Section 17(a)(2) and (3) of the Securities Act
[15 U.S.C. § 77q(a)(2) and (3)]

74. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 70, above.
75. Defendants by engaging in the conduct described in Paragraphs 1 through 70, above, directly and indirectly, in the offer and sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, obtained money or property by means of untrue statements of material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and engaged in transactions, practices, or courses of business which operate or would operate as a fraud or deceit upon the purchaser.
76. By reason of the foregoing, Defendants, and each of them, directly or indirectly, violated, and unless restrained and enjoined will continue to violate, Section 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

THIRD CAUSE OF ACTION
FRAUD IN CONNECTION WITH THE PURCHASE AND
SALE OF SECURITIES
Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5
thereunder [17 C.F.R. § 240.10b-5]

77. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 70, above.

78. Defendants by engaging in the conduct described in Paragraphs 1 through 70, above, directly or indirectly, by the use of means or instrumentalities of interstate commerce or use of the mails, in connection with the purchase or sale of securities, with scienter, (1) employed devices, schemes, or artifices to defraud; (2) made untrue statements of material fact or omitted to state a material fact necessary in order to make statements made, in light of the circumstances under which they were made not misleading; or (3) engaged in acts, practices, or courses of business that operated or would operate as a fraud and deceit upon other persons.
79. By reason of the foregoing, Defendants, and each of them, violated, and unless restrained and enjoined will continue to violate Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

**FOURTH CAUSE OF ACTION
UNJUST ENRICHMENT**

80. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 70, above.
81. As a result of the unlawful conduct of Defendants, Relief Defendants have thus been unjustly enriched, and it would be unjust and inequitable for them to retain those funds and/or property.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court:

I

Issue findings of fact and conclusions of law that the Defendants committed the violations charged herein.

II

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure an order that permanently restrains and enjoins, Defendants, and their officers agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from engaging in transactions, acts, practices, and courses of business described herein, and from engaging in conduct of similar purport and object in violation of Section 17(a) of the Securities Act, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

III

Issue, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, an order that permanently restrains and enjoins Defendants and Relief Defendants, and their officers, agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from: (A) transferring, changing, wasting, dissipating, converting, concealing, or otherwise disposing of, in any manner, any funds, assets, claims, or other property or assets owned or controlled by, or in the possession or custody of these Defendants and/or Relief Defendants; and (B) transferring, assigning, selling, hypothecating, or otherwise disposing of any assets of Defendants.

IV

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure an order that permanently restrains and enjoins Defendants, and each of them, and their officers agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from destroying, mutilating, concealing,

transferring, altering, or otherwise disposing of, in any manner, books, records, computer programs, computer files, computer printouts, correspondence, including e-mail, whether stored electronically or in hard-copy, memoranda, brochures, or any other documents of any kind that pertain in any manner to the business of the Defendants.

V

Enter an order directing Defendants, and each of them, to pay civil money penalties pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act.

VI

Enter an order directing Defendants to disgorge all ill-gotten gains received during the period of violative conduct and pay prejudgment interest on such ill-gotten gains.

VII

Declare and impose a constructive trust on all property received by Relief Defendants, and require them to disgorge the property they obtained from Defendants as a result of the illegal conduct alleged herein.

VIII

Enter an order directing Defendants to prepare an accounting of the uses of all investor proceeds.

VIII


Grant such further equitable relief as this Court deems just, appropriate, and necessary.

IX

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

Dated this 24th day of October 2007.

Respectfully submitted,



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Securities and Exchange Commission