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8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10 SOUTHERN DIVISION

11 SECURITIES AND EXCHANGE
12 COMMISSION

13 Plaintiff,

14 vs.

15 JEFF GREENEY and BIG BALLER MEDIA
16 GROUP, LLC

17 Defendants.

Case No.

COMPLAINT

18 Plaintiff Securities and Exchange Commission (“Plaintiff” or “Commission”) alleges for
19 its Complaint as follows:

20 **SUMMARY**

21
22 1. This action involves violations of the registration provisions of the Securities Act
23 of 1933 (“Securities Act”) by Jeff Greeney (“Greeney”), who, along with the entity that he wholly
24 owned and controlled, Big Baller Media Group, LLC (“Big Baller”), sold the stock of two
25 different issuers in transactions that were part of a distribution of an unregistered offering.

26
27 2. Greeney, one of the principals of a formerly registered, now-defunct Southern
28 California broker-dealer named Westcap Securities, Inc. (“Westcap”), obtained shares of Bluefire

1 Ethanol Fuels, Inc. (“Bluefire”) and Advanced Growing Systems, Inc. (“Advanced Growing”),
2 two companies that became public companies through reverse-merger transactions. Greeney
3 obtained shares of these companies at no cost and sold these shares as part of public distributions,
4 without any valid exemption or registration statement in effect, for total illicit proceeds of more
5 than \$330,000.
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7 3. By engaging in the foregoing conduct, Greeney and Big Baller violated the
8 registration provisions of the federal securities laws, Sections 5(a) and 5(c) of the Securities Act
9 of 1933 (“Securities Act”) [15 U.S.C. §§ 77e(a) and (c)].

10 **JURISDICTION AND VENUE**

11 4. The Court has jurisdiction over this action pursuant to Sections 20(b) and 22(a) of
12 the Securities Act [15 U.S.C. §§ 77t(b) and 77v(a)]. Venue is proper in this district pursuant to
13 Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] because the defendants engaged in
14 certain of the acts complained of in this district.
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16 5. The defendants, directly and indirectly, have made use of the means
17 and instrumentalities of interstate commerce, the means and instruments of transportation and
18 communication in interstate commerce, and the mails, in connection with the acts, practices, and
19 courses of business set forth in this Complaint.
20

21 **DEFENDANTS**

22 6. **Jeff Greeney**, age 40, is a resident of Laguna Niguel, California. Greeney is
23 currently a registered representative at a Wisconsin-based broker-dealer, and works out of his
24 California home. From February 2001 to December 2008, Greeney was the Chief Financial
25 Officer and Chief Operating Officer of Westcap, and owned 20% of it. Greeney currently holds
26 Series 7, 22, 24, and 63 licenses.
27
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1 12. The Underwriting Entity worked with persons controlling the issuers to, among
2 other things, identify publicly traded shell companies into which privately held companies would
3 be reverse-merged. As payment for its underwriting-related services, the Underwriting Entity
4 received substantial blocks of shares in the newly-created public companies. These shares were
5 issued to the Underwriting Entity through unregistered transactions with no available exemption.
6

7 13. The Underwriting Entity then sold some of these shares into the marketplace in
8 unregistered transactions and Greeney, as a beneficial partner in the Underwriting Entity,
9 received substantial proceeds from the sales. The Underwriting Entity also transferred some of
10 these shares to several individuals, including Greeney, who, as described below, subsequently
11 sold the shares into the marketplace in unregistered transactions.
12

13 14. Westcap also participated in the distribution of shares by, among other things,
14 selling shares in the newly-created public companies to investors through purported private
15 placements. Westcap raised substantial amounts of money for the issuers in connection with
16 these sales, and also received substantial proceeds in the form of commissions.
17

18 15. Greeney played an important role in both Westcap and the Underwriting Entity.
19 Greeney partially owned Westcap, and also was its CFO and COO, which gave him direct
20 responsibility and oversight over all of Westcap's day-to-day operations. With regard to the
21 Underwriting Entity, Greeney was a beneficial partner.
22

Bluefire

23 16. In mid-2006, a public shell entity was identified so that Bluefire, a privately-held
24 company, could conduct a reverse merger. Westcap worked with the issuer to facilitate an
25 unregistered public distribution of Bluefire shares. In July 2006, Westcap entered into an
26 "Investment Banking Agreement" with Bluefire whereby Westcap would assist the company with
27 any "private placements . . . merger, consolidation, or other combination," "introduce the
28

1 Company to suitable Investors or Purchasers,” and “develop a general marketing and negotiating
2 strategy” for any transactions.

3 17. On June 22, 2006, Bluefire issued approximately 4 million shares of stock without
4 restrictive legends to two entities that controlled the issuer, in two 2 million share certificates.
5 Restrictive legends, which are stamps on the share certificates disclosing that the shares were
6 issued in unregistered offerings, put investors on notice that the holder of the stock must satisfy
7 certain requirements to sell the shares into the marketplace.
8

9 18. Bluefire’s issuance of shares were not the subject of a registration statement and
10 did not qualify for any exemption to the registration requirements of the federal securities laws.

11 19. The two entities transferred the shares into two brokerage accounts in their names
12 at Westcap. On July 11, 2006, one of the entities transferred 645,000 Bluefire shares to the
13 Underwriting Entity. The Underwriting Entity received these shares as compensation for
14 performing underwriting-related services in connection with Bluefire’s public offering.
15

16 20. On December 7, 2006, the Underwriting Entity transferred 150,000 of the Bluefire
17 shares it had received to the account of Greeney’s entity, Big Baller. Greeney paid no money for
18 the shares transferred to his entity and received them because he was a beneficial partner in the
19 Underwriting Entity.
20

21 21. Greeney, just four months after receiving his shares from the Underwriting Entity,
22 began selling them into the marketplace. From April 23, 2007 through December 7, 2007,
23 Greeney, through Big Baller, sold 44,626 of these shares for approximately \$211,709.

24 22. These transactions were part of a distribution of an unregistered offering of
25 securities for which no available exemption to the registration requirements applied.
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1 **Advanced Growing**

2 23. In mid 2006, a public shell entity was identified so that Advanced Growing, a
3 privately-held company, could conduct a reverse merger. Westcap and the Underwriting Entity
4 worked with Advanced Growing to facilitate the reverse merger and subsequent private
5 placement offering. From June 29, 2006 to December 17, 2006, Westcap sold \$952,000 worth of
6 the Advanced Growing offering to investors.
7

8 24. In June 2006, as a part of the Advanced Growing offering, the Underwriting Entity
9 received 4.667 million Advanced Growing shares bearing a restrictive legend.

10 25. In March 2007, the Underwriting Entity transferred approximately 481,683 of
11 these Advanced Growing shares to Big Baller. In August 2007, about four months after receiving
12 the shares, Greeney sold them in a private transaction for approximately \$120,000.
13

14 26. To sell these shares, Greeney had various interstate electronic communications
15 with an individual who identified the buyers in the private transaction.

16 27. This transaction was part of a distribution of an unregistered offering of securities
17 for which no available exemption to the registration requirements applied.

18 **Bluefire and Advanced Growing Are Penny Stocks**

19 28. Advanced Growing's stock is a "penny stock" as defined by the Exchange Act. At
20 times relevant to this Complaint, the stock's shares traded at less than \$5.00 per share. During the
21 same time period, Advanced Growing's stock did not meet any of the exceptions to penny stock
22 classification pursuant to Section 3(a)(51) and Rule 3a51-1 of the Exchange Act. For example,
23 the company's stock: (1) did not trade on a national securities exchange; (2) was not an "NMS
24 stock," as defined in 17 C.F.R. § 242.242.600(b)(47); (3) did not have net tangible assets (i.e.,
25 total assets less intangible assets and liabilities) in excess of \$5,000,000; and (4) did not have
26 average revenue of at least \$6,000,000 for the last three years. See Exchange Act, Rule 3a51-1(g).
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1 29. All sales of Advanced Growing shares by Greeney and Big Baller were at a price
2 below \$5.00 per share.

3 30. Bluefire’s stock is a “penny stock” as defined by the Exchange Act. At times
4 relevant to this Complaint, the stock’s shares traded at less than \$5.00 per share. During the same
5 time period, Bluefire’s stock did not meet any of the exceptions to penny stock classification
6 pursuant to Section 3(a)(51) and Rule 3a51-1 of the Exchange Act. For example, the company’s
7 stock: (1) did not trade on a national securities exchange; (2) was not an “NMS stock,” as defined
8 in 17 C.F.R. § 242.242.600(b)(47); (3) did not have net tangible assets (i.e., total assets less
9 intangible assets and liabilities) in excess of \$5,000,000; and (4) did not have average revenue of
10 at least \$6,000,000 for the last three years. See Exchange Act, Rule 3a51-1(g).

11 31. The majority of sales of Bluefire shares by Greeney and Big Baller were at a price
12 below \$5.00 per share.
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CLAIM
(Against all Defendants)
Offer or Sale of Unregistered Securities
Violations of Securities Act Sections 5(a) and 5(c)

32. The Commission realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 31 above.

33. Defendants, by engaging in the conduct described above, directly or indirectly, and without a registration statement in effect as to such securities:

(a) made use of means or instruments of transportation or communication in interstate commerce or of the mails to sell, through the use or medium of a prospectus or otherwise; or

(b) carried or caused to be carried through the mails or in interstate commerce, by any means or instruments of transportation, securities for the purpose of sale or for delivery after sale.

34. Defendants, by engaging in the conduct described above, also directly or indirectly, made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise securities, without a registration statement having been filed as to those securities.

35. By engaging in the foregoing conduct, Defendants directly or indirectly, violated, and unless restrained and enjoined will continue to violate Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and (c)].

1 **PRAYER FOR RELIEF**

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

- 3 (i) finding that the Defendants violated the registration provisions of the federal
4 securities laws as alleged herein;
- 5 (ii) permanently enjoining the Defendants pursuant to Section 20(b) of the Securities
6 Act [15 U.S.C. §§ 77t(b)], from violating Section 5(a) and 5(c) of the Securities Act [15 U.S.C.
7 §§ 77e(a), (c)];
- 8 (iii) barring pursuant to Section 20(g) of the Securities Act [15 U.S. C. § 77t(g)],
9 Defendants from participating in an offering of penny stock for a period of not less than three
10 years;
- 11 (iv) ordering Defendants to disgorge, with prejudgment interest, all ill-gotten gains,
12 compensation, and benefits by virtue of the conduct alleged herein;
- 13 (v) ordering Defendants to pay civil money penalties pursuant to Securities Act
14 Section 20(d) [15 U.S.C. § 77t(d)]; and
- 15 (vi) granting such other relief as the Court may deem just and appropriate.

16 Dated: September 22, 2011

17 Respectfully submitted,

18
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