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

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SECURITIES AND EXCHANGE	:
COMMISSION,	:
Plaintiff,	:
	:
v.	:
	:
CHRISTOPHER A. SEELEY and	: Case No.: 2:11-cv-00907-DN
JUSTIN G. DICKSON,	:
	:
Defendants.	:
	:
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COMPLAINT

Plaintiff, United States Securities and Exchange Commission (the “SEC”), alleges as follows against Defendants Christopher A. Seeley and Justin G. Dickson:

I. SUMMARY

1. This case involves a fraudulent offering of securities conducted by Mr. Seeley through AVF, Inc. (“AVF”) and AV Funding, LLC (“AV Funding”)

(collectively, “Alden View”), and by Mr. Dickson through AV Funding. Between 2006 and 2009, Messrs. Seeley and Dickson raised approximately \$7.9 million from about 50 investors in multiple states through an unregistered offering of promissory note securities.

2. Messrs. Seeley and Dickson raised money from investors to purportedly make “hard money” real estate loans. In raising funds and convincing investors to keep their funds invested with Alden View, Messrs. Seeley and Dickson misled investors as to the track record of Alden View’s primary borrower. In addition, they falsely assured their investors that investing in Alden View was safe because Alden View protected against the risk of their borrowers defaulting by securing collateral, conducting due diligence on their loans, and maintaining a reserve fund of 15% to 20% of funds loaned.

3. In an early communication to potential investors, Mr. Seeley asserted:

I can say with 100% confidence that should you decide to begin investing with our firm you will with out a doubt realize returns that are well beyond what any traditional investment vehicles such as mutual funds, stocks, bonds, etc. can begin to show you, much less guarantee you.

4. In reality, their primary borrower had been late making payments on principal and interest since at least July 2006, repeatedly rolled principal owed into new notes, and had previously declared bankruptcy. Further, they failed to obtain security from Alden View's primary borrower, they conducted almost no due diligence on their primary borrower, and they did not maintain a reserve fund. The collapse of Alden View's investments resulted in investor losses of approximately \$6.3 million.

5. Through these actions, Mr. Seeley violated and unless restrained and enjoined will continue to violate Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c), 77q(a)], and Sections 10(b) and 15(a) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b) and 78o(a)] and Rule 10b-5 thereunder [17 C.F.R. §240.10b-5], and, in the alternative, aided and abetted and unless restrained and enjoined will continue to aid and abet AVF's and AV Funding's violations of Section 10(b) the Exchange Act and Rule 10b-5 thereunder.

6. Through these actions, Mr. Dickson violated and, unless restrained and enjoined, will continue to violate Sections 5(a), 5(c), and 17(a) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c), 77q(a)] and Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)], and aided and abetted and unless restrained and enjoined will continue to aid and abet AV Funding's and Mr. Seeley's violations of Section 10(b) the Exchange Act and Rule 10b-5 thereunder [17 C.F.R. §240.10b-5].

7. The SEC brings this civil enforcement action against Messrs. Seeley and Dickson seeking permanent injunctions, disgorgement plus pre-judgment and post-judgment interest, and third-tier civil penalties.

II. JURISDICTION AND VENUE

8. The SEC brings this civil enforcement action pursuant to the authority conferred upon it by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u (d)].

9. The Court has jurisdiction pursuant to Sections 20(b) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b) and 77v(a)] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d) and (e) and 78aa].

10. Venue lies in this Court pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], Section 27 of the Exchange Act [15 U.S.C. § 78aa], and 28 U.S.C. § 1391(b)(1)-(2). Mr. Seeley resides in Herriman, Utah, and Mr. Dickson resides in Salt Lake City, Utah. Alden View was located in Draper, Utah. Many of the transactions, acts, practices and courses of business constituting the violations of law alleged herein occurred within this judicial district.

11. In connection with the transactions, acts, practices, and courses of business described in this Complaint, Defendants, directly and indirectly, made use of the means or instrumentalities of interstate commerce, of the mails, or of the means and instruments of transportation or communication in interstate commerce.

III. DEFENDANTS

12. **Christopher A. Seeley**, age 36, is a resident of Herriman, Utah. Mr. Seeley formed AVF, held at least a 49% ownership interest, and served as its officer and director. He co-founded AV Funding, held a 51% ownership interest, and served as its president, chief financial officer, and a member of its board of directors. Mr. Seeley has never been registered with the SEC as a broker-dealer or associated with a broker-dealer registered with the SEC.

13. **Justin G. Dickson**, age 35, is a resident of Salt Lake City, Utah. Mr. Dickson was a founder and independent contractor for AVF. He co-founded AV Funding, held a 49% ownership interest, and served as its chief executive officer, vice-president, treasurer, secretary, and a member of its board of directors. Mr. Dickson has never been registered with the SEC as a broker-dealer or associated with a broker-dealer registered with the SEC.

IV. RELATED PARTIES

14. **AVF, Inc. (d/b/a Alden View Funding)**, is a defunct Utah corporation that had its principal place of business in Draper, Utah. AVF was owned by Mr. Seeley and his ex-wife. Mr. Seeley formed AVF in 2006 to raise funds from investors purportedly to make hard money loans. Mr. Seeley exercised control over all aspects of AVF's operations. From 2006 to 2008, Mr. Seeley and Mr. Dickson raised approximately \$3.2 million from approximately 40 investors in an offering of promissory notes through AVF. AVF has never registered an offering of securities under the Securities Act or a class of securities under the Exchange Act.

15. **AV Funding, LLC (also d/b/a Alden View Funding)**, is a defunct Utah limited liability company that had its principal place of business in Draper, Utah. AV Funding was owned 51% by Mr. Seeley and 49% by Mr. Dickson. Mr. Seeley exercised majority control over all aspects of AV Funding's operations. AV Funding was essentially the successor to AVF and was founded by Messrs. Seeley and Dickson in 2007 for the purpose of raising funds from investors purportedly to make hard money loans. From approximately September 2007 to January 2009, Mr. Seeley and Mr. Dickson raised approximately \$4.7 million from approximately 30 investors in an offering of promissory notes through AVF. AV Funding has never registered an offering of securities under the Securities Act or a class of securities under the Exchange Act.

V. FACTS

A. **Defendants Seeley and Dickson Offered and Sold Alden View Promissory Notes.**

16. In approximately 2002, Mr. Seeley began making personal loans to Louis Dean Parrish, who was a friend and former business associate. Mr. Parrish told Mr. Seeley that he was using loan proceeds for real estate projects, including purchasing real property. Several years later, Mr. Seeley began soliciting money from friends and family to make additional loans to Mr. Parrish.

i. **AVF and the Overview Letter**

17. In approximately May 2006, Mr. Seeley formed AVF as an entity from which to run his loan business. From about June 2006 until June 2007, Mr. Seeley and Mr. Dickson raised approximately \$3.2 million by offering and selling AVF promissory notes, which were securities, to approximately 40 investors in

four states. Most of the funds raised were provided to Mr. Parrish, though AVF also loaned funds to other borrowers.

18. “Accredited investors” are investors who satisfy certain high net worth or income regulatory standards. Some AVF investors were unaccredited, and, until at least May of 2007, AVF did not conduct any review to determine if its investors were accredited or not.

19. Although AVF did not provide investors with any financial statements, Mr. Seeley provided at least some investors with an “overview letter” regarding AVF, which contained a type-written closing indicating that the letter was from Mr. Seeley. Mr. Seeley provided this overview letter to prospective investors via email during, at least, May and June 2007. Mr. Seeley had ultimate control and authority over the content of the AVF overview letter and how the statements within it were communicated to investors.

20. Mr. Seeley directly solicited investments in AVF promissory notes through phone calls, in-person meetings, and referrals from current investors. AVF did not have employees, but at Mr. Seeley’s direction, AVF paid some people, including Mr. Dickson, commissions that were indirectly based upon the amount of funds raised from investors.

ii. AV Funding and the Executive Summaries

21. In July 2007, Messrs. Seeley and Dickson co-founded a new entity, AV Funding. AV Funding was co-owned and co-managed by Messrs. Seeley and Dickson, with Mr. Seeley owning 51% and Mr. Dickson owning 49%. AV Funding engaged in exactly the same business as AVF, and it used the same d/b/a, “Alden View Funding.” Between approximately November 2007 and January

2009, Mr. Seeley and Mr. Dickson raised through AV Funding approximately \$4.7 million from investors through the sale of promissory notes, which were securities under federal law.

22. Messrs. Seeley and Dickson directly solicited investments in the AV Funding promissory notes by email, phone calls, in-person meetings, and referrals from current investors.

23. At the direction of Messrs. Seeley and Dickson, prospective investors were provided with written AV Funding offering materials, including executive summaries dated August 30, 2007 (“August 2007 Executive Summary”) and May 30, 2008 (“May 2008 Executive Summary”) (collectively, the “AV Funding Offering Materials”). AV Funding did not provide investors with audited financial statements with the AV Funding Offering Materials.

24. Both Mr. Seeley and Mr. Dickson provided content for, reviewed, and approved the AV Funding Offering Materials. The first page of the AV Funding Offering Materials listed Mr. Seeley “or” Mr. Dickson as the “contact person.”

25. Defendant Seeley primarily directed the preparation of the AV Funding Offering Materials and he was responsible for drafting several key misstatements. Mr. Seeley had ultimate authority over the content of the executive summaries and whether and how to communicate that content to investors. Mr. Seeley, Mr. Dickson and/or their assistant (at Mr. Seeley’s or Mr. Dickson’s direction) provided prospective investors with the AV Funding Offering Materials by mail and/or email. The August 2007 Executive Summary

was distributed to investors in AV Funding from, at least, August 30, 2007 until April 2008. The May 2008 Executive Summary was distributed to investors from, at least, May 30, 2008 until September 2008.

26. Defendant Dickson participated in meetings regarding the content of the August 2007 Executive Summary and May 2008 Executive Summary, was provided with drafts, and reviewed the drafts before the documents were finalized and sent to investors. Mr. Dickson knew that the AV Funding Offering Materials were sent to investors and prospective investors.

iii. The Alden View Promissory Notes

27. Alden View issued promissory notes to investors in amounts ranging from approximately \$2,600 to \$700,000 with terms ranging from 30 days to one year. The Alden View promissory notes promised returns in the form of monthly interest rates ranging from 1% to 8%, paid either in monthly or quarterly installments or at maturity. The notes were issued in the name of AVF and AV Funding.

28. When promissory notes came due, Mr. Seeley often encouraged investors to roll-over their investment with Alden View for another term.

B. Defendants Seeley and Dickson Made False, Fraudulent, and Material Misrepresentations and Omissions in Connection with Their Offer and Sale of Alden View Promissory Notes.

29. In raising funds from investors and in convincing investors to continue to invest with Alden View, Mr. Seeley, AVF, and AV Funding made numerous, material misrepresentations and omissions regarding Alden View's historical performance, the security obtained on behalf of investors, and their diligence and knowledge regarding their borrowers' use of investor funds.

i. Material Misrepresentations and Omissions Regarding the Security of an Investment into Alden View

30. AVF, AV Funding and Mr. Seeley made material misrepresentations and omissions regarding the security of an investment made in Alden view.

31. AVF's overview letter explained that all of AVF's investments were protected against loss because AVF obtained collateral for its loans. The letter stated that AVF:

- "require[s] the borrower to sign a deed of trust against the property along with the contract to secure funding" so "your money is secured and protected against [sic] real property";
- "[does] not provide the money to them without a signed contract specifying the terms of the loan, a Lien pending agreement, a copy of the build contract, and a letter of pre-approval from the bank"; or
- "[holds] title on the land giving us the option to sell to another investor should the original borrower default."

32. Similarly, AV Funding's August 2007 Executive Summary stated: "[W]e typically require our borrowers to provide us security for the loans we make to them. Our investors benefit indirectly from the secured positions we take

with our borrowers, but they have no direct right to enforce any security rights we receive.”

33. Mr. Seeley also made similar false statements in emails to investors. In a June 15, 2006, email to an investor, Mr. Seeley stated that, as to one investment, Alden View “hold[s] a first position lien against the lot so before anything can be done on the lot they have to pay us off. Bottom line is that compared to most investment vehicles this is about as secure as it gets.” Alden View did not secure a first lien on this loan.

34. Additionally, Mr. Seeley made oral representations to at least some Alden View investors that their investments were secured by real estate. During a telephone call that occurred in approximately September 2007, Mr. Seeley orally represented to an investor that every loan made by Alden View was secured by “a first” lien interest on real estate owned by Alden View’s borrowers. Mr. Seeley further represented to this investor that Alden View would therefore be “first in line” to collect against any borrower who defaulted on a loan made by Alden View. Based on these oral representations, this investor believed that Alden View would never lose the entire amount loaned to a borrower because Alden View could always foreclose on the property held as collateral.

35. Similarly, during a telephone call that occurred in approximately the fall of 2007 or January 2008, Mr. Seeley told another investor that all of Alden View’s investments were “backed by real estate” and that Alden View held either first or second deeds of trusts on the properties owned by its borrowers. Mr. Seeley also told this investor that Alden View had a “separate account” with

funds that could be used to “buy out investors,” if a borrower defaulted. Mr. Seeley represented that the collateral and separate account maintained by Alden View meant that Alden View “couldn’t really default”; rather, if Alden View ran into problems with a borrower, it would use the funds in the “separate account” to buy out its investors, and then it would foreclose on the property that it held as collateral.

36. Each of these representations to investors was false and misleading because, as Messrs. Seeley and Dickson each knew or were reckless in not knowing, Alden View had obtained no collateral for its \$3.1 million in loans to Mr. Parrish. These communications were also materially misleading because they omitted the fact that they had not obtained collateral in connection with its loans to Mr. Parrish. In addition, these communications were materially misleading because they failed to disclose to investors that Mr. Parrish had refused Defendant Seeley’s repeated requests to provide him with proof of collateral and that Defendants Seeley and Dickson did not work to confirm the assets actually held by Mr. Parrish until after Mr. Parrish had stopped making any payments.

37. Whether Alden View obtained secured collateral for its loans was material to its investors because the investors relied upon the collateral to guard against loss of their investment.

38. Mr. Seeley and AV Funding also represented that AV Funding would maintain a reserve account to further “minimize the risk that we will be unable to repay any Note issued to an investor.” The August 2007 Executive Summary stated: “We intend to build and maintain a cash reserve of between

15% and 20% of the aggregate amount loaned by Alden View Funding. Initially, we will fund the reserve pool with at least \$100,000.”

39. Messrs. Seeley and Dickson each knew or were reckless in not knowing that these representations were materially false and misleading because, throughout the time period in which the August 2007 Executive Summary was disseminated to investors, AV Funding never funded a reserve account with \$100,000, much less the 15% to 20% of the aggregate amount loaned by Alden View.

40. The August 2007 Executive summary was also materially misleading as it omitted to state the true nature of the reserve account.

41. The existence of the reserve account was material to Alden View investors because the investors relied on such an account to secure their investments.

ii. Material Misrepresentations and Omissions Regarding Due Diligence and Use of Investor Funds

42. AVF, AV Funding and Defendant Seeley also made material misrepresentations and omissions regarding the due diligence conducted on its investments.

43. In the AVF overview letter, Mr. Seeley represented to investors that AVF lent funds to four types of business ventures: (1) bridge loans, (2) development financing, (3) real estate acquisition, and (4) real estate speculation. The letter detailed the steps taken to protect against default for each, stating that for bridge loans “we research each opportunity carefully to make sure that we

understand the value of the property and that the individual we are loaning the money to can qualify for financing on that value.”

44. Similarly, the August 2007 Executive Summary stated that AV Funding generally provided three types of loans: (1) bridge loans for real estate, (2) real estate development loans, and (3) real estate acquisition financing, and explained that AV Funding generally protected its loans against default by conducting due diligence and research on the prospective borrower and relevant real estate.

45. Mr. Seeley also made representations to investors orally and via email regarding the specific projects into which their funds were being invested. Mr. Seeley explained in an August 18, 2007, email to one investor: “Ultimately the best thing we can do is to take the time upfront to evaluate each deal and each borrower in an effort to minimize the possibility of having to move to foreclosure [sic] in the first place. This is what we are very good at and ultimately what we get paid to do.”

46. Similarly, during a telephone call in approximately September 2007, Seeley told an investor that Alden View “did our due diligence” on borrower projects, including “diligence” on the land that served as the security interest for loans made by Alden View.

47. These statements and omissions were materially false and misleading because, as Messrs. Seeley and Dickson each knew or were reckless in not knowing, they had performed no advance due diligence on Mr. Parrish’s purported real estate projects. In fact, before Alden View lent the funds, they

relied entirely upon Mr. Parrish's representations as to what he planned to do with loan proceeds.

48. These statements were also materially misleading because Mr. Seeley, AVF and AV Funding omitted to state that they had failed to conduct due diligence on the projects for which Mr. Parrish was purportedly using Alden View funds and on collateral owned by Mr. Parish.

49. Even in late 2007 and early 2008, Messrs. Seeley and Dickson had no idea what Mr. Parrish had done with the millions of dollars that Alden View had loaned to him. For example, in December 2007, Mr. Seeley set a call with Mr. Parrish with topic number one being "[b]rief [e]xplanation of use of funds on each note." In June 2008, Mr. Seeley sent Mr. Parrish a meeting invitation stating he wanted to "[r]eview a breakdown of where our \$2,600,000.00 has been utilized to gain a clear understanding of what we have to work with" and asking Mr. Parrish to "prepare a breakdown of where our funds have been utilized."

50. Messrs. Seeley and Dickson did not know how Mr. Parrish was using funds from Alden View's investors until approximately July 2008. At that point, Mr. Parrish informed Messrs. Seeley and Dickson that, among other things, he used Alden View investor funds to: (i) pay other (non-Alden View) people who had invested with him, (ii) purchase a home for his brother-in-law, and (iii) loan funds to people to temporarily hold in their bank accounts to establish sufficient assets for mortgage loans.

51. Whether Alden View conducted due diligence was material to its investors because the investors relied upon that diligence to insure that the loans were being made to individuals and for projects capable of repaying them.

iii. Material Misrepresentations and Omissions Regarding Alden View's Primary Borrowers' Loan and Payment History

52. AV Funding and Defendant Seeley made material misrepresentations and omissions regarding the payment history of Alden View's primary borrower, Mr. Parrish.

53. The August 2007 Executive Summary touted AVF's borrower repayment history as nearly flawless, claiming:

- "All but one of AVF's borrowers have repaid their loans on time. The delinquent note remains outstanding, however, and it is anticipated that AVF will still receive full payment of the principal of this note."
- "A majority of AVF's loans were, and we anticipate that a majority of our loans will be, made to three separate entities that have a proven track record of repaying those loans. Mr. Seeley and Mr. Dickson, either personally or through AVF, have made loans to each of the three entities for at least three years. At no time to date have any of these borrowers defaulted on a loan or taken any action to cause doubt about their ability to repay loans."

54. Mr. Seeley also misleadingly claimed in an August 18, 2007 email to an investor that he “had one default by a borrower in the amount of 86K. . . . [W]e have done 65 loans this year and have not had a single default so the odds are in our favor.”

55. As late as 2008, Mr. Seeley was advising investors that their borrowers were not having problems. In a January 24, 2008 email, Mr. Seeley told an investor they had “not seen any real issues on any fronts.”

56. Each of these statements was materially false and misleading. In addition, each of these communications contained material omissions in that they failed to disclose the truth about Mr. Parrish’s payment history.

57. These statements and omissions were materially false and misleading because, as Messrs. Seeley and Dickson each knew or were reckless in not knowing:

a. More than one of Alden View’s borrowers had failed to repay their loans on time. As of August 30, 2007, one borrower had failed to repay any principal or interest on an \$86,500 loan, and Mr. Parrish had been late in making principal and/or interest payments on numerous loans dating back to July 2006.

b. At least one of the “separate entities” that Alden View lent to was controlled by Mr. Parrish, and that entity had been late in making principal and/or interest payments on numerous loans dating back to July 2006; therefore, it did not have “a proven track record of repaying those loans.” In fact, Mr. Seeley repeatedly raised the issue of late payments in communications with Mr. Parrish

while drafting the August 2007 Executive Summary. For example, on June 15, 2007, Mr. Seeley drafted the key disclosure that “[a]t no time to date have any of these borrowers defaulted on a loan or taken any action to cause us to suspect their ability to meet the terms of our agreements[.]” However, three days earlier, he had emailed Mr. Parrish, stating that “I waived late fees where I could but I am burning through my reserves now that we are getting so far behind so dont [sic] have a choise [sic] on some[.]”

c. Throughout 2007, Mr. Parrish had also engaged in other conduct that cast considerable doubt about his ability to repay his loans, including repeatedly rolling principal owed into new notes, failing to provide AVF or AV Funding with collateral for loans despite repeated requests, and notifying Mr. Seeley that he had previously declared bankruptcy.

58. The August 2007 Executive Summary also misrepresented the amount of funds Alden View had previously loaned and the percentage of funds borrowers had repaid. The August 2007 Executive Summary misleadingly included within the calculation of funds loaned transactions in which the Alden View entities had merely “rolled over” principal and interest due from Mr. Parrish into new notes without requiring repayment on the original note. By doing this, it created the appearance that Alden View had been fully paid on far more loans than it, in fact, had.

59. Specifically, the August 2007 Executive Summary represented that, “[u]nder Mr. Seeley’s and Mr. Dickson’s direction, AVF has made 53 loans for a total of \$4,381,000.00 loaned. Currently, AVF has \$2,900,000 in

outstanding loans.” This disclosure was false and materially misleading because, as Messrs. Seeley and Dickson each knew or were reckless in not knowing, it included transactions in which the Alden View entities had merely “rolled over” principal and interest due from Parrish into new notes.

60. Messrs. Seeley and Dickson also each knew or were reckless in not knowing that the exaggeration of the total amount loaned also materially misstated the percentage of AVF’s loans that had been repaid.

61. The August 2007 Executive Summary was also materially misleading because it failed to include the true amounts that had been borrowed and repaid.

62. These misstatements and omissions regarding Mr. Parrish were material to Alden View investors because Mr. Parrish was Alden View’s primary borrower from its inception in 2006 through November 2008. During that time, Alden View provided more funds to Parrish than it provided to any other borrower.

iv. After Mr. Parrish Defaulted, Defendants Seeley and Dickson Continued the Alden View Offering Without Revising the AV Funding Offering Materials.

63. Mr. Parrish’s repayment history had been troubled since approximately July 2006. For example, on July 27, 2006, Mr. Parrish emailed Mr. Seeley and explained that he was paying late fees in connection with 3 loans, and that he was rolling principal owed to new notes. Mr. Seeley has admitted that by May 2007 he was “wondering” what Mr. Parrish was doing with Alden View’s investors’ funds. Mr. Dickson has admitted that by September or October 2007, he saw “red flags” regarding Mr. Parrish’s behavior. By November 2007, Mr.

Parrish's account was clearly past due, prompting Mr. Seeley to write to Mr. Parrish, "[W]e are closing in on about 400K of past due interest. I am working diligently to get everything cleaned up on our end but a lot of these notes we are [sic] 90 days over due on."

64. After renegeing on numerous promises to pay the amounts due to Alden View, Mr. Parrish made his last, partial payment of \$200,000 to AVF on November 30, 2007. On December 10, 2007, Mr. Seeley emailed Mr. Parrish, copying Mr. Dickson, attaching a chart that explained that Mr. Parrish owed Alden View approximately \$2.7 million in principal, and nearly \$600,000 in interest.

65. From approximately September 2007 through April 2008, Mr. Seeley and Mr. Dickson continued to use the August 2007 Executive Summary to solicit investors, despite knowing that those written offering materials contained false statements and omissions and failed to disclose material changes in AV Funding's business, including Mr. Parrish's abysmal (and worsening) payment history, his refusal to provide requested collateral for loans, and Mr. Parrish's unwillingness to completely inform Mr. Seeley or Mr. Dickson what he had done with their investors' funds.

66. The misstatements and omissions in the August 2007 Executive Summary were material to investors because some of them rolled-over promissory note investments or invested additional funds, in part, based upon the misstatement of Alden View's lending track record, collateral, and due diligence.

67. For example, in February 2008, AV Funding consolidated the outstanding principal owed by Parrish into a single promissory note. Around that same time, Mr. Seeley persuaded numerous Alden View investors with funds tied to Mr. Parrish to “roll over” their investments into new promissory notes, again without disclosing the fact that Mr. Parrish had stopped paying and owed millions. On or about January 22, 2008, an investor who was hesitant to re-commit funds asked Mr. Seeley, “Are you seeing any effect or increased risk on your business?” Mr. Seeley replied, in part, that “we really couldn’t ask for a better time.” The investor decided to re-invest.

68. During late 2007 or early 2008, Mr. Seeley also orally represented to an investor that Alden View’s business continued to be successful and that its primary borrower continued to have access to millions of dollars in capital. These statements were false and materially misleading because at the time he made these representations, Mr. Seeley had no reasonable basis upon which to believe that Parrish had access to millions of dollars in capital.

v. Material Misrepresentations and Omissions Regarding Parrish’s Default

69. On May 1, 2008, Alden View sued Mr. Parrish, seeking over \$2.6 million in past-due principal and \$769,133 in past-due interest on numerous promissory notes. The May 2008 Executive Summary described Parrish’s default by stating:

Over the past two years, AVF Inc. has made over 76 loans to Louis Parrish and his associated entities for a total of \$7,002,800. From July 2007 through October 2007, Mr. Parrish and affiliates issued 17 unsecured notes to AVF and other affiliates of Alden View Funding with a total aggregate principal amount of approximately \$2.2 million. These loans were used primarily for venture capital projects and import and export ventures and as such are unsecured. Starting December 2007, Mr. Parrish failed to make any payments on these loans. Mr.

Parrish and his affiliates had not previously defaulted on any obligations pursuant to any loans, and had paid all principal and interest owing on such loans pursuant to the terms of the notes.

70. These statements were materially false and misleading because, as Messrs. Seeley and Dickson each knew or were reckless in not knowing, Mr. Parrish was never provided with \$7 million; rather, this number included millions of dollars in “rolled” funds. In addition, while Mr. Seeley drafted the language purporting to explain Mr. Parrish’s use of proceeds for “venture capital” and “import and export” projects, thereby explaining the lack of collateral, Messrs. Seeley and Dickson still had no idea how Parrish had actually used Alden View’s funds.

71. Also, these statements were false and materially misleading because, as Mr. Seeley and Mr. Dickson each knew or were reckless in not knowing, they omitted the material fact that Mr. Parrish refused to provide Alden View with collateral for his loans, despite repeated requests. Moreover, as Mr. Seeley and Mr. Dickson each knew or were reckless in not knowing, as detailed above, Mr. Parrish did not first fail to make required payments in December 2007; rather, he had fallen behind on principal payments in 2006, and on principal and interest payments in early 2007.

72. These misstatements and omissions were material to Alden View investors because Mr. Parrish continued to be one of the largest borrowers from Alden View.

73. Following AV Funding’s disclosure of Mr. Parrish’s default and its resulting, insurmountable losses, its fundraising slowed significantly. Alden View essentially ceased operating after November 2009, when the SEC obtained a

temporary restraining order and asset freeze in its enforcement action against another significant Alden View borrower, Mantria Corporation.

C. **The Alden View Offerings Were Not Registered With the SEC or Exempt from Registration.**

74. The definition of a “security” under Section 2(a)(1) of the Securities Act and Section 3(a)(10) of the Exchange Act includes “any note, stock . . . participation in any profit-sharing agreement [or] . . . investment contract.” Each of the promissory notes issued by AVF and AV Funding were securities as investors made an investment of money, in a common enterprise, with an expectation of profits to be derived solely from the efforts of the promoter or a third party.

75. Pursuant to Section 5 of the Securities Act, each offer and sale of a security must either be made pursuant to a registration statement or fall under a registration exemption.

76. The investments were a common enterprise in that investors sent money to Alden View by wiring funds to designated bank accounts or writing checks to Alden View; Alden View placed the funds into its bank accounts; and Alden View then used the investor funds on an as needed basis to fund borrower loans and to pay for operating costs.

77. Investors purchased the promissory notes in order to earn a profit in the form of interest. Investors expected their profits to come solely from Alden View’s loan business operations and investments. The investors were not required or expected to do anything besides provide funds in order to receive their returns.

78. The promissory notes issued by both AVF and AV Funding constituted a single offering. Mr. Seeley exercised common control over both AVF and AV Funding. Messrs. Seeley and Dickson disregarded entity form by, among other things, holding themselves out to investors as the principals of an entity d/b/a “Alden View Funding.” The AV Funding Offering Materials stated that it was in “substantially the same business” as AVF. AVF and AV Funding also commingled assets. Further, nearly all loans issued by AVF were transferred to AV Funding following its formation.

79. Both Mr. Seeley and Mr. Dickson offered and/or sold AVF and AV Funding promissory notes to investors using the means or instruments of interstate commerce including but not limited to telephones, the Internet, and the mails.

80. No registration statement was in effect and no registration statement was filed with the SEC for the offers and sales of any Alden View promissory notes. There is no applicable registration exemption for the offers and sales.

D. Defendants Seeley and Dickson Acted As Unregistered Brokers.

81. Section 3(a)(4) of the Exchange Act defines a “broker” as any person who is engaged in the business of effecting transactions in securities for the account of others. Section 15(a)(1) of the Exchange Act prohibits a broker or dealer from using jurisdictional means such as the telephone or mails to effect transactions in securities unless the broker or dealer is registered with the SEC.

82. Messrs. Seeley and Dickson used the telephone and the mails to effect purchases and sales of Alden View promissory notes for the accounts of the

investors. Messrs. Seeley and Dickson were not affiliated with a broker-dealer registered with the SEC during the time in which they sold Alden View securities to investors.

83. Messrs. Seeley and Dickson actively solicited investors to purchase securities in telephone calls and meetings with investors, as well as other means.

84. Messrs. Seeley and Dickson each personally solicited investors to purchase Alden View promissory notes. In addition, they participated in Alden View securities transactions at key points in the chain of distribution, by, among other things, personally soliciting investors to purchase Alden View promissory notes, creating promissory notes distributed to investors, receiving investors' funds and preparing written offering materials. Mr. Seeley and Mr. Dickson received compensation based indirectly on the transactions in securities they offered. Mr. Seeley was further involved in negotiations between Alden View and investors because, among other things, he determined the interest rates for the promissory notes.

VI. CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF

Fraud in the Offer or Sale of Securities Violations of Securities Act Section 17(a) [15 U.S.C. §§ 77q(a)] (Against Defendants Seeley and Dickson)

85. The allegations of paragraphs 1 through 84 are incorporated as if fully set forth herein.

86. Defendants Seeley and Dickson, directly or indirectly, with scienter, in the offer or sale of securities, by use of the means or instruments of

transportation or communication in interstate commerce or by use of the mails, employed a device, scheme, or artifice to defraud. By reason of the foregoing, Defendants Seeley and Dickson violated and unless restrained and enjoined will in the future violate Section 17(a)(1) of the Securities Act.

87. Defendants Seeley and Dickson, directly or indirectly, in the offer or sale of securities, by 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 omissions to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading. By reason of the foregoing, Defendants Seeley and Dickson violated and unless restrained and enjoined will in the future violate Section 17(a)(2) of the Securities Act.

88. Defendants Seeley and Dickson, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, engaged in transactions, practices, or courses of business which have been or are operating as a fraud or deceit upon the purchasers of securities. By reason of the foregoing, Defendants Seeley and Dickson violated and, unless restrained and enjoined, will in the future violate Section 17(a)(3) of the Securities Act.

SECOND CLAIM FOR RELIEF
Fraud in the Purchase or Sale of Securities
Violation of Exchange Act Section 10(b) and Rule 10b-5
[15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5]
(Against Defendant Seeley)

89. The allegations of paragraphs 1 through 84 are incorporated as if fully set forth herein.

90. By engaging in the conduct described above, Defendant Seeley has, directly or indirectly, with scienter, in connection with the purchase or sale of Alden View securities, by use of the means or instruments of interstate commerce or by use of the mails, employed devices, schemes or artifices to defraud; made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or engaged in acts, practices or courses of business which operated or would have operated as a fraud or deceit upon purchasers of such securities.

91. By reason of the foregoing, Defendant Seeley violated and, unless restrained and enjoined, will continue to violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

THIRD CLAIM FOR RELIEF
Aiding and Abetting by Defendant Seeley of AVF's and AV Funding's Violations of
Section 10(b) of the Exchange Act and Rule 10b-5 thereunder
[15 U.S.C. §§ 78j(b) and §240.10b-5]
(In the Alternative, Against Defendant Seeley)

92. The allegations of paragraphs 1 through 84 are incorporated as if fully set forth herein.

93. In connection with each of the materially false and misleading statements and omissions identified above made in the overview letter, the August

2007 Executive Summary and the May 2008 Executive Summary, AVF and AV Funding have, directly or indirectly, with scienter, in connection with the purchase or sale of AVF and AV Funding securities, respectively, by use of the means or instrumentalities of interstate commerce or by use of the mails, employed devices, schemes, or artifices to defraud; made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or have engaged in acts, practices, or courses of business which have been and are operating as a fraud or deceit upon the purchasers of such securities. Accordingly, AVF and AV Funding have violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

94. Defendant Seeley knowingly or recklessly provided substantial assistance to AVF and AV Funding in connection with their violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

95. By reason of the foregoing, Defendant Seeley aided and abetted AVF's and AV Funding's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and, unless restrained and enjoined, will continue to aid and abet violations of these provisions.

FOURTH CLAIM FOR RELIEF

**Aiding and Abetting by Defendant Dickson of Defendant Seeley's and AV Funding's
Violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder
[15 U.S.C. §§ 78j(b) and §240.10b-5]
(Against Defendant Dickson)**

96. The allegations of paragraphs 1 through 84 are incorporated as if fully set forth herein.

97. In connection with each of the materially false and misleading statements and omissions identified above made in the August 2007 Executive Summary and the May 2008 Executive Summary, AV Funding and Defendant Seeley, directly and indirectly, with scienter, in connection with the purchase or sale of AV Funding securities, by use of the means or instrumentalities of interstate commerce or by use of the mails, employed devices, schemes, or artifices to defraud; made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or have engaged in acts, practices, or courses of business which have been and are operating as a fraud or deceit upon the purchasers of such securities. Accordingly, AV Funding and/or Defendant Seeley have violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

98. Defendant Dickson knowingly or recklessly provided substantial assistance to AV Funding and Defendant Seeley in connection with their violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

99. By reason of the foregoing, Defendant Dickson aided and abetted AV Funding's and Defendant Seeley's violations of Section 10(b) of the

Exchange Act and Rule 10b-5 thereunder and, unless restrained and enjoined, will continue to aid and abet violations of these provisions.

FIFTH CLAIM FOR RELIEF
Sale of Unregistered Securities
Violations of Securities Act Sections 5(a) and (c)
[15 U.S.C. §§ 77e(a), 77e(c)]
(Against Defendants Seeley and Dickson)

100. The allegations of paragraphs 1 through 84 are incorporated as if fully set forth herein.

101. By engaging in the conduct described above, Defendants Seeley and Dickson have directly or indirectly, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, offered and sold securities or carried or caused such securities to be carried through the mails or in interstate commerce, for the purpose of sale or delivery after sale.

102. No valid registration statement was filed or in effect with the SEC and no exemption from registration existed with respect to the securities and transactions described in this Complaint.

103. By reason of the foregoing, Defendants Seeley and Dickson violated and, unless restrained and enjoined, will continue to violate Sections 5(a) and (c) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c)].

SIXTH CLAIM FOR RELIEF
Acting As Unregistered Broker-dealers
Violations of Exchange Act 15(a)(1) [15 U.S.C. § 78o(a)(1)]
(Against Defendants Seeley and Dickson)

104. The allegations of paragraphs 1 through 84 are incorporated as if fully set forth herein.

105. Defendants Seeley and Dickson made use of the mails or means or instrumentalities of interstate commerce to effect transactions in or to induce or attempt to induce the purchase or sale of a security without being registered in accordance with Section 15(b) of the Exchange Act.

106. By engaging in the conduct described above, Defendants Seeley and Dickson violated Section 15(a)(1) of the Exchange Act by acting as unregistered broker-dealers in connection with their offer and sale of securities as described in this Complaint.

107. By reason of the foregoing, Defendants Seeley and Dickson violated and, unless restrained and enjoined, will continue to violate Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

VII. PRAYER FOR RELIEF

WHEREFORE, the Plaintiff respectfully requests that the Court:

A.

Enter an Order finding that Defendants Seeley and Dickson committed the violations alleged in the First Through Sixth Claims for Relief in this Complaint and, unless restrained and enjoined, will continue to do so.

