

1 LESLIE J. HUGHES (Col. Bar No. 15043)
 Email: HughesLJ@sec.gov
 2 JACQUELINE M. MOESSNER (N.Y. Bar No. 4456521)
 Email: MoessnerJ@sec.gov
 3 Attorneys for Plaintiff
 4 Securities and Exchange Commission
 1961 Stout Street, Suite 1700
 5 Denver, Colorado 80294-1961
 Telephone: (303) 844-1000
 6 Facsimile: (303) 297-3529

7 LOCAL COUNSEL:
 DOUGLAS M. MILLER (Cal. Bar No. 240398)
 8 Email: MillerDou@sec.gov
 Securities and Exchange Commission
 9 444 S. Flower Street, Suite 900
 10 Los Angeles, California 90071
 Telephone: (323) 965-3998
 11 Facsimile: (213) 443-1904

12 **UNITED STATES DISTRICT COURT**
 13 **CENTRAL DISTRICT OF CALIFORNIA**

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

18 **Plaintiff,**

19 **vs.**

20 **DAVID HOWARD WELCH,**
 21 **MARC JAY BRYANT,**
 22 **JOHN CHARLES KNIGHT,**
 23 **PERRY DOUGLAS WEST,**
 24 **BIO-GLOBAL RESOURCES, INC.,**
 25 **DIVERSIFIED EQUITIES INC.,**
 26 **DIVERSIFIED EQUITIES**
 27 **DEVELOPMENT, INC.,**
 28 **and NEW GLOBAL ENERGY INC.,**

Defendants.

Case No.

COMPLAINT

JURY TRIAL DEMANDED

Plaintiff Securities and Exchange Commission (“SEC”) alleges:

1 **JURISDICTION AND VENUE**

2 1. The Court has jurisdiction over this action pursuant to Sections 20(b),
3 20(d)(1) and 22(a) of the Securities Act of 1933, as amended (“Securities Act”), 15
4 U.S.C. §§ 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and
5 27(a) of the Securities Exchange Act of 1934, as amended (“Exchange Act”), 15
6 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e) & 78aa(a).

7 2. Defendants, directly or indirectly, made use of the means or
8 instrumentalities of interstate commerce, of the mails, or of the facilities of a national
9 securities exchange in connection with the transactions, acts, practices and courses of
10 business alleged in this complaint.

11 3. Venue is proper in this district pursuant to Section 22(a) of the Securities
12 Act, 15 U.S.C. § 77v(a), and Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a).
13 Certain of the transactions, acts, practices and courses of conduct constituting
14 violations of the federal securities laws occurred within this district. In addition,
15 venue is proper in this district because the Defendants either reside in, or transacted
16 business within, this district, including the sale of securities to investors that resided
17 in this district.

18 **SUMMARY**

19 4. This case involves numerous individuals and entities acting as broker-
20 dealers – including operating a boiler room “cold-calling” operation – despite failing
21 to register with the SEC in violation of Section 15(a) of the Exchange Act. In
22 addition, all of the Defendants, operating through a web of controlled entities, sold
23 stock in two successive companies to the public in unregistered transactions in
24 violation of Sections 5(a) and 5(c) of the Securities Act, thereby depriving investors
25 of important and legally required information. Through their illegal plan the
26 Defendants effected millions of dollars of securities transactions in the stock of two
27 entities: Global Energy Technology Group, Inc. (“Global Energy”) and Defendant
28 New Global Energy, Inc. (“New Global”).

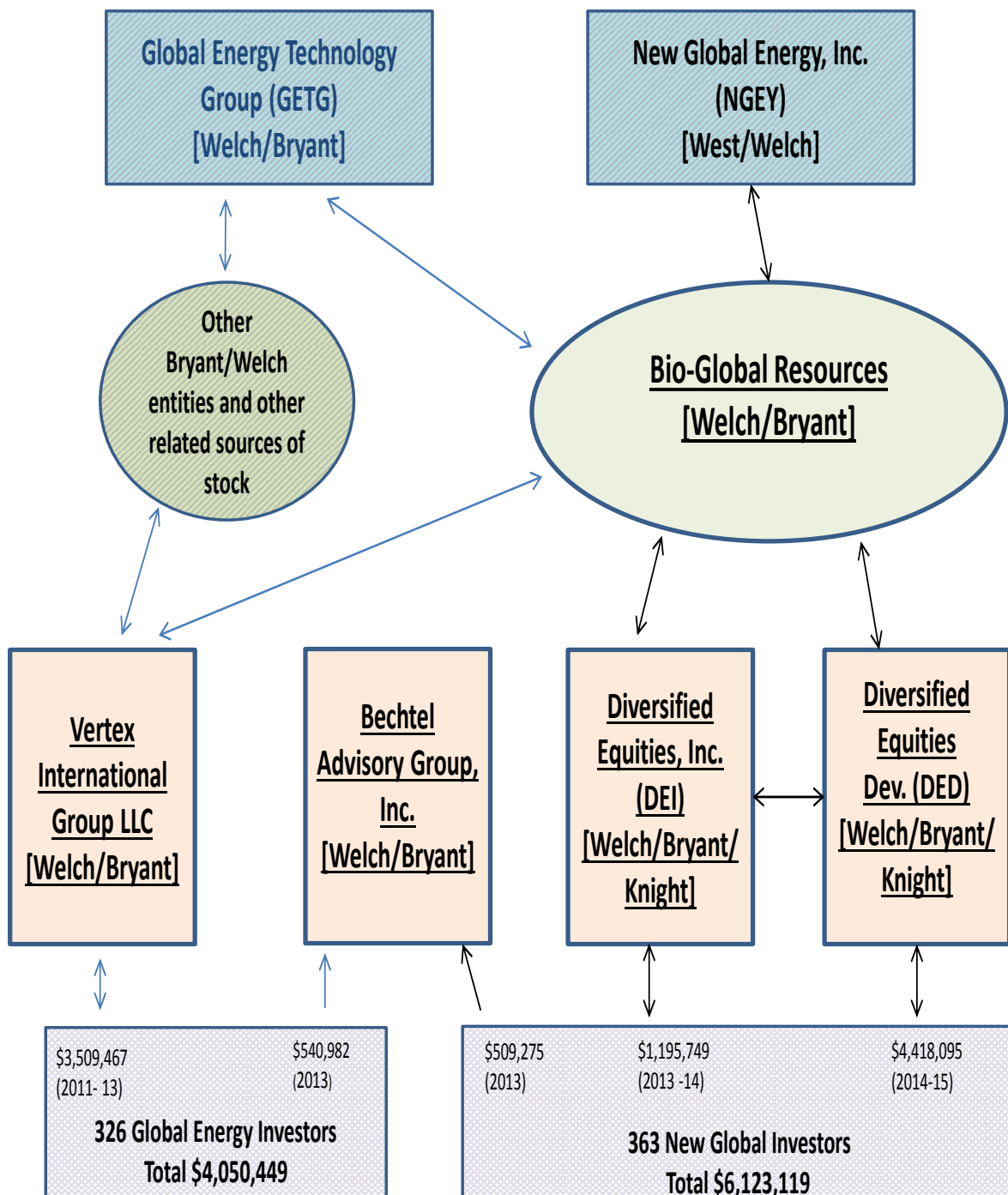
1 5. From 2011 through 2015, Defendants David Howard Welch, Marc Jay
2 Bryant, and John Charles Knight, through various shell companies including Vertex
3 International Group, LLC (“Vertex”), Bechtel Advisory Group, Inc. (“Bechtel”), and
4 Defendants Bio-Global Resources, Inc. (“Bio-Global”), Diversified Equities Inc.
5 (“DEI”), and Diversified Equities Development Inc. (“DED”), acted as brokers and
6 dealers effecting transactions in the securities of Global Energy, New Global and
7 other companies, while these Defendants were not registered, or associated with
8 broker-dealers registered, with the SEC.

9 6. Welch and Bryant used Bio-Global to acquire millions of shares of
10 Global Energy and New Global directly from the companies. Welch, Bryant, and
11 Bio-Global then used a series of shell companies to solicit investors to purchase the
12 shares.

13 7. Starting in November 2011, they used Vertex as a broker to solicit and
14 sell Global Energy stock to investors, and transferred shares to Vertex to complete the
15 sales. In March 2013, they discontinued using Vertex and began using Bechtel as the
16 broker to solicit and sell the remainder of the Global Energy shares held in Vertex’s
17 name. Mid-year 2013, Welch, Bryant, and Bio-Global transitioned from selling
18 Global Energy shares to New Global shares.

19 8. Welch, Bryant, Knight, and Bio-Global used Bechtel and DEI to solicit
20 and sell New Global shares and Bio-Global transferred shares to DEI to complete the
21 sales. By the end of 2013, Welch, Bryant, Knight, and Bio-Global stopped using
22 Bechtel, and focused their sales activities through DEI. In March 2014, Welch,
23 Bryant, Knight, and Bio-Global began using DED, in addition to DEI, to solicit and
24 sell New Global shares held in DEI’s name. By the end of 2014, Welch, Bryant,
25 Knight, and Bio-Global used only DED to solicit and sell the remainder of the New
26 Global common and preferred shares held in the name of DEI or DED.

9. This chart visually depicts the flow of stock and money among the various entities:



1 10. From their sales of the securities of Global Energy and New Global, the
2 Welch, Bryant, Knight, Bio-Global, DEI and DED raised over ten million dollars
3 from more than 500 investors. As a result of conduct alleged in this Complaint, these
4 Defendants violated the broker-dealer registration provisions of Section 15(a)(1) of
5 the Exchange Act, 15 U.S.C. § 78o(a)(1).

6 11. All of the Defendants violated the securities offering registration
7 provisions of the Securities Act. From 2012 through 2015, all Defendants, directly or
8 indirectly, offered and sold securities of Global Energy or New Global when no
9 registration statement was filed or in effect with the SEC and no exemption from
10 registration applied. As a result of conduct alleged in this Complaint, each of the
11 Defendants violated the securities offering registration provisions of Sections 5(a)
12 and (c) of the Securities Act, 15 U.S.C. § 77e(a) and (c).

13 **THE DEFENDANTS**

14 12. David Howard Welch (A/K/A David Howard Bryant) (“Welch”) is an
15 individual that resides in Palm Desert, California, and transacts business, including
16 the offer or sale of securities as detailed in this Complaint, within this judicial district
17 and throughout the United States. Welch is the brother of Marc Bryant.

18 13. Marc Jay Bryant (A/K/A Marc Jay Welch) (“Bryant”) is an individual
19 that resides in Chatsworth, California and transacts business, including the offer or
20 sale of securities as detailed in this Complaint, within this judicial district and
21 throughout the United States. Bryant is the brother of David Welch.

22 14. John Charles Knight (“Knight”) is an individual that resides in
23 Longmont, Colorado, and transacts business, including the offer or sale of securities
24 as detailed in this Complaint, within this judicial district and throughout the United
25 States.

26 15. Perry Douglas West (“West”) is an individual that resides in Cocoa,
27 Florida and is an attorney admitted to practice law in Florida. He transacts business,
28 including the offer or sale of securities as detailed in this Complaint, within this

1 judicial district and throughout the United States.

2 16. Bio-Global Resources Inc. (“Bio-Global”) was incorporated in Texas in
3 2008 and re-incorporated in Wyoming in 2011. Bio-Global operates from its
4 principal place of business in Palm Desert, California. It transacts business by
5 offering or selling securities including Global Energy and New Global, as detailed in
6 this Complaint, within this judicial district and throughout the United States. Welch
7 and Bryant are officers or directors of Bio-Global.

8 17. Diversified Equities Inc. (“DEI”) was incorporated in Colorado in May
9 2013. DEI operates from its principal place of business in Boulder, Colorado. It
10 transacts business by offering and selling securities, as detailed in this Complaint,
11 within this judicial district and throughout the United States. Knight is an officer and
12 director of DEI.

13 18. Diversified Equities Development Inc. (“DED”) was incorporated in
14 Nevada in November 2013 and reincorporated in California in October 2014. DED
15 operated “boiler-room” call centers for sales agents in Northridge and Encino,
16 California, and in Costa Rica. It transacts business by offering and selling securities,
17 as detailed in this Complaint, within this judicial district and throughout the United
18 States. Bryant and Knight are officers or directors of DED.

19 19. New Global Energy, Inc. (“New Global” or “NGEY”) was incorporated
20 in Wyoming 2012. New Global operates from its principal place of business in
21 Brevard County, Florida and owned tilapia fish farms in Thermal and Mecca,
22 California. It transacts business by offering or selling securities, as detailed in this
23 Complaint, within this judicial district and throughout the United States. At all
24 relevant times herein, West was the chief executive officer (“CEO”) of New Global.

25 20. New Global’s common and preferred stock are securities as defined in
26 Section 2(a)(1) of the Securities Act and Section 3(a)(10) of the Exchange Act, 15
27 U.S.C. §§ 77b(a)(1) & 78c(a)(10). New Global’s commons stock traded in the over-
28 the-counter market under the symbol “NGEY.” At certain times relevant to the

1 Complaint, the common stock of New Global was a “penny stock” as defined in 15
2 U.S.C. § 78c(a)(51).

3 **OTHER RELEVANT ENTITIES**

4 21. Global Energy Technology Group, Inc. (“Global Energy” or “GETG”)
5 was a Nevada corporation formed in 2009 with its principal place of business in
6 Dallas, Texas. Global Energy was a private company purportedly in the business of
7 creating renewable bio-fuel using jatropha trees, and later operating tilapia fish farms
8 in California. From approximately January 2010 until June 2012, West was the CEO
9 of Global Energy. GETG sold all of its assets to New Global in September 2014, its
10 Texas business license expired in January 2015, and it is no longer operating.

11 22. Global Energy’s common stock is a security as defined in Section
12 2(a)(1) of the Securities Act and Section 3(a)(10) of the Exchange Act, 15 U.S.C. §§
13 77b(a)(1) & 78c(a)(10). At all relevant times to the Complaint, the common stock of
14 Global Energy was a “penny stock” as defined in 15 U.S.C. § 78c(a)(51).

15 23. Vertex International Group, LLC (“Vertex”) was a Wyoming limited
16 liability corporation formed in November 2011 and administratively dissolved in
17 January 2013. Vertex was one of the shell companies that Welch and Bryant used to
18 offer and sell securities of Global Energy. Vertex transacted business from, and
19 operated “boiler-room” call centers for sales agents in Woodland Hills and
20 Northridge, California. Bryant was the managing member of Vertex.

21 24. On September 4, 2013, the state of Wisconsin, Department of Financial
22 Institutions, Division of Securities ordered Vertex to cease and desist from further
23 offers or sales of securities in Wisconsin and from transacting business as a broker-
24 dealer in Wisconsin unless registered.

25 25. Bechtel Advisory Group, Inc. (“Bechtel”) was a Wyoming corporation
26 formed in 2013 and administratively dissolved in March 2014. Bechtel was one of
27 the shell companies that Welch, Bryant and Knight used to offer and sell securities of
28 Global Energy and New Global. Bechtel transacted business from and operated

1 “boiler-room” call centers for sales agents in Northridge, California. Bryant was the
2 president of Bechtel.

3 26. On January 8, 2016, the state of California, Business, Consumer
4 Services and Housing Agency, Department of Business Oversight ordered Bryant,
5 Vertex, and Bechtel to desist and refrain from acting as a broker-dealer or engaging
6 in broker-dealer activities, based on their conduct in the sale of the securities of
7 Global Energy.

8 FACTUAL ALLEGATIONS

9 **I. WELCH, BRYANT, KNIGHT, BIO-GLOBAL, DEI, AND DED** 10 **ILLEGALLY ACTED AS BROKERS OR DEALERS.**

11 27. Between November 2011 and July 2013, Welch and Bryant through
12 Vertex and Bechtel acted as unregistered broker-dealers effecting transactions in the
13 securities of Global Energy. Between June 2013 and May 2015, Welch, Bryant, Bio-
14 Global, Knight, DEI and DED acted as unregistered broker-dealers effecting
15 transactions in the securities of New Global.

16 28. Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o(a)(1), makes it
17 unlawful for any person or entity to make use of the mails or any means or
18 instrumentality of interstate commerce to effect any transactions in, or to induce or
19 attempt to induce the purchase or sale of any security, unless such broker or dealer is
20 registered with the SEC.

21 29. Section 3(a)(4) of the Exchange Act, 15 U.S.C. § 78c(a)(4), defines a
22 broker as any person engaged in the business of effecting transactions in securities for
23 the accounts of others.

24 30. Section 3(a)(5) of the Exchange Act, 15 U.S.C. § 78c(a)(5), defines a
25 dealer as any person engaged in the business of buying and selling securities for such
26 person’s own account through a broker or otherwise.

27 31. During all times relevant to the Complaint, Welch, Bryant, Knight, Bio-
28 Global, DEI and DED were not registered as brokers or dealers, or associated with

1 broker-dealers registered, with the SEC under Section 15(a)(1) of the Exchange Act,
2 15 U.S.C. § 78o(a)(1).

3 32. Welch, Bryant, Knight, Bio-Global, DEI and DED acted with deliberate
4 or reckless disregard of a regulatory requirement to be registered as a broker or
5 dealer.

6 **A. Welch and Bryant Acted as Brokers and Dealers in the Sale of the**
7 **Securities of Global Energy through Vertex and Bechtel.**

8 33. From 2011 through 2013, Welch and Bryant acted as brokers and dealers
9 engaged in the business of effecting transactions in the securities of Global Energy,
10 and other companies, for the accounts of others and for their own accounts.

11 34. In May 2010, Welch sent an email to the chief executive officer of one
12 of the companies whose securities he offered and sold, and admitted that he was a
13 broker-dealer. In that email, Welch stated, in part: “I have operated one of the larger
14 private broker dealer networks with over 1,000 licensed reps and have been
15 personally responsible for raising over \$500,000,000 in capital.”

16 35. In 2011, Welch, through Bio-Global, owned or controlled 1,822,898
17 shares of Global Energy or approximately 5% of the outstanding shares of Global
18 Energy.

19 36. In 2011, Bryant owned or controlled at least 2,181,430 shares of Global
20 Energy held in the name of a trust or approximately 6.5% of the outstanding shares of
21 Global Energy.

22 37. In 2011, Welch discussed with West, the CEO of Global Energy, making
23 a public offering of common stock of Global Energy to investors.

24 38. As part of the plan to sell Global Energy stock, Welch and Bryant set up
25 a number of shell companies, including but not limited to Vertex and Bechtel,
26 through which they offered and sold the shares of Global Energy and received money
27 from investors.
28

1 **1. Vertex Sold Shares of Global Energy.**

2 39. Bryant caused Vertex to be incorporated in 2011 to act as a broker or
3 dealer effecting transactions in the securities of Global Energy.

4 40. Welch and Bryant controlled Vertex.

5 41. Bryant opened a bank account for Vertex on which Bryant was the sole
6 signatory. Bryant used part of Vertex's Global Energy sales proceeds to pay his
7 personal expenses.

8 42. Welch and Bryant recruited sales agents for Vertex to generally solicit
9 public investors to purchase Global Energy securities, using cold calls and investor
10 lead lists.

11 43. Welch and Bryant provided scripts, exemplars of email communications,
12 and information about the merits of the investment in Global Energy's securities to
13 the Vertex sales agents with the intention that the sales agents use the information and
14 materials to offer and sell the securities of Global Energy to prospective investors.
15 Welch and Bryant set the price at which the securities were sold by Vertex sales
16 agents.

17 44. At the direction of Welch or Bryant, the Vertex sales agents made
18 telephone calls and sent email messages actively soliciting prospective investors that
19 were identified from lead lists. They sent stock purchase agreements to investors by
20 courier, and requested return of the agreements with payment to Vertex by mail to its
21 address in California.

22 45. Some of the Vertex sales agents used aggressive sales tactics pressuring
23 investors to purchase the stock.

24 46. Welch and Bryant, through Vertex, Bechtel, or other entities that they
25 controlled, paid transaction-based compensation or commissions up to 40% to the
26 sales agents for selling the Global Energy shares.

27 47. After putting the sales structure in place, Welch sent an email to West
28 and others on November 21, 2011 advising that he and Bryant were making

1 arrangements to call “all of our [] clients and all of our JV [Joint Venture] clients and
2 see[] what their level of interest is in acquiring Pre-Public stock in GETG . . . we are
3 offering it at .25 a share. . . . When we go public. . . GETG[] need[s] to have some
4 fairly sterile accounting for the reverse merger . . . thus . . . GETG is not selling or
5 paying any fees for the sale of its PRIVATE Stock.”

6 48. Vertex sales agent began soliciting investors and received payments
7 from investors starting in December 2011.

8 49. Between February 2012 and May 2013, Vertex acquired approximately
9 22,002,428 shares of Global Energy from at least eleven third-parties, and held the
10 shares in the name of Vertex. Vertex acquired 1,022,898 of these Global Energy
11 shares from Bio-Global.

12 50. Between November 2011 and September 21, 2012, Welch and Bryant,
13 through Vertex, effected transactions in, and offered and sold approximately
14 9,245,560 shares of Global Energy in approximately 253 transactions with investors
15 located in numerous states, including within this judicial district, for approximately
16 \$1,992,597. After Vertex received payment from investors for the purchase of
17 Global Energy stock, Welch and Bryant arranged for Vertex to deliver the shares to
18 the investors by courier or the mails.

19 51. Between September 26, 2012 and July 2013, Welch and Bryant, through
20 Vertex, effected transactions in and offered and sold approximately 6,262,480 shares
21 of Global Energy in approximately 255 transactions with investors located in
22 numerous states, including within this judicial district, for approximately \$1,516,870.

23 52. Vertex used sales agents to effect transactions in, induce and attempt to
24 induce the purchase or sale of the securities of Global Energy that it acquired from
25 third-parties. None of the Vertex sales agents were registered or associated with
26 broker-dealers registered with the SEC.

27 **2. Bechtel Sold Shares of Global Energy.**

28 53. Bryant caused Bechtel to be incorporated in January 2013 to act as a

1 broker or dealer effecting transactions in the securities of Global Energy.

2 54. Welch and Bryant controlled Bechtel.

3 55. Bryant opened a bank account for Bechtel on which Bryant was the sole
4 signatory. Bryant used part of Bechtel's Global Energy sales proceeds to pay his
5 personal expenses.

6 56. Bryant and Welch recruited many of the Vertex sales agents to work for
7 Bechtel to offer and sell the securities of Global Energy, through general solicitation
8 using cold calling and investor lead lists.

9 57. On or about March 2, 2013, Vertex sent an email to its sales agents
10 reminding them "that this Friday (3/8/13) will be the *last day* that the Woodland Hills
11 Vertex office will be accepting mail or fedex, and the last time the phones will be
12 answered. . . . You don't have to necessarily tell them about Bechtel *just yet* (unless
13 they are ready to purchase more shares **right now**). It might be better to wait until we
14 are able to offer *New Global* shares to bring up Bechtel as a new entity." (Emphasis
15 in original.)

16 58. Welch and Bryant provided scripts, exemplars of email communications,
17 and information about the merits of the investment in Global Energy's securities to
18 the Bechtel sales agents with the intention that the sales agents use the information
19 and materials to offer and sell the securities of Global Energy to prospective
20 investors. Welch and Bryant set the price at which the securities were sold by
21 Bechtel sales agents.

22 59. At the direction of Welch or Bryant, the Bechtel sales agents made
23 telephone calls and sent email messages actively soliciting prospective investors that
24 were identified from lead lists. They sent stock purchase agreements to investors by
25 courier, and requested return of the agreements with payment to Bechtel by mail to its
26 address in California.

27 60. Some of the Bechtel sales agents used aggressive sales tactics pressuring
28 investors to purchase Global Energy stock.

1 61. Between approximately March and July 2013, Welch and Bryant,
2 through Bechtel, offered and sold approximately 2,375,250 shares of Global Energy,
3 which were held in the name of Vertex, in approximately 69 transactions with
4 investors for approximately \$540,982. After Bechtel received payment from
5 investors for the purchase of Global Energy stock, Welch and Bryant arranged for
6 Vertex to deliver the shares to the investors by courier or the mails.

7 62. Bechtel used sales agents to effect transactions in, induce and attempt to
8 induce the purchase or sale of the securities of Global Energy that it acquired from
9 third-parties. None of the Bechtel sales agents were registered or associated with
10 broker-dealers registered with the SEC.

11 **3. Welch and Bryant were Brokers and Dealers Through Their Use and**
12 **Control of Vertex and Bechtel.**

13 63. Welch and Bryant and the entities they controlled did not respect
14 corporate formalities. Rather, they took numerous actions demonstrating that this
15 was a common enterprise, including:

16 a. Vertex acquired some of the Global Energy shares from persons or entities
17 that were controlled by Welch and Bryant, but did not pay those persons or
18 entities prior to selling the shares to the public;

19 b. Vertex acquired Global Energy shares from Bio-Global on February 1,
20 2012, but did not make any payments to Bio-Global until nearly five months
21 later on June 28, 2012;

22 c. Welch and Bryant, acting through Vertex, acquired shares from other
23 related parties, such as West and his daughter, but did not pay those parties
24 prior to selling the shares to the public; and

25 d. Vertex transferred Global Energy shares that it owned to investors who
26 purchased the shares from and paid Bechtel.

27 64. Welch, directly or indirectly, effected transactions, induced, or attempted
28 to induce sales of the securities of Global Energy, through sales made by Vertex,

1 Bechtel and various sales agents, while Welch was not registered as or associated
2 with a broker or dealer registered with the SEC. Welch acted as a dealer through
3 Vertex when it offered and sold securities for its own account, and acted as a broker
4 through Vertex and Bechtel when they offered and sold securities for the accounts of
5 others.

6 65. Bryant, directly or indirectly, effected transactions, induced or attempted
7 to induce sales of the securities of Global Energy, through sales made by Vertex,
8 Bechtel and various sales agents, while Bryant was not registered as or associated
9 with a broker or dealer registered with the SEC. Bryant acted as a dealer through
10 Vertex when it offered and sold securities for its own account, and acted as a broker
11 through Vertex and Bechtel when they offered and sold securities for the accounts of
12 others.

13 66. Between September 26, 2012 and July 2013, Welch and Bryant received
14 gross pecuniary gain of approximately \$2,057,852 from sales of Global Energy
15 securities by Vertex and Bechtel.

16 **B. Welch, Bryant, Knight, DEI and DED Acted as Unregistered Brokers and**
17 **Dealers, and Bio-Global Acted as an Unregistered Dealer in the Sale of the**
18 **Securities of New Global.**

19 67. From June 2013 through May 2016, Welch, Bryant, Knight, DEI, and
20 DED, directly or indirectly, acted as brokers and dealers engaged in the business of
21 offering and selling securities of New Global and other companies, for the accounts
22 of others and for their own accounts, by means of interstate commerce or the mails.

23 68. From June 2013 through May 2016, Bio-Global, directly or indirectly,
24 acted as a dealer engaged in the business of offering and selling securities of New
25 Global and other companies, for its own account, by means of interstate commerce or
26 the mails.

27 69. At all times relevant to the Complaint, Welch, Bryant, Knight, Bio-
28 Global, DEI, DED, and the sales agents that they used to solicit investors, were not

1 registered as brokers-dealers or associated with broker-dealers registered with the
2 SEC under Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o(a)(1).

3 **1. Bio-Global, Welch and Bryant Acted As Unregistered Dealers that**
4 **Acquired and Sold New Global Shares for their Own Account.**

5 70. Welch and Bryant controlled Bio-Global. They were officers of Bio-
6 Global and made decisions for the company.

7 71. Welch was a signatory on Bio-Global's bank account and used the
8 account to pay his personal expenses.

9 72. The knowledge of Welch and Bryant is attributed to Bio-Global.

10 73. Bio-Global entered into three promissory notes with New Global in
11 January 2012, November 2012, and July 2013, through which it agreed to loan a total
12 of \$700,000 to New Global. In each agreement, New Global gave Bio-Global the
13 right to convert the principal amounts due under the loan agreements into common
14 shares of New Global and to exercise warrants for more shares.

15 74. Between September 2012 and June 2014, Bio-Global converted the three
16 promissory notes into 2,500,000 common shares of New Global, even though Bio-
17 Global had not fully provided the money to New Global required by the promissory
18 notes.

19 75. In or about November 2013, Bio-Global acquired an additional 500,000
20 New Global common shares from New Global's former president.

21 76. Between August 5, 2013 and June 11, 2014, Bio-Global sold 1,340,230
22 of its New Global common shares through DEI, which sold the shares to public
23 investors.

24 77. DEI did not pay Bio-Global the purported purchase price at the time of
25 delivery of the shares. Instead, DEI made a series of payments between November
26 27, 2013 and October 10, 2014, which totaled approximately \$879,347 to Bio-Global
27 out of the proceeds of its stock sales.

28 78. During 2015, Bio-Global acquired 20,000 preferred shares from New

1 Global.

2 79. On or about March 3, 2015, Bio-Global sold 4,160 preferred shares
3 through DEI, which sold the shares to public investors.

4 80. Between March and August 2015, Bio-Global sold 15,840 preferred
5 shares through DED, which sold the shares to public investors.

6 81. Welch, Bryant, and Bio-Global acted as dealers in the sales of New
7 Global common and preferred stock while each of them was not registered with the
8 SEC as a broker-dealer in violation of Section 15(a)(1) of the Exchange Act.

9 82. Welch and Bryant are also liable under Section 20(b) of the Exchange
10 Act for Bio-Global's actions as an unregistered dealer because they used the company
11 to violate the broker-dealer registration provisions of Section 15(a)(1) of the
12 Exchange Act.

13 **2. DEI, Welch, Bryant and Knight Acted As Unregistered Brokers and**
14 **Dealers in the Sale of the Securities of New Global.**

15 83. Knight caused DEI to be incorporated in May 2013, to offer and sell the
16 securities of New Global that it obtained from Bio-Global.

17 84. Knight was an officer of DEI and its owner, and the sole signatory on
18 DEI's bank account. Knight used part of the New Global sales proceeds to pay his
19 personal expenses.

20 85. In addition to Knight, Welch and Bryant controlled DEI. Knight, Welch
21 and Bryant made decisions for DEI about the means and manner of sale of New
22 Global securities. The knowledge of Knight, Welch and Bryant is attributed to DEI.

23 86. Welch, Bryant and Knight, and the entities they controlled, including
24 DEI, did not respect corporate formalities.

25 87. Between June 2013 and March 2015, DEI acquired 1,340,230 common
26 shares and 4,160 preferred shares of New Global from Bio-Global.

27 88. On or about October 28, 2014, DEI acquired 450,000 common shares
28 directly from New Global.

1 89. Starting in or about June 2013, DEI sold New Global shares through
2 Bechtel and its sales agents.

3 90. Welch and Bryant recruited Bechtel and sales agents to sell New Global
4 securities acquired by DEI. The sales agents made general solicitation using cold
5 calling and investor lead lists.

6 91. Welch and Bryant provided scripts, exemplars of email communications,
7 and information about the merits of the investment in New Global's securities to the
8 Bechtel sales agents with the intention that the sales agents use the information and
9 materials to offer and sell the securities of New Global to prospective investors.
10 Welch and Bryant set the price at which the securities were sold by Bechtel sales
11 agents.

12 92. Some of the Bechtel sales agents used aggressive sales tactics pressuring
13 investors to purchase New Global stock.

14 93. Bechtel requested that some investors execute stock purchase
15 agreements with Bechtel and send payments to Bechtel's office in Northridge,
16 California.

17 94. To fulfil Bechtel's sales agreements, DEI transferred ownership of its
18 New Global shares to investors who had signed stock purchase agreements with and
19 paid Bechtel.

20 95. DEI never received any payment from Bechtel.

21 96. DEI and Knight also received stock purchase agreements and payments
22 from some investors by mail to DEI's office in Boulder Colorado.

23 97. Knight approved the sales transactions by Bechtel and DEI, and directed
24 the transfer agent to deliver the stock certificates to investors.

25 98. Between approximately June 2013 and October 2014, DEI and Bechtel
26 sold approximately 889,989 common shares of New Global in approximately 178
27 transactions with investors. Bechtel received approximately \$509,275 and DEI
28 received approximately \$1,195,749 from the sales.

1 99. On March 3, 2015, DEI acquired 4,160 preferred shares of New Global
2 from Bio-Global.

3 100. DEI, indirectly sold, through DED and its sales agents, 4,160 preferred
4 shares of New Global.

5 101. Knight, Welch and Bryant, through DEI, or other entities that they
6 controlled, paid transaction-based compensation or commissions to the Bechtel sales
7 agents for selling the New Global shares.

8 102. Welch, Bryant, Knight, and DEI acted as a broker and dealer in its sales
9 of New Global common and preferred stock while not registered with the SEC as a
10 broker-dealer in violation of Section 15(a)(1) of the Exchange Act.

11 103. Welch, Bryant, and Knight are also liable under Section 20(b) of the
12 Exchange Act for DEI's actions as an unregistered broker-dealer, because they used
13 the company to violate the broker-dealer registration provisions of Section 15(a)(1) of
14 the Exchange Act.

15 **3. DED, Welch, Bryant and Knight Acted As Unregistered Brokers and**
16 **Dealers in the Sale of the Securities of New Global.**

17 104. Bryant caused DED to be incorporated in 2013 to act as a broker or
18 dealer effecting transactions in the securities of New Global.

19 105. Bryant is the owner of DED, and is a signatory on DED's bank accounts.
20 Bryant used part of DED's New Global sales proceeds to pay his personal expenses.

21 106. Welch, Bryant and Knight controlled DED. Welch, Bryant and Knight
22 made decisions for DED about the means and manner of sale of New Global
23 securities. The knowledge of Welch, Bryant and Knight is attributed to DEI.

24 107. Welch, Bryant, Knight, and the entities they controlled, including DED,
25 did not respect corporate formalities.

26 108. Welch and Bryant recruited sales agents for DED, including through
27 Craig's List, to solicit public investors to purchase New Global securities, and
28 operated "boiler room" call centers in California and Costa Rica. The sales agents

1 used cold calling and investor lead lists to solicit investors.

2 109. Welch and Bryant provided scripts, exemplars of email communications,
3 and information about the merits of the investment in New Global's securities to the
4 DED sales agents with the intention that the sales agents use the information and
5 materials to offer and sell the securities of New Global to prospective investors.
6 Welch and Bryant set the price at which the securities were sold by DED sales agents.

7 110. At the direction of Welch or Bryant, the sales agents made telephone
8 calls and sent email messages actively soliciting prospective investors that were
9 identified from lead lists. They sent stock purchase agreements to investors by
10 courier, and requested return of the agreements with payment to DED by mail to its
11 address in California.

12 111. DED used sales agents to effect transactions in, induce and attempt to
13 induce the purchase or sale of the securities of New Global that it acquired. None of
14 the DED sales agents were registered or associated with broker-dealers registered
15 with the SEC.

16 112. Some of the DED sales agents used aggressive sales tactics pressuring
17 investors to purchase the stock.

18 113. Welch, Bryant, and Knight through DED, DEI, or other entities that they
19 controlled, paid transaction-based compensation or commissions to the DED sales
20 agents for selling the New Global shares.

21 114. In March and April 2014, DED acquired 44,000 shares of New Global
22 from DEI.

23 115. In April 2014, DED effected transactions and sold 44,000 New Global
24 shares to investors for its own account as a dealer.

25 116. Between June 2014 and May 2015, DED effected transactions and sold
26 approximately 785,534 New Global shares on behalf of DEI as a broker.

27 117. On or about March 3, 2015, DED effected transactions and sold 4,160
28 preferred shares of New Global on behalf of DEI as a broker.

1 118. Between March and August 2015, DED acquired 15,840 preferred
2 shares of New Global from Bio-Global.

3 119. Between March and September 2015, DED effected transactions and
4 sold the 15,840 preferred shares of New Global as a broker-dealer.

5 120. During 2015, DED acquired and sold hundreds of thousands of New
6 Global common shares from investors as a dealer.

7 121. DED, Welch, Bryant and Knight continued to sell New Global common
8 shares through at least May 2016.

9 122. Between March 2014 and October 2015, DED sold approximately
10 1,255,067 common shares of New Global in approximately 317 transactions with
11 investors and received approximately \$2,574,195. These sales included DED's
12 resales of New Global common stock that it purchased from investors.

13 123. Between October 2014 and October 2015, DED sold 20,000 preferred
14 shares in approximately 154 transactions with investors and received approximately
15 \$1,843,900.

16 124. Between March 2014 and January 2015, DED transferred to DEI
17 approximately \$475,754 from the proceeds of its sales of New Global common and
18 preferred stock.

19 125. Between August 2014 and November 2015, DED transferred
20 approximately \$2,275,374 to Bio-Global from the proceeds of the New Global
21 common and preferred stock sales.

22 126. Welch, Bryant, Knight and DED effected transactions, induced or
23 attempted to induce sales of the securities of New Global, while each of them was not
24 registered as, or associated with a broker or dealer registered with the SEC in
25 violation of Section 15(a)(1) of the Exchange Act.

26 127. Welch, Bryant, and Knight are also liable under Section 20(b) of the
27 Exchange Act for DED's actions as an unregistered broker-dealer, because they used
28 the company to violate the broker-dealer registration provisions of Section 15(a)(1) of

1 the Exchange Act.

2 128. Welch, Bryant and Knight collaborated in a joint effort to effect
3 transactions and sell the securities of New Global.

4 **II. WELCH, BRYANT AND KNIGHT VIOLATED SECTION 20(b) OF**
5 **THE EXCHANGE ACT.**

6 129. Section 20(b) of the Exchange Act, 15 U.S.C. §78t(b), provides that it is
7 unlawful for any person, directly or indirectly to do any act or thing which it would
8 be unlawful for such person to do under the provisions of the Exchange Act through
9 or by means of any other person.

10 130. Welch, Bryant, and Knight are liable under Section 20(b) of the
11 Exchange Act, 15 U.S.C. § 78t(b), for violations of the broker-dealer registration
12 provisions of Section 15(a)(1) of the Exchange Act, because they, directly or
13 indirectly, acted as brokers and dealers through or by the means of Bio-Global, DED,
14 DEI, Vertex, Bechtel, and various sales agents, while Welch, Bryant and Knight and
15 their sales agents were not registered as broker-dealers or associated with broker-
16 dealers registered with the SEC.

17 **III. WELCH, BRYANT, KNIGHT, BIO-GLOBAL, DEI, DED, WEST AND**
18 **NEW GLOBAL VIOLATED SECTION 5 OF THE SECURITIES ACT**
19 **BY MAKING UNREGISTERED OFFERS AND SALES OF THE**
20 **SECURITIES OF GLOBAL ENERGY OR NEW GLOBAL.**

21 131. Section 5 of the Securities Act, 15 U.S.C. § 77e(a) and(c), makes it
22 unlawful for any person, directly or indirectly, to use interstate commerce or the
23 mails, to sell a security unless a registration statement is in effect as to the security, or
24 to offer to sell a security unless a registration statement has been filed as to such
25 security.

26 **A. Welch and Bryant Made Unregistered Offers and Sales of Global Energy**
27 **Securities through Vertex and Bechtel.**

28 132. Prior to acquiring title to any Global Energy shares, Vertex and its sales

1 agents began soliciting investors and receiving stock purchase agreements and money
2 for the purchase of the shares as early as December 2011.

3 133. Between February 2012 and May 2013, Welch and Bryant, through
4 Vertex, acquired approximately 22,002,428 shares of Global Energy from at least
5 eleven third-parties, which included 1,022,898 shares from Bio-Global, shares from
6 several entities controlled by Bryant, and shares from West and his daughter, all of
7 whom acquired the shares directly from Global Energy.

8 134. Between December 2011 and July 2013, Welch and Bryant, through
9 Vertex and Bechtel, offered and sold at least 20,868,571 shares of Global Energy to
10 more than 300 investors located throughout the United States, including investors
11 within this judicial district, and received approximately \$4,050,449.

12 135. Of the amount of stock sales described above, between September 26,
13 2012 and July 2013, Welch and Bryant, through Vertex and Bechtel, offered and sold
14 approximately 9,311,511 shares for proceeds of approximately \$2,110,852.

15 136. Welch and Bryant, through Vertex, Bechtel, and their sales agents used
16 the means of interstate commerce or the mails in the offers and sales of Global
17 Energy securities, to solicit investors, collect payments for the stock purchases, and
18 deliver the stock certificates to investors throughout the United States, including
19 investors located in this judicial district.

20 137. No registration statement was filed or in effect for offers and sales of
21 Global Energy securities by Welch and Bryant through Vertex and Bechtel.

22 138. Welch and Bryant were indirect sellers due to their participation in the
23 offers and sales of Global Energy securities by Vertex and Bechtel, because they
24 controlled Vertex and Bechtel, acquired the shares to be sold, and made decisions
25 about the number of share to be sold, the price, and the information to be sent to
26 prospective investors. Welch and Bryant also hired the sales agents who solicited the
27 investors and ensured that the sales agents were paid commissions.

28 139. Welch and Bryant were necessary participants and substantial factors in

1 the offers or sales of Global Energy securities by Vertex and Bechtel. But for the
2 actions of Welch and Bryant in acquiring the securities for Vertex, hiring the sales
3 agents, providing information on the investment to the sales agents to use in the offer
4 and sale, and arranging for the delivery of the stock certificates to investors, the offers
5 and sales would not have occurred.

6 140. Welch and Bio-Global were affiliates of Global Energy.

7 141. In early 2012, Bio-Global owned more than 5% of the outstanding
8 shares of Global Energy.

9 142. Bryant was an affiliate of Global Energy.

10 143. In early 2012, Bryant controlled more than 5% of the outstanding shares
11 of Global Energy.

12 144. Welch and Bryant acted as statutory underwriters engaged in the
13 distribution of Global Energy securities to public investors.

14 145. Welch and Bryant recklessly disregarded the statutory requirement that
15 each offer or sale of a security must be the subject of a registration statement filed or
16 in effect with the SEC.

17 **B. New Global and West Made Unregistered Offers and Sales of the**
18 **Securities of New Global to Bio-Global and DEI.**

19 146. New Global offered and sold approximately 400,000 and 440,230 shares
20 of common stock to Bio-Global on June 25, 2013 and June 11, 2014 respectively,
21 through loan conversions.

22 147. New Global offered and sold approximately 450,000 shares to DEI on
23 October 28, 2014.

24 148. Between February and September 2015, New Global offered and sold
25 20,000 shares of preferred stock to Bio-Global.

26 149. West was the CEO and sole director of New Global and controlled its
27 operations.

28 150. New Global and West, directly or indirectly, used the means of interstate

1 commerce or the mails to offer and sell New Global common and preferred shares
2 and deliver the share certificates to Bio-Global and DEI.

3 151. No registration statement was filed or in effect for offers and sales of
4 New Global securities by New Global and West.

5 152. West was an indirect seller of New Global common and preferred shares
6 to Bio-Global and DEI because he negotiated the terms of the sales and authorized
7 and approved the transactions as the sole director of New Global.

8 153. West was a necessary participant and substantial factor in New Global's
9 offers and sales of securities to Bio-Global and DEI. But for West's approval of the
10 sales to Bio-Global and DEI, and the subsequent resales by Bio-Global and DEI to
11 public investors, the offers and sales would not have occurred.

12 154. New Global received approximately \$1,925,800 from Bio-Global for the
13 stock and warrants it acquired. Bio-Global used money received from DEI's and
14 DED's New Global stock sales to provide ongoing funding to New Global.

15 155. New Global paid approximately \$430,601 to West or his law firm out of
16 the funds received from Bio-Global.

17 156. West and New Global recklessly disregarded the statutory requirement
18 that each offer or sale of a security must be the subject of a registration statement
19 filed or in effect with the SEC.

20 **C. Bio-Global, Welch, Bryant, Knight, DEI, DED, and West Made**
21 **Unregistered Offers and Sales of the Securities of New Global.**

22 157. On or about August 5, 2013, Bio-Global, Welch and Bryant offered and
23 sold 400,000 shares of New Global common stock to DEI that Bio-Global acquired
24 directly from New Global.

25 158. DEI and Knight, assisted by Welch, Bryant, Bechtel, and their sales
26 agents, offered and sold the 400,000 shares of New Global between June and October
27 2013, through general solicitation to public investors located throughout the United
28 States and within this judicial district.

1 159. On or about December 17, 2013, Bio-Global, Welch, and Bryant offered
2 and sold 500,000 shares of New Global acquired from the former president of New
3 Global to DEI.

4 160. DEI and Knight, assisted by DED, Welch and Bryant, offered and sold
5 the 500,000 shares of New Global between November 2013 and April 2014, through
6 general solicitation to public investors located throughout the United States and
7 within this judicial district.

8 161. On or about June 11, 2014, Bio-Global, Welch and Bryant offered and
9 sold 440,230 shares of New Global common stock acquired directly from New
10 Global to DEI.

11 162. DEI and Knight, assisted by DED, Welch and Bryant, offered and sold
12 the 440,230 shares between June and October 2014, through general solicitations to
13 public investors located throughout the United States and within this judicial district.

14 163. On or about October 28, 2014, DEI acquired 450,000 shares of common
15 stock directly from New Global.

16 164. DEI and Knight, assisted by DED, Welch, and Bryant, offered and sold
17 the 450,000 shares between November 2014 and March 2015, through general
18 solicitation to public investors located throughout the United States and within this
19 judicial district.

20 165. During 2015, DED acquired approximately 419,387 New Global
21 common shares from investors, who previously purchased the shares from the
22 Defendants.

23 166. DED, assisted by Welch, Bryant, and Knight, offered and sold the
24 419,387 shares during 2015, through general solicitation to public investors located
25 throughout the United States and within this judicial district

26 167. Between February and August 2015, Bio-Global acquired 20,000
27 preferred shares directly from New Global.

28 168. On or about March 3, 2015, Bio-Global, Welch and Bryant offered and

1 sold 4,160 New Global preferred shares to DEI.

2 169. Between March and September 2015, Bio-Global, Welch and Bryant
3 offered and sold 15,840 preferred shares of New Global to DED.

4 170. DEI and DED, assisted by Knight, Welch, and Bryant, offered and sold
5 20,000 preferred shares between approximately February and September 2015,
6 through general solicitation to public investors located throughout the United States
7 and within this judicial district.

8 171. As described above, DEI, with the assistance of Bechtel, sold
9 approximately 889,989 New Global common shares between June 2013 and October
10 2014, in approximately 178 transactions with investors for proceeds of approximately
11 \$1,705,024.

12 172. As described above, DED sold approximately 1,255,067 common shares
13 between June 2013 and October 2015, in approximately 317 transactions with
14 investors for proceeds of approximately \$2,574,195.

15 173. As described above, DEI and DED sold 20,000 preferred New Global
16 shares between March 2015 and October 2015 in approximately 154 transactions
17 with investors for proceeds of approximately \$1,843,900.

18 174. DEI and DED, directly or indirectly, used the means of interstate
19 commerce or the mails in the offers and sales of New Global securities, to solicit
20 investors, collect payments for the stock, and deliver the stock certificates to investors
21 throughout the United States, including investors located in this judicial district.

22 175. Welch, Bryant, and Knight, directly or indirectly, used the means of
23 interstate commerce or the mails in the offer and sale of New Global securities by,
24 among other things, instructing sales agents to contact prospective investors by
25 telephone or email, sending the stock purchase agreements to investors by email,
26 courier or mail, directing investors to mail checks for the purchase of the securities to
27 DEI at its address in Colorado or to Bechtel or DED at addresses in California, and
28 directing the transfer agents in Florida or Colorado to mail the stock certificates to

1 DED in California for delivery to the investors.

2 176. No registration statement was filed or in effect for offers and sales of
3 common stock or preferred stock of New Global by DEI and DED.

4 177. Welch, Bryant, Knight, and Bio-Global were indirect sellers due to their
5 participation in the offers and sales of New Global common and preferred shares by
6 Bechtel, DEI, and DED, because they controlled DEI, DED, and Bechtel, acquired
7 the shares to be sold, and made decisions about the number of share to be sold, the
8 price, and the information to be sent to prospective investors. Welch and Bryant also
9 hired the sales agents who solicited the investors and ensured that the sales agents
10 were paid commissions.

11 178. Welch, Bryant, Knight, and Bio-Global were necessary participants and
12 substantial factors in the offers or sales of New Global common and preferred shares
13 by Bechtel, DEI, and DED. But for the actions of Welch, Bryant, Knight and Bio-
14 Global in acquiring the securities for DEI or DED, hiring the sales agents, providing
15 information on the investment to the sales agents to use in the offer and sale, and
16 arranging for the delivery of the stock certificates to investors, the offers and sales
17 would not have occurred.

18 179. West was an indirect seller due to his participation in the sales by Bio-
19 Global, Bechtel, DEI and DED. West, on behalf of New Global, entered into the loan
20 agreements with Bio-Global, which allowed Bio-Global to obtain the shares that it
21 then immediately resold to the public investors through Bechtel, DEI and DED. West
22 provided the new issuance instructions to the transfer agent to issue the shares to Bio-
23 Global and DEI; and also approved of the immediate transfers of Bio-Global's
24 common and preferred shares to DEI and DED, and subsequent sales and
25 distributions of common shares and preferred shares by DEI and DED to public
26 investors. But for West's actions, the public distribution of New Global securities
27 could not have occurred.

28 180. West was a necessary participant and substantial factor in the resales of

1 New Global stock by Bio-Global, Bechtel, DEI, and DED. West, on behalf of New
2 Global, entered into the loan agreements with Bio-Global, which allowed Bio-Global
3 to obtain the shares that it then immediately resold to the public investors through
4 Bechtel, DEI and DED. West provided the new issuance instructions to the transfer
5 agent to issue the shares to Bio-Global and DEI; and also approved of the immediate
6 transfers of Bio-Global's common and preferred shares to DEI and DED, and
7 subsequent sales and distributions of common shares and preferred shares by DEI and
8 DED to public investors. But for West's actions, the public distribution of New
9 Global securities could not have occurred.

10 181. Bio-Global, Welch and Bryant were affiliates of New Global.

11 182. Starting in November 2012, Bio-Global owned more than 5% of the
12 outstanding shares of New Global, and supplied substantially all of the operating
13 capital for New Global.

14 183. DEI and Knight were affiliates of New Global.

15 184. Starting in 2013, DEI owned more than 5% of the outstanding shares of
16 New Global.

17 185. Welch, Bryant, Knight, Bio-Global, DEI, and DED were statutory
18 underwriters effecting the public distribution of New Global securities.

19 186. All of the Defendants recklessly disregarded the statutory requirement
20 that each offer or sale of a security must be the subject of a registration statement
21 filed or in effect with the SEC.

22 **FIRST CLAIM FOR RELIEF**

23 **Unregistered Broker-Dealer**

24 **Violation of Section 15(a) of the Exchange Act**

25 **(Against Defendants Welch, Bryant, Knight, Bio-Global, DEI and DED)**

26 187. The SEC realleges and incorporates by reference paragraphs 1 through
27 186 above.

28 188. In connection with their offer and sale of the securities of Global Energy

1 or New Global discussed above, Welch, Bryant, Knight, DEI, and DED acted as
2 brokers and dealers engaged in the regular business of effecting transactions in
3 securities for the account of others or buying and selling securities for their own
4 accounts.

5 189. In connection with the offer and sale of the securities of New Global
6 discussed above, Bio-Global acted as a dealer engaged in the regular business of
7 effecting transactions in securities for its own account.

8 190. Welch, Bryant, Knight, Bio-Global, DEI, and DED made use of the
9 mails or the means or instrumentalities of interstate commerce to effect transactions
10 in, or to induce or attempt to induce the purchase or sale of securities while they were
11 not registered with the SEC as a broker-dealer or associated with a broker-dealer
12 registered with the SEC.

13 191. By reason of the conduct described above, Defendants Welch, Bryant,
14 Knight, Bio-Global, DEI, and DED violated, and, unless restrained and enjoined, will
15 continue to violate, Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o(a)(1).

16 **SECOND CLAIM FOR RELIEF**

17 **Liability under Section 20(b) of the Exchange Act**
18 **for Violations of Section 15(a) of the Exchange Act**
19 **(Against Defendants Welch, Bryant and Knight)**

20 192. The SEC realleges and incorporates by reference paragraphs 1 through
21 186 above.

22 193. Defendants Welch, Bryant and Knight violated Section 20(b) of the
23 Exchange Act, 15 U.S.C. § 78t(b), by, directly or indirectly, effecting transactions in
24 the securities of Global Energy or New Global through or by means of Bio-Global,
25 DEI, DED, Vertex, Bechtel, or their sales agents, when the Defendants were not
26 registered as brokers or dealers, which is unlawful under Section 15(a)(1) of the
27 Exchange Act, 15 U.S.C. § 78o(a)(1).

28 194. Welch, Bryant and Knight engaged in acts through or by means of third

1 parties that would have been unlawful for Welch, Bryant and Knight to do themselves
2 under Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o(a)(1).

3 195. By reason of the conduct described above, Defendants Welch, Bryant,
4 and Knight violated, and, unless restrained and enjoined, will continue to violate,
5 Section 20(b) of the Exchange Act, 15 U.S.C. § 78t(b).

6 **THIRD CLAIM FOR RELIEF**

7 **Unregistered Offer and Sale of Securities**

8 **Violations of Sections 5(a) and 5(c) of the Securities Act**

9 **(Against Defendants Welch, Bryant, Knight, Bio-Global, DEI, DED,**
10 **West and New Global)**

11 196. The SEC realleges and incorporates by reference paragraphs 1 through
12 186 above.

13 197. The shares of Global Energy and New Global that the Defendants
14 offered and sold to public investors are “securities” as that term is defined in Section
15 2(a)(1) of the Securities Act and Section 2(10) the Exchange Act, 15 U.S. C. §§
16 77b(a)(1) and 78(b)(10).

17 198. Welch, Bryant, Knight, Bio-Global, DEI, DED, West, and New Global,
18 directly or indirectly, singly or in concert, made use of the means or instruments of
19 transportation or communication in interstate commerce or of the mails to sell
20 securities through the use or medium of a prospectus or otherwise, or caused to be
21 carried through the mails or in interstate commerce by any means or instruments of
22 transportation, securities for the purpose of sale or for delivery after sale when no
23 registration statement was in effect as to those securities.

24 199. Welch, Bryant, Knight, Bio-Global, DEI, DED, West and New Global,
25 directly or indirectly, singly or in concert, made use of the means or instruments of
26 transportation or communication in interstate commerce or of the mails to offer to sell
27 or offer to buy securities through the use or medium of a prospectus or otherwise,
28 when no registration statement had been filed for those securities.

1 200. By reason of the conduct described above, Welch, Bryant, Knight, Bio-
2 Global, DEI, DED, West and New Global violated and, unless restrained and
3 enjoined, will continue to violate Sections 5(a) and 5(c) of the Securities Act , 15
4 U.S.C. §§ 77e(a) and 77e(c).

5 **PRAYER FOR RELIEF**

6 WHEREFORE, the SEC respectfully requests that the Court:

7 **I.**

8 Find that each of the Defendants committed the violations alleged in this
9 Complaint;

10 **II.**

11 Enter injunctions, in a form consistent with Rule 65(d) of the Federal Rules of
12 Civil Procedure, permanently restraining and enjoining each of the Defendants from
13 violating, directly or indirectly, the laws and rules alleged against them in this
14 Complaint;

15 **III.**

16 Order the Defendants to disgorge any and all ill-gotten gains, together with
17 pre-judgment interest, derived from the improper conduct alleged in this Complaint;

18 **IV.**

19 Order that each of the Defendants pay civil money penalties pursuant to
20 Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d) of the
21 Exchange Act, 15 U.S.C. § 78u(d), in an amount to be determined by the Court, plus
22 post-judgment interest;

23 **V.**

24 Order all of the Defendants to be permanently restrained and enjoined from
25 engaging in any offering of a penny stock pursuant to Section 20(g) of the Securities
26 Act, 15 U.S.C. § 77t(g), and Section 21(d)(6) of the Exchange Act, 15 U.S.C. §
27 78u(d)(6);
28

1 **VI.**

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

6 **VII.**

7 Grant such other and further relief as this Court may determine to be just and
8 necessary.

9 Dated: September 27, 2017

10 Jury Trial Demand

11 Respectfully Submitted,

12
13 /s/ Douglas M. Miller

14 Douglas M. Miller

15 Attorney for Plaintiff

16 Securities and Exchange Commission
17
18
19
20
21
22
23
24
25
26
27
28

Complaints and Other Initiating Documents

[5:17-cv-01968 Securities and Exchange Commission v. Welch et al](#)

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Notice of Electronic Filing

The following transaction was entered by Miller, Douglas on 9/27/2017 at 2:06 PM PDT and filed on 9/27/2017

Case Name: Securities and Exchange Commission v. Welch et al

Case Number: [5:17-cv-01968](#)

Filer: Securities and Exchange Commission

Document Number: [1](#)

Docket Text:

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

5:17-cv-01968 Notice has been electronically mailed to:

Douglas M Miller millerdou@sec.gov, caseview.ECF@usdoj.gov, irwinma@sec.gov, longoa@sec.gov, usacac.criminal@usdoj.gov

5:17-cv-01968 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\Welch\Complaint.pdf

Electronic document Stamp:

[STAMP cacdStamp_ID=1020290914 [Date=9/27/2017] [FileNumber=24284009-0]
] [aca78f389fcf1511622c1c3735c93ae77f2b82d96706be9bf9e0793c0ba93dfb608
0539e5b6502bd1c09f4ad4b3fb980cc9cea6cb55f2428831ceaf6d8e4b47b]]