UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF OHIO

UNITED STATES SECURITIES AND EXCHANGE COMMISSION,	
Plaintiff,	**CASE NO. 18-cv-320**
v.	
JOHN GREGORY SCHMIDT	**JURY DEMANDED**
Defendant.	

COMPLAINT

Plaintiff United States Securities and Exchange Commission (the "SEC" or "Commission") alleges as follows:

1. For the past 35 years, Defendant John Gregory Schmidt has been a registered representative associated with a series of broker-dealers, including the past 11 years with a large, SEC-registered broker-dealer. ("Broker A"). Over his career, Schmidt attracted a loyal base of retail brokerage customers who trusted Schmidt to guide their financial decisions as they approached retirement.

2. From at least 2003 through 2017, Schmidt betrayed his customers' trust by perpetrating a classic fraudulent scheme: he robbed Peter to pay Paul. Schmidt – acting without customer authorization – repeatedly sold securities belonging to some of his brokerage customers and secretly transferred the sale proceeds to cover shortfalls in the accounts of other customers.

3. In total, between 2003 and October 2017, Schmidt misappropriated over $1.16 million from accounts belonging to seven customers (the "Misappropriation

Customers") and transferred that cash to at least ten other customers whose accounts were experiencing shortfalls (the "Shortfall Customers").

4. During Schmidt's scheme, the Shortfall Customers' periodic withdrawals were exhausting their assets. Rather than tell those customers the truth about their dwindling funds, Schmidt (a) sent them fake account statements that grossly overstated their account balances and (b) falsely assured the Shortfall Customers that their investment returns could fund their withdrawals without jeopardizing their principal.

5. Schmidt's secret shifting of funds amongst customer accounts allowed the Shortfall Customers to continue to make withdrawals and prevented them from discovering Schmidt's lies about their investments and account balances.

6. In executing his fraud, Schmidt deceived his clients, submitted fraudulent deposit information to Broker A, and sent fraudulent withdrawal forms to the issuers of annuities owned by his customers.

7. Schmidt's customer-victims were particularly vulnerable. Most were elderly retirees with little to no financial expertise. Several of Schmidt's victims were suffering from Alzheimer's disease or other forms of dementia. At least five of Schmidt's victims passed away during the course of his fraud.

8. Schmidt's scheme was profitable. From February 2013 through October 2017, Schmidt received over $230,000 in commissions from customers who were either the source of, or recipient of, misappropriated funds.

9. By making material misrepresentations and omissions to investors, and by misappropriating over $1.16 million of client assets, Schmidt has committed securities fraud in violation of Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act")

[15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. 240.10b-5] and Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)].

JURISDICTION AND VENUE

10. The SEC brings this action under Securities Act Section 20(b) [15 U.S.C. §77t(b)], and Exchange Act Sections 21(d) and (e) [15 U.S.C. §§78u(d) and 78u(e)].

11. This Court has jurisdiction over this action pursuant to Section 22 of the Securities Act [15 U.S.C. § 77v] and Section 27 of the Exchange Act [15 U.S.C. § 78aa].

12. Venue is proper in this Court pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Many of the acts, practices, and courses of business underlying the alleged violations occurred within the jurisdiction of the United States District Court for the Southern District of Ohio.

13. Defendant Schmidt is a resident of Bellbrook, Ohio and – at all times relevant to the claims in this Complaint – Schmidt worked out of an office in Dayton, Ohio.

14. Defendant Schmidt directly and indirectly made use of the means or instruments of transportation or communication in interstate commerce, or the means and instrumentalities of interstate commerce, or of the mails, or of any facility of any national securities exchange in connection with the acts, practices, and courses of business alleged herein.

DEFENDANT

15. **John Gregory Schmidt**, age 67, has over 35 years of experience working as a registered broker-dealer representative. Most recently, from December 2006 until his termination on October 24, 2017, Schmidt worked as a registered representative in an independent branch office of Broker A, a large nationwide broker-dealer and investment

adviser that was registered with the Commission. Broker A fired Schmidt in October 2017 based on some of the conduct described in this Complaint. From at least 2003 through October 2017, Schmidt held the following licenses issued by the Financial Industry Regulatory Authority ("FINRA"): Series, 7, Series 24, Series 63 and Series 65. He also was a certified financial planner. On December 26, 2017, FINRA suspended Schmidt and, on March 5, 2018, it permanently barred Schmidt from association with any FINRA member.

FACTS

Schmidt's Brokerage Business

16. Defendant John Gregory Schmidt has been in the financial industry for over 35 years. In that time, he has worked for – or been associated with – at least five different broker-dealers. From December 2006 until October 2017, Schmidt acted as a registered representative and the branch manager of an independent office of Broker A.

17. Schmidt was the sole licensed broker in his office and executed and/or approved all of the transactions for the customers identified below.

18. By October 2017, Schmidt had approximately 325 retail brokerage customers, at least half of whom had been using him as their broker for more than 10 years. When Schmidt transferred to Broker A in 2006, most of his customers moved their accounts to Broker A so they could continue their relationship with Schmidt. Schmidt recruited his brokerage customers and formed close personal relationships with many of them.

19. A significant percentage of Schmidt's customers were retirees who relied on periodic withdrawals from their accounts to pay their living expenses.

20. Schmidt did not charge his customers an advisory or management fee. Instead, he received a commission on each securities transaction.

Schmidt Lied to His Customers and Sent Them Fake Account Statements to Conceal Shortfalls in Their Accounts

21. Between 2003 and October 2017, several of Schmidt's customers – who made frequent withdrawals for retirement income or other expenses – were experiencing shortfalls in their accounts. While those Shortfall Customers thought they had enough assets to continue withdrawals over the long term, in reality, they were rapidly depleting their principal and were in danger of exhausting their assets. Between February 2013 and October 2017, five of Schmidt's long-time customers were experiencing such shortfalls (these five clients are referred to individually as "SC-1" through "SC-5").

22. Rather than tell the Shortfall Customers the truth about their account balances, Schmidt concealed the shortfalls from his customers and repeatedly lied to them about the true state of their investments.

23. Schmidt hid the dire condition of the Shortfall Customers' brokerage accounts by creating – and distributing by U.S. Mail – fake account statements that included (a) materially inflated account balances and (b) fictitious securities holdings.

24. For example, between January 2015 and October 2017, the actual value of SC-1's account never exceeded $20,000. During that period, SC-1 was withdrawing $11,700 each month to cover his living expenses in retirement. These withdrawals would have quickly depleted SC-1's account balance absent the deposit of new principal.

25. Rather than tell SC-1 his real account balance, Schmidt created and sent to SC-1 fake account statements showing a total balance between $1.5 and $1.7 million – over 75 times the account's actual value. The fake statements included (a) inflated balances for securities that SC-1 owned and (b) securities holdings that, in reality, SC-1 did not own.

26. Similarly, in March 2013, the actual value of SC-4's account was approximately $3,400. SC-4 was using the account to pay for occasional major family expenses. For example, in January 2013, SC-4 withdrew $5,000 to pay for her daughter's education expenses. By March 2013, SC-4 no longer had sufficient assets in her account and could not maintain her pattern of withdrawals without additional principal deposits.

27. Instead of revealing the account's dwindling balance, Schmidt hid the true condition of SC-4's account by sending her a fake account statement for March 2013, listing cash and securities valued at $187,369 – over 50 times the account's actual value. Again, the fake statement included (a) inflated balances for securities that SC-4 owned and (b) securities holdings that, in reality, SC-4 did not own.

28. From February 2013 through October 2017, Schmidt repeatedly created fake account statements and sent them by U.S. Mail to at least three of the Shortfall Customers. He sent fake statements every month to SC-1 and every six months to SC-4 and SC-5. Each of those statements included materially inflated account balances and fictitious securities holdings.

29. To execute his fraud, Schmidt told SC-1, SC-4, and SC-5 that they should rely on the fake statements he sent and ignore the accurate statements sent to them by Broker A. Schmidt falsely assured those three Shortfall Customers that Broker A's account statements showed a lower balance because some of the customers' securities (a) were held by custodians other than Broker A or (b) were not reflected on the "official" brokerage statements for tax reasons.

30. Schmidt made other false statements to his customers to hide the shortfalls in their accounts. For example, he told at least three Shortfall Customers during telephone

calls and in-person meetings that the assets in their brokerage accounts were sufficient to meet their ongoing withdrawal requests. Similarly, Schmidt told two of the Shortfall Customers – SC-1 and SC-4 – that their investments were generating gains sufficient to cover their withdrawals and that the withdrawals would not reduce their principal.

31. Schmidt acted with scienter in making the misrepresentations in ¶¶ 23-30. He deliberately: (a) created and distributed the fake account statements, (b) provided false assurances about discrepancies between those statements and those distributed by Broker A, and (c) lied to customers about the balance in their accounts and their ability to make withdrawals to fund their living expenses in retirement and other major outlays.

32. Schmidt's misrepresentations to the Shortfall Customers – identified in ¶¶ 23-30 above – were material. He told customers that they held securities they didn't own, that their account balances were substantially higher than reality, and that their withdrawal patterns were sustainable when they were not. Schmidt's lies spoke to the very nature and amount of victims' investments.

Schmidt Fraudulently Sold Securities Belonging to the Misappropriation Customers and Transferred the Proceeds to the Shortfall Customers

33. Schmidt could not hide the dire condition of the Shortfall Customers' accounts through misrepresentations and fake account statements alone. The Shortfall Customers' withdrawals eventually would have overdrawn the accounts, thereby exposing Schmidt's fraud. To satisfy the continuing withdrawal requests and to conceal the true status of the Shortfall Customers' accounts, starting no later than 2003, Schmidt began selling securities in the accounts of the Misappropriation Customers without authorization and transferring the resulting proceeds to, or for the benefit of, the Shortfall Customers.

34. Schmidt took money from the Misappropriation Customers in two ways. He: (a) executed unauthorized sales of and withdrawals from variable annuities held by six of the Misappropriation Customers and (b) fraudulently used customer Letters of Authorization to transfer funds.

35. When Schmidt executed his unauthorized annuity sales and fraudulent transfers using customer Letters of Authorization, he took several steps to hide the transactions from his customers, the annuity issuers, and Broker A.

36. Between 2003 and October 2017, Schmidt took a total of $1,169,193 from seven Misappropriation Customers without permission, including over $782,000 that Schmidt took from five Misappropriation Customers between February 2013 and November 2017 (those five customers are referred to individually as "MC-1" through "MC-5"). Schmidt transferred those misappropriated funds to, or for the benefit of, the Shortfall Customers.

37. Schmidt did not disclose to the Misappropriation Customers or the Shortfall Customers that he was shifting funds from the former to the latter.

38. In deciding which accounts he would take money from, Schmidt targeted his most vulnerable customers – *i.e.*, the customers least likely to notice that money was missing from their accounts.

39. All of the Misappropriation Customers were elderly and had little financial experience. At the time of his misappropriations, Schmidt knew that at least two of the customers he targeted (MC-1 and MC-3) had been diagnosed with dementia or Alzheimer's disease. In one instance, Schmidt continued to defraud a customer after his death. Schmidt made unauthorized withdrawals from the account of MC-1 even after MC-1 passed away

on March 15, 2015. The Misappropriation Customers rarely made withdrawals for themselves, making it less likely that they would discover Schmidt's fraud by overdrawing their accounts.

40. Figure 1 below summarizes Schmidt's unauthorized withdrawals from the Misappropriation Customers' accounts between February 2013 and October 2017:

Figure 1:

MISAPPROPRIATION CUSTOMER	AGE (as of 2/2013)	AMOUNT TAKEN AFTER FEB. 2013
MC-1	80	$365,875.90
MC-2	77	$152,000.00
MC-3	72	$98,806.14
MC-4	85	$5,000
MC-5	76	$161,170.00
		TOTAL: $782,852.04

41. Figure 2 summarizes Schmidt's surreptitious transfer of that $782,852.04 into the accounts of the Shortfall Customers between February 2013 and October 2017:

Figure 2:

SHORTFALL CUSTOMER	AGE (as of 2/2013)	TRANSFERS INTO ACCOUNT (2/2013 – 10/2017)
SC-1	75	$589,408.67
SC-2	87	$4,000
SC-3	85	$49,166.27

SC-4	66	$100,977.10
SC-5	82	$39,300.00
	TOTAL:	**$782,852.04**

42. From February 2013 through October 2017, Schmidt received more than $230,000 in brokerage commissions from accounts held by the defrauded customers identified in Figure 1 and Figure 2 above.

Schmidt's Fraudulent Execution of Unauthorized Annuity Sales

43. Most of the funds that Schmidt took came from the unauthorized sale of variable annuities owned by the Misappropriation Customers. Variable annuities are securities.

44. From at least 2003 until January 2017, Schmidt completed at least 62 unauthorized sales and withdrawals from variable annuities owned by his customers, totaling more than $927,000. This includes approximately $541,182 of unauthorized sales between February 2013 and October 2017.

45. The Misappropriation Customers did not authorize any of the transfers from their variable annuities to the Shortfall Customers identified in ¶ 44.

46. During his scheme, Schmidt continued to buy annuities on behalf of the Misappropriation Customers. When his unauthorized withdrawals depleted a particular annuity, Schmidt would target another customer annuity as a source of funds for his scheme. On several occasions, Schmidt induced a Misappropriation Customer to buy a new annuity, and began selling it without authorization for benefit of the Shortfall Customers within a few months of its purchase. Each annuity from which Schmidt made unauthorized

withdrawals was bought by Schmidt on behalf of a Misappropriation Customer. Misappropriation Customers were not told at the time of an annuity purchase that Schmidt (a) had been making unauthorized annuity withdrawals as part of a fraudulent scheme and (b) in at least some instances, planned to quickly liquidate the annuity and send the proceeds to the Shortfall Customers.

47. When making an unauthorized withdrawal from a customer's annuity, Schmidt completed and sent a fraudulent withdrawal request form to the annuity issuer. On the form, Schmidt requested that the issuer send a check payable to an "alternate payee" – *i.e.*, one of the Shortfall Customers. Schmidt then requested that the issuer either send the check to Schmidt's office or directly to the Shortfall Customer. On at least some of these withdrawal request forms, Schmidt forged the signature of the account holder.

48. To conceal the unauthorized annuity sales from Broker A, Schmidt destroyed or discarded the fraudulent withdrawal forms after they were submitted to the annuity companies.

49. To conceal unauthorized transactions from the Misappropriation Customers, Schmidt took steps to prevent those customers from receiving confirmations of the annuity sales. Specifically, Schmidt created fake email accounts – which he controlled – for at least two of the Misappropriation Customers (MC-2 and MC-3). Schmidt then instructed the annuity issuers to send confirmation documents to the fake email accounts that he controlled.

50. Schmidt also took steps to conceal from Broker A the deposit of misappropriated funds into the Shortfall Customers' accounts. When depositing funds into a customer's account, Schmidt was required to submit a "service request" through Broker A's

electronic transaction system. For check deposits, a service request included detailed information regarding the deposit, including the source of the check.

51. When Schmidt deposited the proceeds of an unauthorized annuity sale into a Shortfall Customer's account, Schmidt submitted a false service request on Broker A's electronic system that altered or concealed the source of the payment. For example, in a March 23, 2016 service request related to an unauthorized transfer to SC-1's account, Schmidt described the deposit as a "personal check" when, in reality, it was a check from an annuity issuer reflecting an unauthorized withdrawal from MC-2's account. Likewise, on December 8, 2016, when depositing misappropriated funds into SC-1's account, Schmidt entered a false service request on Broker A's system stating that the deposit was a "rollover" from a qualified retirement plan belonging to SC-1. In reality, the deposit reflected the unauthorized sale and withdrawal from an annuity in MC-3's account.

52. Schmidt acted with scienter. He personally executed or approved each of the unauthorized annuity sales identified in ¶ 44 above. In each instance, he deliberately submitted fraudulent withdrawal forms and service requests to hide the true nature of the transactions.

53. Schmidt's misrepresentations to the annuity issuers and Broker A during his fraudulent scheme were material. Schmidt's misrepresentations went to the core of the issuers' and Broker A's role and responsibilities in executing customer transactions, including the critical fact that Schmidt was placing sales orders, and withdrawing funds, without authorization from the account holders.

Schmidt's Fraudulent Use of Customer Letters of Authorization

54. From January 2013 through September 2017, Schmidt used letters of authorization ("LOAs") to liquidate securities and transfer more than $241,000 in proceeds from the accounts of four Misappropriation Customers. These LOAs purportedly provided Schmidt with a standing authorization to transfer funds or securities from a brokerage account to a specified payee without further approval from the customer.

55. Schmidt sold securities in the accounts of MC-1, MC-2, and MC-3 and used LOAs that purported to be signed by them to pay the premiums owed on designated life insurance policies. However, the life insurance policies listed by Schmidt on the LOAs were not owned by MC-1, MC-2 or MC-3. Instead, unbeknownst to those customers, the policies identified in the LOAs were owned by the Shortfall Customers – *i.e.*, people that these Misappropriation Customers did not even know.

56. In total, between February 2013 and October 2017, Schmidt liquidated securities in the accounts of MC-1, MC-2, and MC-3 and used LOAs to make at least 26 separate transfers totaling $80,500 to pay life insurance premiums for some of the Shortfall Customers.

57. Schmidt never disclosed to MC-1, MC-2, or MC-3 that he was using their LOAs to withdraw funds to pay the premiums for life insurance policies of total strangers.

58. Schmidt also fraudulently induced MC-5 to sign an LOA authorizing Schmidt to transfer funds from her brokerage account to her husband's (SC-1's) account. In January and April 2017, Schmidt told MC-5 and SC-1 that he could not execute further withdrawals from SC-1's brokerage accounts because the securities in those accounts were restricted.

59. Schmidt recommended that MC-5 transfer funds from her brokerage account to her husband (SC-1), and promised that the money would be returned as soon as Schmidt was able to sell securities in SC-1's accounts.

60. Schmidt's advice was premised on yet another lie. In reality, SC-1 did not own any restricted securities and Schmidt's inability to process withdrawals had nothing to do with any sales restrictions on SC-1's holdings. Rather, Schmidt could not fund SC-1's withdrawals because the account was running out of assets. At that time, SC-1's brokerage accounts held less than $13,000 in cash and securities. Schmidt's promise to return funds to MC-5 was hollow; there were not enough assets in SC-1's accounts to reimburse MC-5.

61. Based on Schmidt's misrepresentations, MC-5 signed two LOAs authorizing Schmidt to transfer funds from her brokerage accounts to SC-1's accounts. Between January 1, 2017 and September 29, 2017, Schmidt sold securities in MC-5's brokerage accounts and transferred $161,170 of sale proceeds to SC-1.

62. Schmidt acted with scienter when he lied to MC-5 about why her husband could not make further withdrawals. At the time he obtained the LOA from MC-5, Schmidt knew that (a) SC-1 did not own restricted securities, (b) SC-1 could not make further withdrawals because his account balance was almost depleted, and (c) Schmidt's promise to return funds to MC-5 was without substance.

63. Schmidt's misrepresentations to MC-5 were material. He lied about the very reason for the transfers, and made an empty promise of reimbursement.

Schmidt's Scheme Unravels

64. Schmidt's scheme began to unravel in the summer of 2017 when he was asked to respond to an investigative inquiry by the Ohio Department of Insurance ("ODI").

65. Although he was aware of the ODI's investigation, Schmidt did not stop his fraud. Instead, after he learned of the ODI inquiry, Schmidt tried to ensnare a new victim.

66. Customer X, a sixty-nine year-old retiree, had been a customer of Schmidt's for approximately thirty years. In January 2017, Schmidt convinced Customer X to buy a variable annuity.

67. Shortly after selling the annuity to Customer X, Schmidt created a fake email address in Customer X's name and asked the annuity's issuer ("Issuer A") to send statements, confirmations and other documents to that fake email address.

68. On August 23, 2017 – as he had done dozens of times with the Misappropriation Customers – Schmidt tried to sell securities out of Customer X's annuity and transfer the proceeds to a Shortfall Customer. On that date, Schmidt mailed a request to Issuer A ordering the sale of $2,200 in securities held in Customer X's annuity and asking that the proceeds be transferred to SC-4. Customer X did not know SC-4 and did not authorize the withdrawal or the transfer.

69. Schmidt's attempt to misappropriate funds from Customer X failed. On August 28, 2017, Issuer A told Schmidt that it could not issue a check payable to a third party.

70. Faced with that roadblock, Schmidt tried to cover his tracks. He falsely told Issuer A that he had discussed the withdrawal with Customer X, and asked Issuer A to cancel the transaction. Schmidt then falsely assured Customer X that he did not know who had submitted the withdrawal request and suggested that it may have been an attempt at identity theft.

71. In October 2017, Broker A terminated Schmidt's employment after learning of the fake account statements that Schmidt sent to the Shortfall Customers.

72. During its investigation into Schmidt's securities law violations, the SEC issued investigative subpoenas to Schmidt, requiring him to appear and provide testimony under oath regarding his misappropriation of investor funds.

73. On March 7, 2018, Schmidt refused to answer the SEC's substantive questions and instead invoked his right against self-incrimination under the Fifth Amendment to the U.S. Constitution.

COUNT I
Violations of Section 10(b) of the Exchange Act, and Exchange Act Rule 10b-5

74. Paragraphs 1 through 73 are realleged and incorporated by reference.

75. As more fully described in paragraphs 21 through 73, Defendant Schmidt, in connection with the purchase and sale of securities, by the use of the means and instrumentalities of interstate commerce and by the use of the mails, directly and indirectly: used and employed devices, schemes and artifices to defraud; made untrue statements of material fact and 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; and engaged in acts, practices and courses of business which operated or would have operated as a fraud and deceit upon purchasers and prospective purchasers of securities.

76. As described in more detail in paragraphs 21 through 73 above, Defendant Schmidt acted with scienter in that he knowingly or recklessly made the material misrepresentations and omissions and engaged in the fraudulent scheme identified above.

77. By reason of the foregoing, Defendant Schmidt violated Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5 thereunder [17 C.F.R. 240.10b-5].

COUNT II
Violations of Section 17(a)(1)-(3) of the Securities Act

78. Paragraphs 1 through 73 are realleged and incorporated by reference as though fully set forth herein.

79. By engaging in the conduct described in paragraphs 21 through 73 above, Defendant Schmidt, in the offer and sale of securities, by the use of the means and instruments of interstate commerce, directly or indirectly has:

a. employed devices, schemes and artifices to defraud;

b. obtained money or property by means of untrue statements of material fact or by omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

c. engaged in transactions, practices, or courses of business that operated or would operate as a fraud or deceit upon the purchasers of such securities.

80. Defendant Schmidt intentionally or recklessly engaged in the devices, schemes, artifices, transactions, acts, practices and courses of business described above.

81. Defendant Schmidt also acted, at least, negligently in engaging in the conduct identified in ¶¶ 21 through 73 above.

82. By reason of the foregoing, Defendant Schmidt violated Section 17(a)(1)-(3) of the Securities Act [15 U.S.C. § 77q(a)(1)-(3)].

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court:

I.

Issue findings of fact and conclusions of law that Defendant Schmidt committed the violations charged and alleged herein.

II.

Enter an Order of Permanent Injunction restraining and enjoining Defendant Schmidt, his officers, agents, servants, employees, attorneys and those persons in active concert or participation with defendants who receive actual notice of the Order, by personal service or otherwise, and each of them from, directly or indirectly, engaging in the transactions, acts, practices or courses of business described above, or in conduct of similar purport and object, in violation of Section 17(a) of the Securities Act [15 U.S.C. §§ 77q(a)], and Section 10(b) of the Exchange Act [15 U.S.C. § 78j] and Rule 10b-5 [17 CFR § 240.10b-5] thereunder.

III.

Issue an Order requiring Defendant Schmidt to disgorge the ill-gotten gains received as a result of the violations alleged in this Complaint, including prejudgment interest.

IV.

Issue an Order imposing upon Defendant Schmidt appropriate civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

VI.

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

VII.

Grant such other relief as this Court deems appropriate.

JURY DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the Commission hereby requests a trial by jury.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

September 25, 2018

By: ***/s/Timothy S. Leiman*** __________
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