

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

-against-

WILLIAM ANDREW STACK, ESQ.,

Defendant.

Civil Action No.: 1:21-cv-51

COMPLAINT

Plaintiff Securities and Exchange Commission (“Commission”), for its Complaint against Defendant William Andrew Stack, Esq. (“Stack” or “Defendant”), alleges as follows:

SUMMARY

1. From approximately April 2016 through September 2016 (the “Relevant Period”), Stack, a licensed lawyer, acted as the nominal chief executive officer, president, treasurer, secretary, and director of Preston Corp. (a/k/a Preston Royalty Corp.) (“Preston Corp.”), a penny stock issuer that purported to provide royalty financing to gold mining operations.

2. Stack agreed to serve in these positions—and accept the attendant legal risks that came with them—because Preston Corp.’s undisclosed control person, William S. Marshall (“Marshall”), promised to pay Stack handsomely to do so, and Stack needed the money.

3. During the Relevant Period, Preston Corp., through Stack, raised over \$333,000 from more than fifty-five retail investors around the country in a private placement of Preston Corp.’s common stock. This private placement was illegal—Preston Corp. did not register this securities offering with the Commission, and no exemption from the securities laws’ registration requirements applied.

4. Preston Corp., through Stack, defrauded investors in the private placement by knowingly making and disseminating materially false and misleading statements to investors in an offering memorandum and in a series of press releases. Among other things, Preston Corp., through Stack, misled investors by touting purported contracts with third parties that did not exist, and by omitting to tell investors that Stack was acting as Preston Corp.'s figurehead CEO to enrich himself and the company's undisclosed control person, Marshall.

5. Indeed, Stack further defrauded investors by misappropriating the proceeds of the offering, spending more than \$75,000 of investor money on personal expenses and transferring more than \$225,000 to Marshall. Stack did so, despite knowing that the offering documents given to investors to solicit their investments expressly stated that every dollar raised in the private placement would be used to acquire gold mines.

6. On September 2, 2016, the Commission suspended trading in Preston Corp.'s securities for a period of ten business days because of questions regarding the adequacy and accuracy of available information about Preston Corp. in the marketplace. Specifically, the Commission cited a false statement that Preston Corp. made in an August 10, 2016 press release and inaccuracies in a September 1, 2016 press release that purported to clarify the August 10th release. Preston Corp. has been shuttered ever since.

VIOLATIONS

7. By virtue of the foregoing conduct and as alleged further herein, Stack violated Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a) and 77e(c), 77q(a)], and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. Stack further aided and abetted Preston Corp.'s violations of Sections 5(a), 5(c), and 17(a) of the

Securities Act [15 U.S.C. §§ 77e(a) and 77e(c), 77q(a)], and 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].

8. Unless Stack is restrained and enjoined, he will engage in the acts, practices, transactions, and courses of business set forth in this Complaint or in acts, practices, transactions, and courses of business of similar type and object.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

9. The Commission brings this 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)].

10. The Commission seeks a final judgment: (a) permanently enjoining Stack from engaging in the acts, practices, and courses of business alleged here against him and from committing future violations of the provisions of the federal securities laws he is alleged to have violated; (b) ordering Stack to disgorge the ill-gotten gains he received as a result of the violations alleged here and to pay prejudgment interest thereon under Sections 21(d)(3) and (d)(7) of the Exchange Act [15 U.S.C. §§ 78u(d)(3) and (d)(7)]; (c) ordering Defendant to pay civil money 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)]; (d) permanently prohibiting Stack from serving as an officer or director of any company that has a class of securities registered under Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports under Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)] pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)]; (e) permanently prohibiting Stack from participating in any offering of a penny stock pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)]; (f) permanently enjoining

Stack from directly or indirectly providing professional legal services to any person or entity in connection with the offer or sale of securities pursuant to, or claiming, an exemption under Regulation D, or any other exemption from the registration provisions of the Securities Act; and (g) ordering any other and further relief the Court may deem just and proper.

JURISDICTION AND VENUE

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

12. Defendant, directly and indirectly, has made use of the means or instrumentalities of interstate commerce or of the mails in connection with the transactions, acts, practices, and courses of business alleged herein. Among other things, during the Relevant Period, Defendant resided and maintained an office in this District.

13. Venue lies in this District under Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa] because certain transactions, acts, practices, and courses of business constituting the violations alleged herein occurred within the Western District of Texas. Among other things, Preston Corp. told investors that its principal place of business was in Austin, Texas. In addition, Preston Corp., through Stack, conducted the fraudulent and unregistered private placement out of Stack's home in the Western District of Texas.

DEFENDANT

14. **Stack**, age 50, was Preston Corp.'s nominal CEO and president during the Relevant Period. Stack is licensed to practice law in Oklahoma and has maintained his own securities law practice since 2000. During the Relevant Period, Stack resided in Spicewood, Texas. He formerly maintained an office in Austin, Texas.

RELEVANT INDIVIDUALS AND ENTITY

15. **Marshall**, age 61, was Preston Corp.'s undisclosed control person. Marshall resides in Calgary, Canada and Cabo San Lucas, Mexico. Marshall has never been registered with the Commission in any capacity. Marshall was the subject of an SEC enforcement action concerning an earlier unregistered and fraudulent microcap offering in which he consented to a final judgment. (*See* footnote 1 and accompanying text in para. 29 below.)

16. **Individual-2**, age unknown, was a former client of Stack's and an associate of Marshall's. Individual-2 resides in British Columbia, Canada.

17. **Preston Corp.** was incorporated in Nevada in January 2013 and purported to have a principal place of business in Stack's former office in Austin, Texas. At all relevant times, Preston Corp.'s common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act [15 U.S.C. § 78l(g)]. During the Relevant Period, Preston Corp.'s common stock met the definition of a "penny stock" under Section 3(a)(51) of the Exchange Act [15 U.S.C. § 78c(a)(51)] and Rule 3a51-1 thereunder [17 C.F.R. § 240.3a51-1], because the stock traded below five dollars per share and did not satisfy any of the exceptions to the definition of "penny stock" set forth in Rule 3a51-1. During the Relevant Period, the OTC Link, an interdealer quotation service operated by the OTC Markets Group Inc., quoted the prices of Preston Corp.'s shares of common stock.

FACTS

I. BACKGROUND

A. Preston Corp.

18. In January 2013, Preston Corp. was incorporated in Nevada.

19. On July 8, 2014, Preston Corp. became a reporting company with the Commission under Section 12(g) of the Exchange Act.

20. During the Relevant Period, Preston Corp. purported to specialize in royalty financing for mining operations.

21. Preston Corp. never earned any revenues and was never profitable.

22. Preston Corp. ceased filing any reports with the Commission in August 2016.

23. On September 2, 2016, the Commission suspended trading in Preston Corp.'s securities for a period of ten business days.

24. On June 20, 2019, the Commission initiated a proceeding under Section 12(j) of the Exchange Act that revoked the registration of Preston Corp.'s securities.

B. Stack

25. Stack is an attorney licensed by and currently authorized to practice law in Oklahoma.

26. Stack's Oklahoma bar license has previously been suspended for failure to pay dues and "for noncompliance with the Rules for Mandatory Continuing Legal Education."

27. Stack's securities law practice has included representing individuals and entities in the over-the-counter penny stock market.

28. Stack has filed for bankruptcy protection at least five times, including on February 1, 2016 in the Western District of Texas. That petition was subsequently dismissed, without being administered, on February 18, 2016.

C. Stack Becomes Preston Corp.’s Nominal CEO

29. In late 2015, Individual-2 contacted Stack and told him that he and Marshall were “involved” with a company—Preston Corp.—that they wanted to have invest in the royalty streams of a gold mine that Marshall owned.¹

30. Individual-2 initially asked Stack if he would conduct an investigation of Preston Corp.’s former CEO, who Individual-2 claimed had stolen money from the company.

31. Although Individual-2 did not explain to Stack what Individual-2’s role vis-à-vis Preston Corp. was, Stack accepted the assignment because, in his words, he was broke and needed a job.

32. In March 2016, Stack concluded his investigation, which he claims uncovered misconduct by Preston Corp.’s former CEO.

33. Marshall then asked Stack to become Preston Corp.’s CEO.

34. Stack agreed to assume the position despite his unfamiliarity with the mining business.

35. During the Relevant Period, Stack communicated by email with Marshall at an email address bearing someone else’s name. Marshall told Stack that he did so because he did not want to put things in his own name.

¹ Marshall’s purported gold mine was the subject of a separate Commission enforcement action in August 2018. *See SEC v. Intertech Solutions, Inc. et al.*, 18-cv-1566 (D. Nev. Aug. 20, 2018).

36. On April 1, 2016, Preston Corp. filed a Form 8-K with the Commission stating that, effective March 30, 2016, Stack had assumed the roles of Preston Corp.'s President, Secretary, Treasurer, and Director.

37. Stack signed Preston Corp.'s Forms 10-Q for the quarters ending March 31 and June 30, 2016, as the issuer's CEO, President, Secretary, Treasurer, and Director.

38. Although Stack was Preston Corp.'s CEO, President, Secretary, Treasurer, and Director, and despite the fact that Marshall was neither an officer nor director of Preston, Stack testified that he "report[ed]" to Marshall.

39. Throughout his time as Preston Corp.'s CEO, Stack was Preston Corp.'s only employee. He worked out of his home.

40. During the Relevant Period, Stack enlisted his then-spouse, with Marshall's approval, to assist Stack with administrative tasks for Preston Corp.

II. PRESTON'S ILLEGAL SECURITIES OFFERING

A. Background of Offering

41. When Stack became Preston Corp.'s CEO, President, Secretary, Treasurer, and Director, Marshall told him that Preston Corp. planned to issue \$5 million of corporate bonds and use the proceeds of the bond offering to invest in gold mine royalty streams, principally a royalty stream derived from Marshall's gold mine.

42. Marshall further told Stack that, pending the closing of the bond offering, Preston Corp. would seek to raise money through a private placement of its stock to investors.

43. On or about April 7, 2016, in connection with the expected private placement, Stack opened two bank accounts in the name of Preston Corp. (together, the "Preston Corp. Bank Account").

44. Stack was the sole signatory on the Preston Corp. Bank Account and the sole holder of the accounts' debit card.

45. On April 10, 2016, Stack issued a Letter of Authorization to a newswire service authorizing it to publicly issue press releases that Preston Corp., through Stack, intended to issue in connection with the private placement.

46. Preston Corp., through Stack, conducted the private placement during the Relevant Period, raising approximately \$333,000 from more than 55 retail investors in the United States and at least one retail investor in Canada.

47. Ultimately, the \$5 million bond offering never occurred, and Preston Corp. never acquired any royalty streams.

B. The Offering Documents and the Unregistered Sales Agents

48. Preston Corp., through Stack, raised money from investors using a "Private Offering Memorandum" ("PPM") and a "Preston Royalty Business Plan" ("Business Plan").

49. The PPM and Business Plan were drafted by an associate of Marshall's, who emailed the documents to Stack's then-spouse on April 20, 2016, who in turn provided them to Stack.

50. Stack reviewed the PPM and the Business Plan before they were sent to investors.

51. The PPM stated that Preston Corp. was conducting an "Initial Limited Private Offering" of 15 million shares of its common stock at a price of the lower of \$0.40 "or 50% of the previous day's closing price."

52. The PPM stated that "[a]ll funds will be allocated towards the acquisition of permitted and operating alluvial gold mines or properties considered to be in near term production" (emphasis added).

53. In the “Subscription Procedures” section, the PPM further specified that “[a]ll subscription funds will be deposited in Preston’s corporate account maintained at [a national bank] . . . , until the earlier of the closing of the Offering, the rejection of the subscription or the termination of the Offering.”

54. The PPM attached a “Subscription Agreement” containing a signature block for the investor and a signature block for Stack to sign as Preston Corp.’s President.

55. The 21-page Business Plan falsely claimed that Stack was the company’s founder.

56. Indeed, the picture associated with Stack’s biography on the “Meet our Founder” page of the Business Plan, which was captioned “Founder,” was not actually a picture of Stack but rather a stock photo of a man in a suit.

57. Investors in the private placement were solicited by unregistered sales agents, many of whom had just solicited investments in connection with a strikingly similar fraudulent stock offering that Marshall conducted for another penny stock issuer, Intertech Solutions, Inc.

58. The sales agents solicited investments in Preston Corp. by cold-calling individuals living around the country.

59. After a sales agent contacted a prospective investor, the sales agent would typically mail or email the PPM, the misleading press releases issued by Stack as alleged below, and the Business Plan.

60. Emails to prospective investors claimed that Preston Corp. had:

issued “INSTITUTIONAL” and “PROPRIETARY” stock offering available directly from the firm allowing you the same advantages that financial institutions, insiders or wealth management groups have daily that are often not offered to the general public[.] Due to your pre-existing ownership, prior business relationship, affiliation, or referral: ‘YOU CAN CUT OUT THE MIDDLE MAN.’”

61. Investors executed the subscription agreements attached to the PPM and mailed them to Preston Corp.'s office.

62. Investors were also directed to send funds via check or wire to the Preston Corp. Bank Account, which was controlled by Stack.

63. The sales agents also emailed the investors' signed subscription agreements to Stack's then-spouse, who in turn forwarded them to Stack to review and approve.

64. Stack then approved the subscription agreements and confirmed his approval with his then-spouse.

65. Once approved, and after confirming with his then-spouse that an investor's funds had been received, Stack signed an "issuance resolution" on behalf of Preston Corp. that directed the company's transfer agent² to issue a restricted stock certificate to the investor.

66. Stack then emailed the issuance resolution to his then-spouse, who in turn forwarded the resolution to Preston Corp.'s transfer agent by email.

C. Preston Corp.'s PPM Contained Material Misrepresentations and Omissions About Stack's Role and the Company's Prospects

67. The PPM omitted that (a) Stack was CEO, President, Secretary, Treasurer, and Director of Preston Corp. in name only; (b) Stack was doing Marshall's bidding; and (c) Marshall actually controlled Preston Corp.

68. Nor did the PPM disclose that Stack had no experience in the mining industry.

69. Indeed, the PPM misleadingly claimed that the company "has an experienced management team with a strong track record of success."

² Transfer agents are entities required to register with the Commission that record changes of ownership in an issuer's securities, maintain the issuer's security holder records, cancel and issue share certificates, and distribute dividends.

70. There was no “management team” because Stack was the company’s sole officer and director.

71. Similarly, the PPM disclosed, in a Risk Factors section, that “[o]ur future success depends in large part on the continued service of our senior management and key personnel. In particular, we depend on the services of ANDREW STACK.”

72. This was misleading in that it failed to convey that Stack was unfamiliar with the mining business and had no experience in the mining industry, had recently filed for bankruptcy, and was only serving as a figurehead CEO at the behest of Marshall.

73. The PPM also contained various misrepresentations regarding Preston Corp.’s operations and prospects.

74. The PPM stated, for example, that Preston Corp. “*owns* and grows a large diversified portfolio of royalties and streams” (emphasis added). Stack knew, or was at least reckless in not knowing, that this was false. Preston Corp. did not have any revenues, let alone “own” any “royalties” or “streams.” Indeed, the company had virtually no assets.

75. The PPM was also misleading in that it failed to convey that the success of Preston Corp.’s business plan was, in Stack’s estimation, entirely dependent on a successful \$5 million corporate bond issuance, which never occurred.

76. Indeed, the contemplated corporate bond offering was not mentioned at all in the PPM, let alone disclosed as a necessary event for the company’s success.

III. PRESTON CORP., THROUGH STACK, ISSUES A SERIES OF FALSE AND MISLEADING PRESS RELEASES IN CONNECTION WITH THE ILLEGAL OFFERING

77. During the Relevant Period, Preston Corp., through Stack, issued a series of press releases concurrent with the private placement to give prospective and existing investors the false sense that Preston Corp. was successfully executing its purported business plan.

78. Marshall drafted all of Preston Corp.'s press releases and emailed them to Stack's then-spouse, who in turn forwarded them to Stack for his review, revision, and approval.

79. Stack reviewed the press releases, making revisions where he saw fit.

80. Stack then caused to have the press releases disseminated via an account with a newswire service that he had established.

81. Each of the press releases stated that it was issued "on Behalf of the Board" by Stack in his capacity as Preston Corp.'s CEO and President.

82. All of the press releases were misleading in that they gave readers the false impression that Stack, rather than Marshall, controlled Preston Corp.

83. All of the press releases were misleading in that they omitted the fact that Preston Corp. needed to close a \$5 million corporate bond issuance before it could actually acquire a royalty interest in any operating mine, rendering Preston Corp.'s statements concerning its various royalty agreements misleading.

84. In addition, each of the four press releases made additional, specific false and misleading statements.

A. The April 25, 2016 Press Release

85. On April 25, 2016, Preston Corp., through Stack, issued a press release titled, "Preston Corporation Announces Royalty Agreement With Gold Production Acquisition Group."

86. The title of this press release was misleading: Preston Corp. had not entered into any “Royalty Agreement” by that time (or ever).

87. At most, Preston Corp. had entered into a so-called “finder’s fee” agreement with an entity controlled by Marshall.

88. Stack knew or recklessly disregarded that the “finder’s fee” agreement was not, in fact, a “royalty agreement.”

B. The May 3, 2016 Press Release

89. On May 3, 2016, Preston Corp., through Stack, issued a press release titled, “Preston Corporation Announces Executed Gold Mine Agreement on First Royalty Acquisition.”

90. Stack knew or recklessly disregarded that the title of the press release was misleading because Preston Corp. had not, in fact, executed any “Gold Mine Agreement” for a “Royalty Acquisition.”

91. The press release further claimed that “Preston will fund a minimum expenditure of \$250,000 this season on the project that has permitted status to proceed with commercial production.”

92. Stack knew or recklessly disregarded that this claim was misleading because it omitted the fact that Preston Corp. did not have sufficient funds to acquire a royalty interest in any project and did not say that this expenditure was contingent on raising more funds.

93. In fact, on May 3, 2016, Preston Corp. had \$100 in the Preston Corp. Bank Account; the account ended the month of May 2016 with a \$0 balance.

C. The August 10, 2016 Press Release

94. On August 10, 2016, Preston Corp., through Stack, issued a press release titled, “Preston Corporation Provides Further Details on Arizona Gold Mine Royalty Acquisition.”

95. The press release stated the following: “The project is the West Port Gold Mine located near Quartzite, Arizona and is a fully permitted placer-alluvial gold project, currently in the final stages of mine construction prior to commencing commercial gold production.”

96. Stack knew or recklessly disregarded that this claim was false: the West Port Gold Mine was not “fully permitted” and, accordingly, not “in the final stages of mine construction prior to commencing commercial gold production.”

97. Stack knew or recklessly disregarded that an environmental assessment for the “Development of the West Port Gold Placer Operation” in La Paz County, Arizona had been submitted to the Yuma Field Office of the Bureau of Land Management (“BLM”) in connection with Marshall’s prior scheme, but the proposal had not been approved by the BLM.

98. Stack knew or recklessly disregarded that the West Port Gold Mine had not been approved by the BLM and was thus not permitted to begin operations on BLM-administered lands.

D. The September 1, 2016 Press Release

99. On September 1, 2016, Preston Corp., through Stack, issued a press release titled, “Preston Corporation Provides Clarification on Arizona Gold Mine Royalty Acquisition,” which purported to provide “clarification” about the above-referenced statements in the August 10, 2016 press release.

100. Stack knew or recklessly disregarded that this press release also contained false information. For example, the Mine Plan was still pending and, although the Environmental Assessment was submitted to and reviewed by the BLM, the process of review had not been finalized.

101. Ultimately, the BLM did not approve the West Port Gold Mine's Mine Plan until February 2017, and the mine did not receive its permit from the U.S. Army Corps of Engineers until June 2017.

102. Even with the bulk of its permits in hand, the West Port Gold Mine appears to have never begun commercial operations and the mining claims were listed for sale in 2019.

IV. STACK DEMANDS MORE MONEY FROM MARSHALL TO CONTINUE ACTING AS PRESTON'S FIGUREHEAD CEO

103. On August 8, 2016, Stack emailed Marshall to complain that, unless he was paid more money, he would no longer take on the legal risks of acting as Preston's CEO in name only. Stack wrote, in part:

There are extremely high risks sitting in the CEO chair. I have two former clients sitting in prison right now as proof of that fact. I agreed to accept the risks associated with being CEO partly because of the agreed upon compensation. . . . You have told me that you're bringing in \$50,000+ per week for months. I'm not sure where that money has gone, or if it in fact has really come in. I only know what I'm told

* * * *

I am CEO of Preston and I have no idea what is ever being done. [Individual-2] says that everything is "done" and that things are "starting" But it's always next week. . . . You guys put me in as CEO to stand as a buffer between you and the market. I get that. I agreed to stand there, accepting the risks inherent in the job. And now I've got a [state securities regulator's] inquiry with my name (not yours, not [Individual-2's], not [a sales agent's], no one else's) name right there in the crosshairs.

104. After sending this email, Stack spoke to Marshall by phone, who convinced Stack to continue acting as Preston's CEO by promising him that funds were "about to come in."

105. Soon thereafter, the company received \$28,000 in additional investor funds, which Stack promptly transferred out of Preston Corp.'s account, primarily to himself and to Marshall. After receiving this compensation, Stack continued to issue press releases and sign subscription agreements in his capacity as Preston Corp.'s CEO.

V. STACK MISAPPROPRIATES INVESTOR FUNDS RAISED IN THE OFFERING

106. Despite Preston Corp.'s representation in the PPM that *all* funds raised in the offering would solely be used to acquire royalty interests in gold mines only after the close of the offering, Stack misappropriated virtually all of the funds raised in the offering by transferring the funds to himself, Marshall, and entities they each controlled.

107. As soon as investor funds were deposited into the Preston Corp. Bank Account, Stack almost always immediately wired the funds to an entity Marshall controlled or a nominal entity Stack controlled.

108. Stack also withdrew investor funds from the Preston Corp. Bank Account in cash and made smaller transfers to his then-spouse, Individual-2, and others.

109. From July to November, 2016, Stack transferred \$63,400, comprised primarily of investor funds, to his nominal business entity's bank account. Stack then used the vast majority of those funds to pay for personal expenses, such as clothing, electronics, meals, and hotel stays.

110. Stack also used the debit card associated with the Preston Corp. Bank Account for personal expenses such as meals, clothing, electronics, and movie tickets.

111. Stack also withdrew more than \$12,000 in cash from the Preston Corp. Bank Account.

112. From July to October, 2016, Stack transferred an additional \$229,500, comprised primarily of investor funds, to Marshall's entity.

113. Stack knew or recklessly disregarded that Marshall was using the funds sent to Marshall's entity to pay commissions to sales agents as well as for expenses for Marshall's gold mine.

114. None of these payments were permitted by or disclosed to investors in the terms of the PPM.

FIRST CLAIM FOR RELIEF
Violations of Section 17(a) of the Securities Act

115. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 114.

116. Stack, directly or indirectly, singly or in concert, in the offer or sale of securities and by the use of the means or instruments of transportation or communication in interstate commerce or the mails, (1) knowingly or recklessly has employed a device, scheme or artifice to defraud, (2) knowingly, recklessly, or negligently has obtained money or property by means of untrue statements of a material fact or omissions of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, or (3) knowingly or recklessly has engaged in a transaction, practice, or course of business which operated as a fraud or deceit upon the purchaser.

117. By reason of the foregoing, Stack, directly or indirectly, singly or in concert, has violated and, unless enjoined, will again violate Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

SECOND CLAIM FOR RELIEF
Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

118. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 114.

119. Stack, directly or indirectly, singly or in concert, in connection with the purchase or sale of securities and by the use of means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange, knowingly or recklessly has (i)

employed a device, scheme, or artifice to defraud, (ii) made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, or (iii) engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit upon other persons.

120. By reason of the foregoing, Stack, directly or indirectly, singly or in concert, has violated and, unless enjoined, will again violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

THIRD CLAIM FOR RELIEF
Violations of Sections 5(a) and (c) of the Securities Act

121. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 114.

122. Stack, directly or indirectly, singly or in concert, (i) made use of means or instruments of transportation or communication in interstate commerce or of the mails to sell, through the use or medium of a prospectus or otherwise, securities as to which no registration statement was in effect; (ii) for the purpose of sale or for delivery after sale, carried or caused to be carried through the mails or in interstate commerce, by any means or instruments of transportation, securities as to which no registration statement was in effect; or (iii) made use of means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy, through the use or medium of a prospectus or otherwise, securities as to which no registration statement had been filed.

123. By reason of the foregoing, Stack violated and, unless enjoined, will again violate, Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

FOURTH CLAIM FOR RELIEF
Aiding and Abetting Violations of Section 17(a) of the Securities Act

124. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 114.

125. As alleged above, Preston Corp. violated Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

126. Stack knowingly or recklessly provided substantial assistance to Preston Corp. with respect to its violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

127. By reason of the foregoing, Stack is liable pursuant to Section 15(b) of the Securities Act [15 U.S.C. § 77o(b)] for aiding and abetting Preston Corp.'s violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] and, unless enjoined, Stack will again aid and abet such types of violations.

FIFTH CLAIM FOR RELIEF
Aiding and Abetting Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

128. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 114.

129. As alleged above, Preston Corp. 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].

130. Stack knowingly or recklessly provided substantial assistance to Preston Corp. with respect to its violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

131. By reason of the foregoing, Stack is liable pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)] for aiding and abetting Preston Corp.'s violations of Section

10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] and, unless enjoined, Stack will again aid and abet such types of violations.

SIXTH CLAIM FOR RELIEF

Aiding and Abetting Violations of Sections 5(a) and 5(c) of the Securities Act

132. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 114.

133. As alleged above, Preston Corp. violated Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

134. Stack knowingly or recklessly provided substantial assistance to Preston Corp. with respect to its violations of Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

135. By reason of the foregoing, Stack is liable pursuant to Section 15(b) of the Securities Act [15 U.S.C. § 77o(b)] for aiding and abetting Preston Corp.'s violations of Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)] and, unless enjoined, Stack will again aid and abet such types of violations.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court enter a Final Judgment:

I.

Permanently enjoining Stack and his agents, servants, employees, and attorneys and all persons in active concert or participation with any of them from violating, directly or indirectly, Sections 5(a), 5(c), and 17(a) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)], 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] and from aiding and abetting violations of Sections 5(a), 5(c), and 17(a) of the

Securities Act [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)], 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];

II.

Ordering Defendant to disgorge all ill-gotten gains he received directly or indirectly, with prejudgment interest thereon, as a result of the alleged violations under Sections 21(d)(3) and (d)(7) of the Exchange Act [15 U.S.C. §§ 78u(d)(3) and (d)(7)];

III.

Ordering Defendant to pay civil monetary penalties under 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)];

IV.

Permanently prohibiting Stack from serving as an officer or director of any company that has a class of securities registered under Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports under Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)], pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)];

V.

Permanently prohibiting Stack from participating in any offering of a penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock, under Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)];

VI.

Prohibiting Defendant from directly or indirectly providing professional legal services to any person or entity in connection with the offer or sale of securities pursuant to, or claiming, an

exemption under Regulation D, or any other exemption from the registration provisions of the Securities Act pursuant to Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)]; and

VII.

Granting any other and further relief this Court may deem just and proper.

Dated: January 15, 2021

Respectfully submitted,

/s/ Richard R. Best

Richard R. Best
New York Bar No. 2599405
Sanjay Wadhwa
New York Bar No. 2837151
Alexander M. Vasilescu
New York Bar No. 2270254
John O. Enright
New York Bar No. 4461893
David H. Tutor
New York Bar No. 4966495

United States Securities and Exchange Commission
200 Vesey Street, Suite 400
New York, New York 10281-1022
Phone: (212) 336-9138 (Enright)
Fax: (301) 847-4715
enrightj@sec.gov

ATTORNEYS FOR PLAINTIFF
SECURITIES AND EXCHANGE COMMISSION

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

U.S. Securities and Exchange Commission

(b) County of Residence of First Listed Plaintiff

(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Richard R. Best, Esq.; U.S. Securities and Exchange Commission; 200 Vesey St., Suite 400; New York, NY 10281-1022; 212-336-1100

DEFENDANTS

William Andrew Stack, Esq.

County of Residence of First Listed Defendant Travis

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

Miriam G. Bahcall, Esq.; Greenberg Traurig, LLP; 77 West Wacker Drive, Suite 3100; Chicago, IL 60601; 312-456-8400

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, PTF DEF, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: Nature of Suit Code Descriptions.

Table with columns: CONTRACT, REAL PROPERTY, CIVIL RIGHTS, TORTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Includes codes like 110 Insurance, 310 Airplane, 365 Personal Injury, etc.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District, 6 Multidistrict Litigation - Transfer, 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 15 U.S.C. §§ 77e(a), 77e(c), 77q(a), 78j(b) and 17 C.F.R. § 240.10b-5

Brief description of cause: Fraudulent and unregistered securities offering

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE Jan 15, 2021 SIGNATURE OF ATTORNEY OF RECORD /s/ Richard R. Best

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.
 Original Proceedings. (1) Cases which originate in the United States district courts.
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441.
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
 Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service.
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

-against-

WILLIAM ANDREW STACK, ESQ.,

Defendant.

Civil Action No.: 1:21-cv-51

PLAINTIFF'S CERTIFICATE OF SERVICE

I affirm that all pleadings filed with the Court on January 15, 2021 will be personally served upon the Defendant by a third-party process server and an executed return of service or waiver of service will be filed with the Court.

Dated: January 15, 2021

Respectfully submitted,

/s/ Richard R. Best

Richard R. Best
New York Bar No. 2599405
Sanjay Wadhwa
New York Bar No. 2837151
Alexander M. Vasilescu
New York Bar No. 2270254
John O. Enright
New York Bar No. 4461893
David H. Tutor
New York Bar No. 4966495

United States Securities and Exchange Commission
200 Vesey Street, Suite 400
New York, New York 10281-1022
Phone: (212) 336-9138 (Enright)
Fax: (301) 847-4715; enrightj@sec.gov

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SECURITIES AND EXCHANGE COMMISSION