

**UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF ILLINOIS
PEORIA DIVISION**

U.S. SECURITIES AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	
v.)	No.
)	
DAVID P. GODWIN and ANTHONY G. ROTH,)	
)	
Defendants.)	
)	Equitable Relief Is Sought
)	

**COMPLAINT
AND DEMAND FOR JURY TRIAL**

Plaintiff U.S. Securities and Exchange Commission (“SEC” or “Commission”),
for its Complaint against Defendants David P. Godwin and Anthony G. Roth,
alleges as follows:

SUMMARY

1. This is an SEC enforcement action charging Defendants Godwin and Roth with fraud and other federal securities law violations. Defendants are former officers and directors of ContinuityX Solutions, Inc. (“ContinuityX”), a public company that claimed to sell enterprise internet services to small and medium sized businesses.

2. From April 2011 to September 2012, ContinuityX filed periodic reports with the SEC disclosing purported revenues of \$27.2 million. In reality, 99% of that claimed revenue came from fraudulent and fictitious sales. Using straw

buyers and forged contract documents, Defendants prepared and caused to be filed with the SEC annual and quarterly reports overstating ContinuityX's revenue by tens-of-millions of dollars.

3. Defendants used those fraudulent SEC filings to raise millions of dollars from investors in connection with a private bond offering.

4. Godwin, ContinuityX's CEO, directed the fraud scheme from beginning to end. Roth, ContinuityX's CFO, willingly participated in it for the majority of the company's existence.

5. Unless Defendants are permanently restrained and enjoined, they each will continue to violate the federal securities laws and will engage in unlawful acts, practices, transactions and courses of business similar to those alleged in this Complaint.

JURISDICTION AND VENUE

6. The Court has jurisdiction over this action pursuant to: Sections 20(b), 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d) and 77v(a)]; Sections 21(d), 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e) and 78aa]; and Section 3(b) of the Sarbanes-Oxley Act of 2002 ("SOX") [15 U.S.C. § 7202(b)].

7. Venue lies in this district 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]. Venue is proper because: (a) Defendants transacted business in this district; (b) Defendants participated in the offer or sale of securities that took place in this district; and (c) acts or transactions constituting the violations alleged herein

occurred in this district.

8. Defendants, directly or indirectly, made use of the means or instruments of transportation or communication in interstate commerce, or of the mails, or of a facility of a national securities exchange in connection with the acts, practices, transaction and courses of business alleged herein.

DEFENDANTS

9. **David P. Godwin**, age 53, is a resident of Germantown Hills, Illinois. He served as President and Chief Executive Officer of ContinuityX from March 25, 2011 until January 30, 2013, when the board of directors removed him from those positions. He also served as Chairman of ContinuityX's board of directors from March 25, 2011 until February 6, 2013, when his position on the board was terminated for cause.

10. Godwin filed a voluntary petition under Chapter 11 of the Bankruptcy Code on March 21, 2013, which was subsequently converted to Chapter 7. He received a discharge under Section 727 of the Bankruptcy Code on September 17, 2014. Since the SEC's claims constitute violations of federal securities laws, they were not discharged pursuant to Section 523(a)(19) of the Bankruptcy Code. 11 U.S.C. § 523(a)(19).

11. In June 2014, Godwin was indicted by a federal grand jury convened in the Northern District of Illinois. The grand jury charged Godwin with six counts of wire fraud for misconduct he engaged in while serving as President, Chief Executive Officer, and Chairman of ContinuityX. The criminal case against Godwin is

currently pending in the Northern District of Illinois, under the case name *United States v. Godwin, et al.*, 14-cr-326 (Zagel, J.).

12. Godwin was criminally convicted for issuing worthless checks and grand theft in 1989 and 1992, respectively.

13. **Anthony G. Roth**, age 51, is a resident of Upton, MA. He served as Executive Vice President, Chief Financial Officer, Corporate Secretary, and as a member of ContinuityX's board of directors from March 25, 2011 until September 2012, when he resigned all positions with ContinuityX.

14. Between 1988 and 1995, Roth was associated with several broker dealers registered with the SEC. In January 2009, Roth consented to the entry of an order by the State of Illinois Securities Department permanently barring him from offering and selling securities in the State of Illinois.

ISSUER

15. **ContinuityX Solutions, Inc.**, a Delaware corporation, was incorporated in March 2011. It was headquartered in Metamora, Illinois during the times relevant to the allegations in this Complaint. ContinuityX filed a voluntary petition under Chapter 11 of the Bankruptcy Code in February 2013, and a bankruptcy trustee was appointed. At times relevant to the allegations in this Complaint, its common stock was registered with the SEC under Section 12(b) of the Exchange Act and was quoted on the OTC market.

FACTS

I. ContinuityX's "Business"

16. Godwin and Roth formed ContinuityX in March 2011 after a court-appointed receiver shut down its predecessor, Mezolink, Inc.

17. Godwin and Roth created ContinuityX in an attempt to carry on the business of Mezolink, which purported to offer on-line information technology management services. The Mezolink-receiver was appointed by a court in this district as a result of the SEC's enforcement action against Roth's brother. *SEC v. Timothy Roth*, 11-cv-2079 (C.D. Ill., filed Mar. 21, 2011).

18. In November 2011, ContinuityX became a public filing company via a reverse merger with a shell company, EDUtoons, Inc.

19. In its annual report filed on Form 10-K for the fiscal year ended June 30, 2012, ContinuityX described its business as follows:

We provide consulting services and management of business continuity, virtual / Cloud hosting, managed equipment and storage, monitoring, VoIP and voice needs. Our consultative approach provides clients with business continuity and disaster recovery solutions alongside management, migration and re-engineering, system integration and cross connects, and IT infrastructure services including data center, converged networks (public / private Cloud) services and transformation solutions.

20. In reality, ContinuityX was a commission-based sales agent.

ContinuityX claimed to sell enterprise internet services provided primarily by AT&T and XO Communications Services, Inc. ("XO") and was paid commissions for those sales.

21. The internet services were intended for business customers and, in

some instances, cost over a hundred-thousand dollars per month.

A. The AT&T Agreement

22. On or about April 13, 2011, ContinuityX and SBC Global Services, Inc. d/b/a AT&T Global Services (“AT&T”) entered into a contract called the AT&T Alliance Program Agreement (“AT&T Agreement”). Under that agreement, ContinuityX agreed to market and promote certain AT&T internet services to end-users, who then contracted to purchase the services from AT&T.

23. The AT&T Agreement contained several provisions detailing how and when ContinuityX would be paid commissions for sales of AT&T’s internet services. Among other things, the AT&T Agreement provided that (i) AT&T would pay a commission to ContinuityX after AT&T accepted a customer’s order for services; and (ii) in certain situations, AT&T could charge back commissions paid or due to be paid to ContinuityX. For example, the AT&T Agreement allowed AT&T to chargeback compensation paid to ContinuityX based on customer charges that are not collected within 90 calendar days after they came due.

24. Initially, AT&T agreed to pay the entire commission to ContinuityX after AT&T accepted a customer order. In or about April 2012, ContinuityX and AT&T amended the AT&T Agreement (“Amended AT&T Agreement”) to provide that AT&T would pay ContinuityX 50% of the commission after AT&T accepted the customer order and the remaining 50% after the customer paid for three consecutive months of services. (Unless otherwise noted, the AT&T Agreement and the Amended AT&T Agreement are hereinafter collectively referred to as the

“AT&T Agreement.”)

25. During the period from April 2011 through September 2012, ContinuityX recorded in its books and reported in its SEC filings approximately \$16.4 million in sales commission revenue attributable to the sales of AT&T’s internet services.

B. The XO Agreement

26. On or about April 8, 2011, ContinuityX and XO entered into an agreement called the XO Communications Services, Inc. Agent Agreement (“XO Agreement”). Pursuant to the XO Agreement, ContinuityX was appointed XO’s authorized representative to solicit orders from commercial end-users for XO’s telecommunications services.

27. The XO Agreement provided that ContinuityX’s commissions would be paid on a monthly basis, subject to certain conditions.

28. The XO Agreement also contained a section titled “Chargeback/Non-Payment Policy,” which allowed XO to charge back commissions paid to ContinuityX if, for example, the customer failed to pay XO for the internet services.

29. During the period July 2011 through September 2012, ContinuityX recorded in its books and reported in its SEC filings approximately \$5.9 million in sales commission revenue attributable to sales of XO’s internet services.

C. Hutchison Joint Marketing Agreement

30. Hutchison Global Communications Ltd. (“Hutchison”) is a subsidiary of Hutchison Telecommunications Hong Kong Holdings Limited, a large multi-

national telecommunications company based in Hong Kong.

31. In August 2012, ContinuityX and Hutchison signed a Joint Marketing Agreement (“Hutchison JMA”) pursuant to which ContinuityX agreed to create and maintain a private internet network. Hutchison agreed to market and sell access to the private network. According to the Hutchison JMA, Hutchison would receive 20% of the profit from the joint venture and ContinuityX would receive 80%.

32. During the period from July 1, 2012 through September 30, 2012, ContinuityX recorded in its books and reported in its SEC filings approximately \$4.2 million in revenue from its joint venture with Hutchison in 2012.

D. Factoring Firms

33. After its sales commissions were purportedly earned, but prior to receiving the commission payments, ContinuityX sold the accounts receivable to factoring firms.

34. Factoring firms are private companies in the business of providing financing for companies by purchasing their accounts receivable at a discount in exchange for the right to collect the full payments due on those receivables.

35. ContinuityX used the sales of accounts receivable to factoring firms as its primary source of cash to fund operations.

II. ContinuityX’s Private Bond Offering

36. Between June 15, 2012 and November 26, 2012, ContinuityX conducted a private bond offering pursuant to Regulation D of the federal securities laws.

37. The bonds offered by ContinuityX included warrants to purchase the company's stock. A warrant gives its holder the right, but not the obligation, to buy the issuing company's stock at a certain price, quantity, and future date.

38. ContinuityX provided potential bond investors with its quarterly report filed with the SEC on Form 10-Q covering the quarter ended March 31, 2012. In deciding whether to purchase ContinuityX's bonds, potential investors also reviewed ContinuityX's other quarterly and annual reports filed with the SEC.

39. Godwin spoke with some potential bond investors and, among other things, assured them that AT&T could not chargeback commissions under its agreement with ContinuityX.

40. ContinuityX sold approximately \$6.9 million in bonds to at least 31 investors. The proceeds from the bond offering made up approximately 65% of all ContinuityX's incoming cash from June 15, 2012 until it declared bankruptcy in February 2013.

III. ContinuityX's Entire Business Was A Fraud.

41. Throughout its corporate existence, ContinuityX entered into almost no legitimate business transactions. Over 99% of the revenues it recognized and reported in its public SEC filings were based on fraudulent sales transactions involving straw buyers or fabricated deals.

A. Straw Buyer Transactions

42. Throughout their respective tenures at ContinuityX, Godwin and Roth used straw buyers to defraud AT&T and XO and to inflate the revenues

ContinuityX reported in its public SEC filings.

43. Godwin and Roth approached certain small companies with an offer to become straw buyers of internet services provided by AT&T and XO. In return for serving as straw buyers, Godwin and Roth promised to pay these companies part of the sales commissions ContinuityX received from AT&T and XO (“Straw Buyer Transactions”).

44. Godwin and Roth often referred to the straw buyers as “resellers” because the straw buyers purportedly intended to resell the internet services purchased from AT&T and XO to other parties (hereinafter, “Straw Buyer Transactions”). In reality, the straw buyers never used, paid for, or resold the internet services. One straw buyer described his company’s role in the transaction as being a “beard,” meaning his company served to disguise the fraudulent nature of the arrangement.

45. A typical Straw Buyer Transaction worked as follows:

- a. Godwin and Roth identified a company willing to serve as straw buyer of internet services from AT&T or XO.
- b. In return, Godwin and Roth promised to cause ContinuityX to pay part of the commissions to the straw buyer.
- c. The straw buyer submitted, through ContinuityX, an order to purchase internet services to AT&T and XO. In some instances, Godwin and Roth also prepared and submitted fake financial statements to AT&T to demonstrate the straw buyer’s supposed

creditworthiness.

- d. After AT&T and XO accepted the order, ContinuityX claimed entitlement to commissions for the ostensible sales reflected in the order and recorded those commissions as revenue in its corporate books.
- e. Unbeknownst to AT&T and XO, ContinuityX paid the straw buyer a kickback for its role in the transaction.

46. ContinuityX and the straw buyers frequently signed a contract (“Reseller Agreement”) memorializing the straw purchase. A typical Reseller Agreement provided, among other things:

- a. The straw buyer would serve as the “customer” for the contract with AT&T or XO.
- b. The straw buyer bore “no liability of performance” on the contract with AT&T or XO.
- c. ContinuityX accepted assignment of the AT&T or XO contract and would be substituted as the customer no later than nine months after AT&T or XO accepted the straw buyer’s order for services.
- d. ContinuityX paid the straw buyer part of the commission from AT&T or XO.

47. Aside from not intending to pay for the services, the straw buyer could not afford the services they purchased. In some cases, the straw buyer agreed to

purchase internet services that exceeded their own net worth.

48. AT&T and XO did not know the straw buyer never intended to pay for the services they ordered.

49. To further conceal the true nature of the Straw Buyer Transactions from AT&T and XO, Godwin and Roth never informed AT&T or XO about the Reseller Agreements.

50. ContinuityX's first sale of internet services was to AARMG, LLC ("AARMG"). AARMG was shell company and straw buyer owned and controlled by Roth. During the fiscal year ended June 30, 2011, commissions from purported sales to AARMG accounted for 40% of ContinuityX's total reported commission revenue. During the next fiscal year, ContinuityX recognized and reported in its SEC filings nearly \$700,000 in commission revenue generated from supposed internet sales to AARMG.

51. AARMG never used any of the internet services it purchased and never paid for any of those services. As AARMG's owner and manager, Roth knew AARMG was not going to pay for the internet services it ordered. Godwin also knew AARMG never intended to and did not pay for these services.

52. Another important aspect of the Straw Buyer Transactions involved Godwin and Roth creating and submitting to AT&T false financial statements for some straw buyers. Before accepting an order from some prospective customers, AT&T required they demonstrate their creditworthiness.

53. Many of the straw buyers could not meet AT&T's credit requirements.

In these situations, AT&T asked the straw buyers to provide financial statements to verify their creditworthiness. In some cases, AT&T required the customer pay a higher security deposit.

54. To help straw buyers get past AT&T's credit checks and to reduce the amount of any required security deposits, Godwin and Roth created false financial statements for some straw buyers reflecting inflated revenues and assets. Godwin and Roth then provided the false financial statements to AT&T. Based, in part, on these false financial statements, AT&T approved the straw buyers as customers.

55. For example, Straw Buyer "A.S." submitted an order to purchase services from AT&T. In connection with that Order, on or about May 15, 2012, an AT&T representative emailed Godwin and requested that A.S. submit a cash flow statement or balance sheet. On May 16, Godwin forwarded the email to Roth asking him to prepare a "very comprehensive" cash flow statement and balance sheet for A.S. Godwin directed Roth to give A.S. a "great value" and cautioned him not to "skimp."

56. Godwin's May 16, 2012 email to Roth is copied below:

To: Anthony Roth[aroth@continuityx.com]
From: Dave Godwin
Sent: Wed 5/16/2012 10:28:27 PM
Importance: Normal
Subject: FW: ContinuityX follow up on Credit status

Please complete very comprehensive Cash Flow statement and balance sheet for [REDACTED] we can get the deposit waived. Give them a great value please don't skimp.

Thanks,

David

57. On May 21, 2012, Godwin sent an email to the AT&T representative

attaching A.S.'s purported balance sheet and cash flow statement for the quarter ending March 31, 2012. Godwin's email advised AT&T the "customer is healthy and strong." The balance sheet and cash flow statement attached to Godwin's email, however, were false. Among other things, the documents substantially overstated the company's actual net profit. The false cash flow statement and balance sheet were prepared by Roth, with Godwin's knowledge and assistance.

58. After a straw buyer was approved by AT&T, ContinuityX typically paid the required security deposit for the straw buyer. ContinuityX paid the security deposits, which were often over one hundred thousand dollars, because the straw buyers had no intention of paying for the services and, in most cases, could not afford to pay the security deposits. To conceal the fact ContinuityX was paying the security deposits, Godwin had banks issue cashier's checks to AT&T that listed the straw buyers as the "remitter."

59. Roth also knew ContinuityX was paying security deposits on behalf of straw buyers.

B. Fictional Transactions

60. In addition to using straw buyers, Godwin fabricated sales transactions from whole cloth ("Fictional Transactions"). For some Fictional Transactions, Godwin created phony contract documents, submitted those documents to ContinuityX's accounting personnel and auditor, and caused ContinuityX to recognize revenue based on the phantom commissions supposedly earned on these bogus transactions. In other cases, Godwin simply caused

ContinuityX's accounting staff to record revenues for sales transactions that never took place.

61. For example, the revenue ContinuityX purportedly derived from the Hutchison JMA was based on phony invoices fabricated by Godwin. No sales had been made under the Hutchison joint venture. Godwin created fake invoices, forged the signatures appearing on those invoices, and caused ContinuityX's accounting personnel to recognize revenue based on the fabricated documents.

IV. Defendants' Fraud Unravels And Is Finally Revealed.

A. AT&T Attempts To Clawback Commissions From ContinuityX.

62. None of the customers who purchased AT&T services through ContinuityX paid for the services. AT&T tried to collect past due amounts from these customers without success. Because its customers were not paying, AT&T began charging back ContinuityX's commissions pursuant to the chargeback provisions of the AT&T Agreement.

63. AT&T also charged back commissions related to canceled customer orders. AT&T cancelled some customer orders because it was unable to establish network internet connections at the customer's facilities. When AT&T canceled a customer's order, it charged back the commissions associated with the order.

64. AT&T sent ContinuityX monthly commission reports reflecting the commissions purportedly earned and the commissions charged back. The table below summarizes the chargebacks claimed by AT&T, per quarter.

Quarter	Chargebacks due to AT&T Installation Delays	Chargebacks due to Customer Non-Payment	Total Chargebacks
6/30/2011	\$ -	\$ -	\$ -
9/30/2011	-	-	-
12/31/2011	1,660,000	-	1,660,000
3/31/2012	1,360,000	-	1,360,000
6/30/2012	324,000	2,107,000	2,431,000
9/30/2012		8,054,000	8,054,000
Total	3,344,000	10,161,000	13,505,000

65. Initially, when AT&T charged back commissions from ContinuityX, the chargebacks were offset against commissions from new sales.

66. In July 2012, ContinuityX stopped selling AT&T's services. That meant ContinuityX stopped generating new commissions from AT&T. At the same time, ContinuityX's customers were falling further behind on their AT&T bills, causing AT&T to charge back more and more commissions.

67. Without new commissions to offset the increasing chargebacks, AT&T demanded ContinuityX repay previously paid commissions. On or about September 17, 2012, Godwin received a letter from AT&T demanding ContinuityX repay more than \$6 million in commissions ("AT&T Demand Letter").

68. ContinuityX did not repay any commissions to AT&T.

69. In early October 2012, AT&T notified Godwin in writing that it was terminating its business relationship with ContinuityX because it violated the terms of the AT&T Agreement ("AT&T Termination Letter").

70. In December 2012, AT&T filed a civil suit against ContinuityX in Texas state court seeking repayment of \$9.1 million in commissions.

B. Defendants' Fraud Scheme Is Exposed.

71. Roth resigned his positions with ContinuityX on or about September 12, 2012. Shortly before Roth's departure, a new CFO, an accountant, was hired in August 2012.

72. During the preparation of the company's quarterly report for the period ended September 30, 2012, ContinuityX's new CFO became concerned about the substantial receivables—over \$9 million—due from AT&T. The new CFO recommended to Godwin that ContinuityX establish a reserve for receivables greater than 90 days past due. Godwin objected, claiming the establishment of a reserve was not necessary.

73. During an audit committee meeting held on or about November 20, 2012, Godwin assured ContinuityX's audit committee, the new CFO, and ContinuityX's auditor he knew of no reasons why ContinuityX would not collect the past due AT&T receivables. As a compromise, Godwin agreed to set a reserve for receivables over 120 days past due. In its Form 10-Q covering the period ended September 30, 2012, which was filed on or about November 21, 2012, ContinuityX recorded an allowance for doubtful accounts of \$3.5 million.

74. At this time, neither the new CFO nor the company's auditor was aware of the AT&T Demand Letter or the AT&T Termination Letter. Godwin hid from them the fact that AT&T had terminated its relationship with ContinuityX and was demanding repayment of millions of dollars in commissions.

75. On December 12, 2012, the new CFO learned AT&T had filed a lawsuit

against ContinuityX on December 6, 2012, seeking to recoup over \$9 million from ContinuityX. The AT&T Demand Letter was attached as an exhibit to the complaint.

76. The new CFO promptly confronted Godwin and asked why he had not disclosed the AT&T Demand Letter. Godwin admitted withholding the information and claimed it was a failure in judgment. Even then, however, Godwin did not tell the new CFO that AT&T terminated the AT&T Agreement and ended its relationship with ContinuityX in October 2012.

77. The new CFO also notified ContinuityX's auditor of the AT&T lawsuit. The next day, on December 13, 2012, ContinuityX filed a Form 8-K disclosing the lawsuit.

78. Upon learning of the AT&T lawsuit, the new CFO grew increasingly suspicious about Godwin's conduct and the legitimacy of ContinuityX's business. A few weeks after discovering the AT&T lawsuit, the new CFO telephoned his counterpart at Hutchison. During this conversation, the new CFO learned the Hutchison invoices presented by Godwin were fakes. No sales had been made under the Hutchison joint venture, and the signatures on the Hutchison invoices presented by Godwin were forgeries.

79. On January 30, 2013, Godwin was terminated from his positions as President and Chief Executive Officer of ContinuityX. He was removed as a director on February 6, 2013.

V. ContinuityX's SEC Filings Were False And Misleading.

80. ContinuityX filed periodic reports on Forms 10-Q and 10-K with the SEC containing: (a) misrepresentations of material fact, and/or (b) omissions of material fact that rendered the statements made in those reports misleading under the circumstances. Each false and misleading report was approved, signed and certified by Godwin and/or Roth.

A. ContinuityX's Quarterly And Annual Reports

81. Among other documents, ContinuityX filed the following quarterly and annual reports with the SEC:

- a. a quarterly report on Form 10-Q for the quarter ended December 31, 2011;
- b. a quarterly report on Form 10-Q for the quarter ended March 31, 2012;
- c. an annual report on Form 10-K for the fiscal year ended June 30, 2012; and
- d. a quarterly report on Form 10-Q for the quarter ended September 30, 2012;

82. Godwin signed each report (including amendment) described in the preceding paragraph in his capacities as President, Chief Executive Officer, and member of ContinuityX's board of directors. Moreover, each report described in the preceding paragraph included, as an attachment, a Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 ("PEO

Certification”). Godwin signed each PEO Certification.

83. Roth signed the quarterly reports for the quarters ended December 31, 2011 and March 31, 2012, in his capacities as Principal or Chief Financial Officer and Principal Accounting Officer.

84. Each quarterly report described in the preceding paragraph included, as an attachment, a Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (“PFO Certification”). Roth signed the PFO Certifications attached to the quarterly reports for the quarters ended December 31, 2011 and March 31, 2012.

B. Improper Revenue Recognition

1. ContinuityX Derived Nearly All Its Revenue From Straw Buyer Transactions And Fictitious Transactions.

85. In its SEC filings covering the period from April 2011 to September 2012, ContinuityX disclosed gross revenues of approximately \$27.2 million. The vast majority of this revenue was improperly recognized because it was based on sham Straw Buyer Transactions and Fictitious Transactions.

86. During this period, ContinuityX purportedly sold AT&T’s internet services to fourteen customers. ContinuityX’s public SEC filings referenced in paragraph 81 included approximately \$16.4 million in sales commission revenue attributable to those AT&T sales. One hundred percent of that revenue was based on fraudulent Straw Buyer Transactions or Fictitious Transactions and, therefore, should not have been recognized or recorded as revenue in ContinuityX’s public SEC filings.

87. The following table summarizes, by quarter, the AT&T revenue improperly recognized by ContinuityX:

AT&T	
06/30/2011	1,207,000
09/30/2011	993,000
12/31/2011	3,396,000
03/31/2012	5,963,000
06/30/2012	4,491,000
09/30/2012	339,000
Total	16,389,000

88. During this same period, ContinuityX purportedly sold XO's services to six customers. ContinuityX's public SEC filings referenced in paragraph 81 reported approximately \$5.9 million in sales-commission revenue attributable to those XO sales. All of that revenue was based on fraudulent Straw Buyer Transactions or Fictitious Transactions and, therefore, should not have been recognized or recorded as revenue in ContinuityX's public SEC filings.

89. The following table summarizes, by quarter, the XO revenue improperly recognized by ContinuityX:

XO Communications	
09/30/2011	25,000
12/31/2011	39,000
03/31/2012	488,000
06/30/2012	3,161,000
09/30/2012	2,172,000
Total	5,885,000

90. During the quarter ended September 30, 2012, ContinuityX claimed to have sold the internet services of Zayo Group to four customers. ContinuityX's Form 10-Q for this period included \$752,400 in sales-commission revenue attributable to those sales.

91. One hundred percent of the Zayo Group revenue was based on Fictitious Transactions. Godwin created fake transactions and used them to claim entitlement to commissions. In connection with the preparation of ContinuityX's Form 10-Q for the quarter ended September 30 2012, Godwin provided ContinuityX's new CFO with invoices purportedly showing commissions from the sale of Zayo's internet services. The invoices were bogus, and the sales transactions never existed. Zayo never approved the sales or agreed to pay the commissions claimed by Godwin. ContinuityX should not have recognized or recorded any of the Zayo Group commissions as revenue in its public SEC filings.

92. ContinuityX's Form 10-Q for the quarter ended September 30, 2012 included \$4.2 million in commission revenue attributable to the Hutchison JMA. One hundred percent of the revenue was based on Fictitious Transactions and should not have recognized or recorded as revenue.

93. Godwin and Roth knew, or recklessly disregarded the truth that, ContinuityX was materially overstating its revenue in its public SEC filings.

2. ContinuityX Recognized Revenue Before It Was Earned.

94. In each SEC filing referenced in paragraph 81, ContinuityX described at least two types of customer agreements. The first type of agreement provided for one lump-sum commission payment to ContinuityX after the service provider approved a purchase order. This was a reference to the AT&T Agreement. ContinuityX's SEC filings further stated that such service providers (*i.e.*, AT&T) "may not claw back—unreasonably withhold—or transfer these orders and must

pay [ContinuityX] per agreement within 60-90 days" This statement was false, and Godwin knew it.

95. The AT&T Agreement expressly allowed for charge-backs. In fact, the AT&T Agreement devoted an entire section explaining when and how AT&T could charge back commissions. Godwin was aware of the charge-back provision in the AT&T Agreement.

96. Moreover, in multiple emails going back to January 2012, Godwin referenced and discussed AT&T's ability to charge back commissions. Also, in March 2012, Godwin met with AT&T representatives specifically to address charge-backs. Further, Godwin knew AT&T had been charging back commissions because he received monthly statements from AT&T reflecting the chargebacks.

97. Despite his knowledge of AT&T's ability to charge back commissions, Godwin approved the false representations for inclusion in ContinuityX's public filings. He also falsely represented to ContinuityX's auditor and accountants, including at the November 20, 2012 audit committee meeting, that AT&T was not permitted to charge back commissions.

98. The fact that AT&T could charge back commissions meant that, under Generally Accepted Accounting Principles ("GAAP"), ContinuityX was not permitted to recognize 100% of AT&T commissions (even if based on legitimate transactions) when AT&T approved a customer order. Instead, ContinuityX was required to recognize the commissions as revenue over the life of the contract, or at least set up a reserve account to offset potential charge-backs. ContinuityX, however, did

neither of these things. It recognized 100% of the AT&T commissions as revenue as soon as AT&T approved an order and did not establish a reserve account.

99. Moreover, the manner in which ContinuityX recognized and reported revenue in its SEC filings was inconsistent with the terms of the Amended AT&T Agreement. Under the Amended AT&T Agreement, ContinuityX was to be paid 50% of its commissions after AT&T approved a customer order and the remaining 50% after the customer paid for three consecutive months of services. ContinuityX never disclosed the Amended AT&T Agreement in its public SEC filings, which was an omission of material fact rendering the filings false and misleading.

100. Despite the change in payment terms, ContinuityX continued to recognize and report 100% of AT&T commissions as revenue as soon as AT&T approved an order. Godwin did not provide the Amended AT&T Agreement to ContinuityX's auditor. He, however, sent management representation letters to the auditor falsely stating, among other things, that management had provided all material agreements.

101. As a result of the improper manner in which revenue was recognized in connection with the AT&T Agreements and ContinuityX's failure to disclose the Amended AT&T Agreement, ContinuityX's public SEC filings materially overstated the company's revenue, net income, earnings per share, and stockholders' equity.

102. The XO Agreement stated that ContinuityX earned its commission revenue on a monthly basis. It also allowed XO to chargeback commissions if, for example, the customer failed to pay for the services.

103. ContinuityX, however, recognized and reported in its public SEC filings 100% of XO commissions at the time XO approved a customer order.

104. When ContinuityX's auditor questioned Godwin about the discrepancy between the terms of the XO Agreement and the manner in which ContinuityX was recognizing revenue, Godwin falsely told the auditor that the XO Agreement had been amended. It had not.

105. Godwin and Roth were familiar with the terms of the XO Agreement. They both knew, or were recklessly disregarded the truth that, ContinuityX was recognizing and reporting revenue in a manner that was inconsistent with the terms of that agreement and contrary to GAAP.

106. As a result of the improper manner in which revenue was recognized in connection with the XO Agreement, ContinuityX's public SEC filings materially overstated the company's revenue, net income, earnings per share, and stockholders' equity.

107. Godwin and Roth knew, or recklessly disregarded the fact that, the public SEC filings they approved and signed were materially false and misleading.

C. ContinuityX Failed To Disclose Related Party Transactions.

108. ContinuityX improperly failed to disclose in its SEC filings related party transactions it entered into with three straw buyers.

109. ContinuityX recognized and reported in its SEC filings over \$1 million in commissions from AT&T based on Straw Buyer Transactions it entered into with AARMG. During the period ContinuityX and AARMG were entering into Straw

Buyer Transactions, Roth owned and managed AARMG. He was also the CFO, Executive Vice President, and a board member of ContinuityX.

110. ContinuityX also entered into Straw Buyer Transactions with two companies whose owners worked at ContinuityX. ContinuityX hired the owners of these two straw buyers in April 2012, and they reported directly to Godwin. ContinuityX, through Godwin's supervision and control over these employees, significantly influenced the management and operating policies of the two straw buyer companies they owned.

111. After hiring these individuals, ContinuityX continued to arrange the sale of AT&T and XO internet services to the straw buyer companies they owned.

112. The table below summarizes the revenue ContinuityX reported by quarter from sales transactions involving these three companies:

Commission Revenue from Related Party Transactions				
Quarter	AARMG	Other Two Straw Buyers	Total Revenue	% of Total Revenue
6/30/2011	\$ 481,000	\$ -	\$ 1,207,000	40%
9/30/2011	656,000	-	1,019,000	64%
12/31/2011	39,000	1,824,000	3,436,000	54%
3/31/2012	-	2,914,000	6,520,000	45%
6/30/2012	-	3,303,000	7,613,000	43%
9/30/2012	-	1,557,000	7,429,000	21%
Total	1,176,000	9,598,000	27,224,000	40%

113. ContinuityX was required to disclose in its public SEC filings the related party transactions described above. The transactions were required to be disclosed in ContinuityX's June 30, 2012 Form 10-K and its December 31, 2011, March 31, 2012, and/or September 30, 2012 Forms 10-Q.

114. ContinuityX, however, failed to do so. These were material omissions.

The revenue ContinuityX reported from these transactions made up between 21% and 64% of ContinuityX's total revenue for the quarter.

115. Both Godwin and Roth were aware of the related party transactions with AARMG. Roth controlled AARMG and signed the customer service orders on behalf of AARMG. Godwin knew about Roth's control over AARMG and knew about the sales transactions entered into with AARMG. Both Godwin and Roth approved, signed and certified ContinuityX's public SEC filings that failed to disclose these transactions. They both knew, or recklessly disregarded the facts showing, that ContinuityX was required but failed to disclose the AARMG transactions in its public SEC filings.

116. Godwin was aware of the related party transactions with the two additional straw buyers, and he knew, or recklessly disregarded the facts showing, that ContinuityX was required but failed to disclose those related party transactions in its public SEC filings.

D. ContinuityX Misrepresented The Value Of Its Assets.

117. In all instances where AT&T required the straw buyer to pay a security deposit, ContinuityX paid the security deposits on behalf of the straw buyers. When ContinuityX paid the security deposit, it did so via a cashier's check but listed the straw buyer as the remitter instead of ContinuityX. AT&T held the security deposit in the straw buyer's name.

118. When AT&T terminated the straw buyer's services due to lack of payment, AT&T applied the security deposit to the past due account balances.

ContinuityX reported the value of the security deposits as assets on its own balance sheet, even though it knew AT&T held the security deposits in the name of the straw buyers and knew AT&T was going to keep the deposits when the straw buyers failed to pay for their services.

119. The table below summarizes when and by how much ContinuityX misstated its assets by including the security deposits in its financial statements:

Quarter	Security Deposits	Total Assets	% of Assets Misstated
6/30/2011	\$ 240,000	\$ 974,000	25%
9/30/2011	577,000	2,367,000	24%
12/31/2011	817,000	4,148,000	20%
3/31/2012	1,438,000	9,032,000	16%
6/30/2012	2,138,000	16,188,000	13%
9/30/2012	2,138,000	25,644,000	8%

120. The inclusion of straw buyer security deposits as assets on ContinuityX's balance sheet, which were incorporated into its SEC filings, was a material misstatement of fact. The security deposits represented from 8% to 25% of ContinuityX's total reported assets.

121. After payment, Continuity X had no rights to the security deposits. The security deposits were held by AT&T for the benefit of the customer. In the event of default by the customer, which was substantially likely under the circumstances, the security deposits belonged to AT&T.

122. Godwin and Roth knew, or recklessly disregarded, the following: (a) ContinuityX was paying the security deposits for the straw buyers; (b) the security deposits were being held by AT&T in the name of the straw buyers; (c) the security deposits would be confiscated by AT&T when the straw buyers failed to pay for the

services they ordered; and (d) ContinuityX would not be able to recover the security deposits. They also knew, or recklessly disregarded, that ContinuityX was including the security deposits as assets on its balance sheets included with its SEC filings.

E. ContinuityX Improperly Failed To Disclose
The AT&T Demand Letter And The AT&T Termination Letter.

123. Godwin received the AT&T Demand Letter on or about September 17, 2012. The AT&T Demand Letter specified the amount of AT&T's demand—\$6,120,445—and identified the associated straw buyer orders. ContinuityX previously recognized these commissions as revenue during the fiscal year ended June 30, 2012.

124. GAAP requires accrual of a loss contingency against income when the loss is probable and the amount is reasonably estimable. If only one of the conditions is met, the loss contingency need not be accrued, but it still must be disclosed in the company's SEC filings.

125. The potential loss arising from AT&T's Demand Letter was both probable and reasonably estimable. ContinuityX, therefore, was, required to accrue the loss contingency in the financial statements accompanying its Form 10-K filed on September 28, 2012. It failed to do so. Moreover, ContinuityX omitted from its Form 10-K any reference to the potential loss arising from the AT&T Demand Letter.

126. ContinuityX's failure to accrue the loss contingency against its income and its failure to disclose the potential loss in its Form 10-K filed on September 28,

2012 were material omissions which made the Form 10-K false and misleading. The amount demanded by AT&T exceeded all of ContinuityX's cash on hand, and represented over 80% of ContinuityX's reported revenue for the quarter.

127. Godwin authorized, signed and certified ContinuityX's Form 10-K. He knew, or recklessly disregarded the fact that, the failure to disclose the AT&T Demand Letter and its effect on income made the company's SEC filing false and misleading.

128. On or about October 2, 2012, Godwin received the AT&T Termination Letter. ContinuityX was required to file a Form 8-K disclosing the AT&T Termination Letter, but it failed to do so.

129. Item 1.02 of Form 8-K requires the disclosure of a "material definitive agreement which was not made in the ordinary course of business of the registrant, and to which the registrant is a party," if:

- (i) the agreement "is terminated otherwise than by expiration of the agreement on its stated termination date, or as a result of all parties completing their obligations under such agreement," and
- (ii) "such termination of the agreement is material to the registrant."

130. AT&T's commission payments accounted for over 80% of ContinuityX's reported revenue. Given the size and importance of this agreement to ContinuityX, and the near absence of any legitimate agreements ContinuityX had with other customers, the AT&T Agreement was a material definitive agreement not made in

the ordinary course of ContinuityX's business.

131. The AT&T Agreement was terminated because of non-performance, and not because it expired on the stated termination date or because "all parties complet[ed] their obligations under such agreement."

132. The termination of the AT&T Agreement was material to ContinuityX and its investors, and was required to be disclosed on Form 8-K. Godwin knowingly, or recklessly, caused ContinuityX not to file the required Form 8-K disclosure.

133. Moreover, having failed to disclose the AT&T Demand Letter and the AT&T Termination Letter in a prior Form 8-K or other public SEC filing, ContinuityX was, at a minimum, required to disclose both documents in its Form 10-Q filed on November 21, 2012 (covering the quarter ended September 30, 2012). Once again, it failed to do so, thereby making its Form 10-Q materially false and misleading.

134. Godwin knew, or recklessly disregarded the fact that, ContinuityX was required to publicly disclose the AT&T Demand Letter and AT&T Termination Letter and that ContinuityX's failure to do so made its public SEC filings false and misleading.

VI. Godwin And Roth Profited From Their Fraud.

135. A primary reason Godwin and Roth concocted the Straw Buyer Transactions and Fictitious Transactions was to enrich themselves. Godwin and Roth received salaries, bonuses and commissions from ContinuityX. The amount of

compensation they were paid each year was based in substantial part on commissions generated from the Straw Buyer Transactions and Fictitious Transactions.

136. Godwin and Roth's total compensation in fiscal years 2011 and 2012 is detailed in the table below:

	Salary	Bonus	Commission	Deferred Comp	Total Comp Owed	Total Comp Paid
Godwin						
2011	\$56,250	\$ -	\$ 268,150	\$ -	\$ 324,400	\$ 189,000
2012	250,000	109,600	766,400	192,500	1,318,500	1,321,000
Roth						
2011	48,000	-	27,600	-	75,600	66,750
2012	232,500	71,700	405,600	42,700	752,500	351,800

137. On October 5, 2012, shortly after he left the company, Roth sold 4,446,675 shares of ContinuityX stock for a net profit of \$456,098.

FIRST COUNT
Section 17(a)(1) of the Securities Act
[15 U.S.C. § 77q(a)(1)]

138. Paragraphs 1 through 137 are hereby realleged and incorporated by reference.

139. By engaging in the conduct described above, Defendants, by use of the means or instruments of transportation or communication in interstate commerce, or of the mails, in the offer or sale of securities, employed devices, schemes, or artifices to defraud.

140. Defendants acted with scienter. Defendants knew, or were reckless in not knowing, the actions and/or omissions alleged above were materially false and misleading.

141. By reason of the foregoing, Defendants violated and, unless restrained and enjoined, will continue violating, Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

SECOND COUNT
Section 17(a)(2) and (a)(3) of the Securities Act
[15 U.S.C. § 77q(a)(2),(3)]

142. Paragraphs 1 through 137 are hereby realleged and incorporated by reference.

143. By engaging in the conduct described above, Defendants, by use of the means or instruments of transportation or communication in interstate commerce, or of the mails, in the offer or sale of securities: (i) obtained money or property by means of untrue statements of material fact or omissions 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 (ii) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchasers.

144. By reason of the foregoing, Defendants violated and, unless restrained and enjoined, will continue violating, Section 17(a)(2) and (a)(3) of the Securities Act [15 U.S.C. § 77q(a)(2), (3)].

THIRD COUNT
Section 10(b) of the Exchange Act; Rule 10b-5
[15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5]

145. Paragraphs 1 through 137 are hereby realleged and incorporated by reference.

146. By engaging in the conduct described above, Defendants, directly or indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails, in connection with the purchase or sale of securities, knowingly, willfully or recklessly: (a) employed devices, schemes or artifices to defraud; (b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices and courses of business which have operated, are now operating and will operate as a fraud upon the purchasers of such securities.

147. Defendants acted with scienter.

148. By reason of the foregoing, Defendants violated, and unless restrained and enjoined will in the future violate, Section 10(b) of the Exchange Act and Rule 10b-5 [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5].

FOURTH COUNT
Section 13(b)(5) of the Exchange Act
[15 U.S.C. § 78m(b)(5)]

149. Paragraphs 1 through 137 are hereby realleged and incorporated by reference.

150. Defendants knowingly circumvented, or knowingly failed to implement, a system of internal accounting controls and knowingly falsified books, records, or accounts of ContinuityX.

151. By reason of the foregoing, Defendants violated, and unless restrained and enjoined will in the future violate, Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)].

FIFTH COUNT
Exchange Act Rule 13a-14
[17 C.F.R. § 240.13a-14]

152. Paragraphs 1 through 137 are hereby realleged and incorporated by reference.

153. Defendants signed certifications, that were required to be made pursuant to Rule 13a-14 of the Exchange Act and that were included in ContinuityX's filings, which were false or misleading when made.

154. By reason of the foregoing, Defendants Godwin and Roth violated, and unless restrained and enjoined will continue to violate, Exchange Act Rule 13a-14 [17 C.F.R. § 240.13a-14].

SIXTH COUNT
Exchange Act Rule 13b2-1
[17 C.F.R. § 240.13b2-1]

155. Paragraphs 1 through 137 are hereby realleged and incorporated by reference.

156. Defendants, directly or indirectly, falsified or caused to be falsified books, records, or accounts of ContinuityX.

157. By reason of the foregoing, Defendants violated, and unless restrained and enjoined will in the future violate, Exchange Act Rule 13b2-1 [17 C.F.R. § 240.13b2-1].

SEVENTH COUNT
Exchange Act Rule 13b2-2
[17 C.F.R. § 240.13b2-2]

158. Paragraphs 1 through 137 are hereby realleged and incorporated by

reference.

159. By engaging in the conduct described above, Defendants, officers of ContinuityX, violated Rule 13b2-2 of the Exchange Act [17 C.F.R. § 240.13b2-2] by directly or indirectly making, or causing to be made, materially false or misleading statements, or omitting to state, or causing another person to omit to state, material facts necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading, to an accountant in connection with an audit, review, or examination of ContinuityX's financial statements required to be made by the Exchange Act or in connection with the preparation or filing of a document or report required to be filed with the SEC.

160. In addition to the foregoing allegations, Defendants signed and provided to their auditors and accountants, in connection with the review and/or audit of each quarterly and annual SEC filing referenced in paragraph 81, management representation letters that falsely represented, among other things, that (a) there are no material transactions that have not been properly recorded in the accounting records; (b) they had no knowledge of any fraud or suspected fraud affecting ContinuityX; (c) there are no violations or possible violations of laws or regulations whose effect should be considered for disclosure in the consolidated financial statements or as a basis for recording a loss contingency; (d) there are no material related party transaction which have not been properly disclosed; and (e) ContinuityX has satisfactory title to all owned assets.

161. Defendants violated, and unless enjoined will continue to violate,

Exchange Act Rule 13b2-2 [17 C.F.R. §240.13b2-2].

EIGHTH COUNT
Aiding and Abetting
Violations of Section 13(a) of the Exchange Act
and Rules 12b-20, 13a-1, and 13a-13
[15 U.S.C. § 78m(a); 17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13]

162. Paragraphs 1 through 137 are hereby realleged and incorporated by reference.

163. ContinuityX, an issuer of securities registered pursuant to Section 12 of the Exchange Act, filed materially false and misleading annual and quarterly reports with the SEC that made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in violation of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 [15 U.S.C. § 78m(a) and 17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13].

164. Defendants aided and abetted ContinuityX in that they, with knowledge of the primary violations by ContinuityX, provided substantial assistance to ContinuityX in the commission of its violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 [15 U.S.C. § 78m(a) and 17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13].

165. By reason of the foregoing, Defendants aided and abetted, and unless restrained and enjoined will in the future aid and abet, violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13.

NINTH COUNT
Aiding and Abetting
Violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act
[15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)]

166. Paragraphs 1 through 137 are hereby realleged and incorporated by reference.

167. By engaging in the foregoing conduct, ContinuityX, an issuer of securities registered pursuant to Section 12 of the Exchange Act, (a) failed to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflected the transactions and dispositions of its assets; and (b) failed to devise and maintain a system of internal controls sufficient to provide reasonable assurances that: (i) transactions were recorded as necessary to permit preparation of financial statements in conformity with GAAP or any other criteria applicable to such statements; and (ii) to maintain accountability of assets.

168. By engaging in the foregoing misconduct, ContinuityX violated Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)].

169. Defendants aided and abetted ContinuityX in that they, with knowledge of the primary violations by ContinuityX, provided substantial assistance to ContinuityX in the commission of its violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)].

170. By reason of the foregoing, Defendants aided and abetted ContinuityX violations, and unless restrained and enjoined will continue to aid and abet, violations of Section 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §

78m(b)(2)(A) and (B)].

TENTH COUNT
Section 304(a) of the Sarbanes-Oxley Act of 2002
[15 U.S.C. § 7243(a)]

171. Paragraphs 1 through 137 are hereby realleged and incorporated by reference.

172. By reason of the foregoing, and due to ContinuityX's material noncompliance with financial reporting requirements under the securities laws, which noncompliance resulted from misconduct, ContinuityX was required to prepare accounting restatements.

173. Godwin and Roth, who were ContinuityX's Chief Executive Officer and its Chief Financial Officer, respectively, are required to reimburse ContinuityX for the bonuses they received, the other incentive-based or equity-based compensation they received, and the profits they realized from the sale of ContinuityX's securities during the 12-month period after the public issuance or filing with the SEC of each financial document embodying such financial requirement.

174. The SEC has not exempted Godwin or Roth from the application of Section 304(a) of SOX [15 U.S.C. § 7243(a)].

PRAYER FOR RELIEF

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

I.

Permanently restraining and enjoining Godwin and Roth from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], and Sections 10(b) and 13(b)(5) of the Exchange Act, and Rules 10b-5, 13a-14, 13b2-1, and 13b2-2 thereunder [15 U.S.C. §§ 78j(b) and 78m(b)(5) and 17 C.F.R. §§ 240.10b-5, 240.13a-14, 240.13b2-1, and 240.13b2-2];

II.

Permanently restraining and enjoining Godwin and Roth from aiding and abetting violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder [15 U.S.C. §§ 78m(a), 78m(b)(2)(A) and 78m(b)(2)(B) and 17 C.F.R. §§ 240.12b-20, 240.13a-1 and 240.13a-13];

III.

Ordering Defendants to disgorge ill-gotten gains received as a result of the conduct alleged herein, plus prejudgment interest thereon;

IV.

Ordering Defendants 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)];

V.

Ordering Defendants to reimburse ContinuityX for the bonuses, other incentive-based and equity based compensation, and profits from the sale of

ContinuityX's securities they realized or received, pursuant to Section 304(a) of SOX [15 U.S.C. § 7243(a)];

VI.

Barring Godwin and Roth from serving as an officer or director of any public company 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)]; and

VII.

Granting such other and further relief as this Court deems just and appropriate.

Plaintiff U.S. Securities and Exchange Commission demands a trial by jury on all issues so triable.

Dated: September 30, 2015

Respectfully submitted,

s/ Daniel Hayes

Daniel J. Hayes

Alyssa A. Qualls

Justin M. Delfino

U.S. Securities and Exchange Commission

175 West Jackson Boulevard, Suite 900

Chicago, Illinois 60604

Telephone: (312) 353-7390

Facsimile: (312) 353-7398

Attorneys for Plaintiff

U.S. Securities and Exchange Commission