

1 AMY JANE LONGO (Cal. Bar No. 198304)
 Email: longoa@sec.gov
 2 ROBERTO A. TERCERO (Cal. Bar No. 143760)
 Email: terceror@sec.gov
 3 PATRICIA PEI (Cal. Bar No. 274957)
 Email: peip@sec.gov

4 Attorneys for Plaintiff
 5 Securities and Exchange Commission
 Michele Wein Layne, Regional Director
 6 Katharine Zoladz, Associate Regional Director
 Amy Jane Longo, Regional Trial Counsel
 7 444 S. Flower Street, Suite 900
 Los Angeles, California 90071
 8 Telephone: (323) 965-3998
 Facsimile: (213) 443-1904

9
 10 **UNITED STATES DISTRICT COURT**
 11 **SOUTHERN DISTRICT OF CALIFORNIA**

12
 13
 14 **SECURITIES AND EXCHANGE**
COMMISSION,

15 **Plaintiff,**

16 **vs.**

17
 18 **GLOBAL WHOLEHEALTH**
PARTNERS CORP., CHARLES
 19 **STRONGO, BRIAN M. VOLMER,**
JOSHUA YAFA, JAMIE M. YAFA,
 20 **and EMPIRE ASSOCIATES INC.,**

21 **Defendants.**

Case No. **'22CV219 JO BGS**

COMPLAINT

22
 23
 24 Plaintiff Securities and Exchange Commission (“SEC”) alleges:

25 **SUMMARY**

26 1. This case involves a fraudulent pump-and-dump scheme by multiple
 27 recidivist securities laws violators and their associates, in the publicly traded stock of
 28 issuer Global Wholehealth Partners Corp. (“GWHP”). In a pump-and-dump, the

1 operators of the fraud artificially inflate the price and trading volume of the stock
2 they or related parties hold, often by publicly disseminating positive but often false or
3 misleading information about a stock to “pump” the price higher. *See*
4 <https://www.sec.gov/fast-answers/answerspumpdumhtml>. The operators then
5 “dump” their overvalued shares, earning a profit resulting from their fraudulent
6 conduct. The price of the stock eventually falls, and those investors who continue to
7 hold the stock lose money.

8 2. To perpetrate the fraud, the defendants schemed to artificially inflate
9 GWHP’s stock price and trading volume through a series of false and misleading
10 press releases, filings with the SEC, stock promotions, touting, and other deceptive
11 acts, before selling their shares to the unsuspecting public markets, pocketing nearly
12 \$2 million in illicit proceeds.

13 3. GWHP, which trades on the over-the-counter (“OTC”) market, claims to
14 develop, manufacture, and market diagnostic tests, including for COVID-19. In
15 September 2019, two managers of a hedge fund who were interested in microcap
16 investments met with GWHP’s chairman and CEO, defendant Charles Strongo
17 (“Strongo”), and defendant Brian Volmer (“Volmer”), a recidivist who was acting as
18 a consultant to GWHP.

19 4. Volmer proposed they carry out a pump-and-dump scheme, whereby the
20 fund managers would privately buy GWHP shares, and their investment would be
21 used to finance a promotional campaign to boost the price and volume of GWHP’s
22 stock. Strongo, Volmer and the fund managers would then sell their shares for a
23 profit.

24 5. To inflate GWHP’s stock, Strongo and Volmer engaged another
25 recidivist, defendant Joshua Yafa (“Joshua”), his partner/brother, defendant Jamie
26 Yafa (“Jamie” and collectively Joshua and Jamie are referred to as the “Yafas”), and
27 their stock promotion firm defendant Empire Associates, Inc. (“Empire”). Together,
28 defendants embarked on a two-part plan:

1 (a) The first part of the scheme utilized false and misleading press
2 releases and SEC filings concerning three of GWHP’s purported emergency use
3 authorization (“EUA”) submissions for COVID-19 tests to the Food and Drug
4 Administration (“FDA”). In reality, the FDA denied one of the requests and the other
5 two were not EUA requests at all.

6 (b) The second part of the scheme, the promotional campaign and
7 touting, utilized newsletter email blasts, stock research reports, and a phone room,, all
8 urging investors to purchase GWHP shares. However, defendants concealed the
9 compensation the promoters received from GWHP; the fact that purportedly
10 independent research reports were actually procured for the scheme (and at least one
11 research report was financed by Joshua); and that certain defendants planned to and
12 did sell their GWHP shares during the campaigns.

13 6. As a result of the campaign, GWHP’s stock price and trading volume
14 rose significantly. Defendants, directly and through trading nominees, unloaded their
15 shares on the OTC market, for a total of at least \$1.95 million in illegal proceeds.

16 7. Unbeknownst to the defendants, the fund managers were an undercover
17 FBI agent and a cooperating witness. Defendants’ pump-and-dump scheme, from
18 start to finish, was the subject of numerous audio recordings that evidence their
19 deceptive intent and actions in real time.

20 8. Through their conduct: (1) defendants GWHP, Strongo, Volmer, Joshua
21 Yafa, Jamie Yafa, and Empire violated the antifraud provisions of Section 10(b) of
22 the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5(a) and (c)
23 thereunder, 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(a) and (c); (2) defendants
24 GWHP, Strongo, Joshua Yafa, and Empire violated the antifraud provisions of
25 Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder, 15 U.S.C. § 78j(b)
26 and 17 C.F.R. § 240.10b-5; (3) defendants Strongo, Volmer, Joshua, Jamie, and
27 Empire violated the antifraud provisions of Section 17(a) of the Securities Act of
28 1933 (“Securities Act”), 15 U.S.C. § 77q(a)(1)-(3); and (4) defendants Joshua, Jamie,

1 and Empire violated the anti-touting provisions of Section 17(b) of the Securities Act,
2 15 U.S.C. § 77q(b). The SEC seeks permanent injunctions against future violations
3 of Exchange Act Section 10(b) and Rule 10b-5 thereunder and Securities Act
4 Sections 17(a) and 17(b); an order requiring defendants Strongo, Volmer, Joshua,
5 Jamie, and Empire to disgorge their ill-gotten gains with prejudgment interest; civil
6 penalties against all defendants; an order barring defendant Strongo from serving as
7 an officer or director of a public company; and penny stock bars against defendants
8 Strongo, Volmer, Jamie, and Empire.

9 JURISDICTION AND VENUE

10 9. The Court has jurisdiction over this action pursuant to Sections 20(b),
11 20(d)(1), and 22(a) of the Securities Act, 15 U.S.C. §§ 77t(b), 77t(d)(1), and 77v(a),
12 and Sections 21(d)(1), 21(d)(3)(A), 21(e), and 27 of the Exchange Act, 15 U.S.C. §§
13 78u(d)(1), 78u(d)(3)(A), 78u(e), and 78aa.

14 10. Defendants have, directly or indirectly, made use of the means or
15 instrumentalities of interstate commerce, of the mails, or of the facilities of a national
16 securities exchange in connection with the transactions, acts, practices, and courses of
17 business alleged in this complaint.

18 11. Venue is proper in this district pursuant to Section 22(a) of the Securities
19 Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C. § 78aa,
20 because certain of the transactions, acts, practices, and courses of conduct
21 constituting violations of the federal securities laws occurred within this district.

22 THE DEFENDANTS

23 12. **Global Wholehealth Partners Corp. (“GWHP”)** is a Nevada
24 Corporation with its principal place of business located in San Clemente, California.
25 It was incorporated on March 7, 2013 as Texas Jack Oil and Gas Corp. Defendant
26 Strongo acquired a majority of GWHP’s common stock through a nominee, and the
27 company was renamed Global Wholehealth Partners Corp. on May 9, 2019. GWHP
28 was a voluntary filer until February 17, 2020, when its registration statement

1 registering its common stock under Section 12(g) of the Exchange Act went effective.
2 Its stock trades publicly and is quoted on OTC Link (formerly “Pink Sheets”)
3 operated by OTC Markets Group Inc. (“OTC Markets Group”) under the ticker
4 symbol “GWHP.”

5 13. **Charles Strongo (“Strongo”)**, age 57, resides in San Clemente,
6 California. He is the CEO, CFO, treasurer, secretary, and chairman of the board of
7 directors of defendant GWHP.

8 14. **Brian M. Volmer (“Volmer”)**, age 57, resides in San Clemente,
9 California. He is a consultant to defendant GWHP. On October 27, 1998, the SEC
10 charged Volmer with antifraud and anti-touting violations related to false and
11 misleading internet and newspaper touts. *SEC v. Volmer, et al.*, Case No. 98-8698-
12 JSL (MCx) (C.D. Cal.); SEC Lit. Rel. 15952 (Oct. 27, 1998). On October 18, 2000,
13 Volmer was permanently enjoined from future antifraud and anti-touting violations
14 and ordered to pay disgorgement and a civil penalty. SEC Lit. Rel. 17522 (Jun. 10,
15 2002). Volmer was last a registered representative at Intrepid Securities, Inc.
16 in 1998, and previously held Series 7, 24, and 63 qualifications.

17 15. **Joshua Yafa (“Joshua”)**, age 46, resides in Boca Raton, Florida. He is
18 a silent partner with his brother, defendant Jamie, in defendant Empire, a stock
19 promotion firm. On July 18, 2005, the SEC charged Joshua with antifraud and anti-
20 touting violations. *SEC v. Yafa, et al.*, Case No. 05-CV-6480 (LAK) (S.D.N.Y.);
21 SEC Lit. Rel. No. 19305 (Jul. 18, 2005). In 2009, Joshua consented, without
22 admitting or denying the allegations of the complaint, to permanent injunctive relief
23 against future antifraud and anti-touting violations, disgorgement with prejudgment
24 interest, a civil penalty, and a permanent penny stock bar. In *United States v. Yafa*,
25 Case No. 1:05-cr-01129-VM (S.D.N.Y. 2005), Joshua was criminally charged with
26 securities and wire fraud for the same conduct; in 2006, he pled guilty and was
27 sentenced to five years probation.

28 16. **Jamie M. Yafa (“Jamie”)**, age 42, resides in Saint Cloud, Florida. He

1 and Schwab and accounts, and transferred some trading proceeds to Empire.

2 23. **Nominee E** is an individual residing in Utah who held GWHP shares on
3 behalf of defendants during the relevant period, in accounts at Ally, BWIS, Schwab,
4 and Firstrade. During the relevant period, Nominee E sold GWHP shares through the
5 Ally and Schwab accounts, and transferred some trading proceeds to Empire.

6 **THE ALLEGATIONS**

7 **A. FDA Emergency Use Authorizations for COVID-19 Tests**

8 24. On May 11, 2020, the FDA publicly issued on its website (fda.gov) its
9 “Policy for Coronavirus Disease-2019 Tests During Public Health Emergency
10 (Revised): Immediately in Effect Guidance for Clinical Laboratories, Commercial
11 Manufacturers, and Food and Drug Administration Staff” (“Guidance”). The
12 Guidance provided a policy to help accelerate the availability of COVID-19 tests
13 developed by laboratories and commercial manufacturers (collectively “developers”)
14 for the duration of the public health emergency.

15 25. In the Guidance, the FDA announced that developers could submit to the
16 FDA requests for EUAs to manufacture and distribute COVID-19 tests. The
17 Guidance also stated that the FDA had made available EUA templates that developers
18 could use to facilitate the preparation, submission, and authorization of an EUA for
19 various types of COVID-19 tests.

20 26. The FDA also announced in the Guidance that developers could submit
21 pre-EUA submissions to receive feedback on their anticipated EUA request.

22 27. To receive an EUA authorization to manufacture and/or distribute a
23 COVID-19 test, a developer must file its EUA request with the FDA.

24 28. If the FDA issues an authorization of an EUA, it notifies the developer
25 that the EUA is authorized and that the test may be manufactured and distributed in
26 accordance with the FDA’s EUA authorization letter.

27 29. If the FDA denies the request for an EUA, it notifies the developer that
28 the request has been denied.

1 **B. Strongo and Volmer Meet with the Fund Managers**

2 30. In May 2019, Strongo, through a nominee, acquired a majority of the
3 common stock of GWHP (then known as Texas Jack Oil and Gas Corp.). As the
4 company's sole control person, he renamed the company GWHP.

5 31. In or around June 2019, Strongo retained Volmer to provide "consulting
6 services" to GWHP pursuant to a written consulting agreement.

7 32. In return for finding "sales opportunities" for GWHP, Volmer contracted
8 to receive 50,000 restricted shares of GWHP stock, plus 10% of any revenue that he
9 generated.

10 33. Additionally, Strongo brought Volmer on to raise investment money for
11 GWHP and help increase the company's stock price, so that Strongo and Volmer
12 could sell their shares.

13 34. At a meeting in Dana Point, California, on or about September 11, 2019,
14 Volmer introduced Strongo to two purported fund managers ("Fund Manager 1" and
15 "Fund Manager 2", collectively the "Fund Managers").

16 35. Fund Manager 1, a longtime acquaintance of Volmer, was a cooperating
17 human source of the FBI.

18 36. Fund Manager 2 was an undercover FBI agent.

19 37. At the September 11, 2019 meeting, Strongo asked the Fund Managers
20 to work with him to help promote GWHP's stock and boost its trading volume and
21 price, in exchange for "the opportunity to liquidate" their shares once the price was
22 up.

23 38. At the September 11, 2019 meeting, Volmer, Strongo and the Fund
24 Managers discussed using a phone room to solicit investors, and hiring a stock
25 analyst to perform a valuation on GWHP that could be used in stock promotions.

26 39. At the September 11, 2019 meeting, Strongo emphasized that he,
27 Volmer, and the Fund Managers should "[w]ork together" to maximize the Fund
28 Managers' return without driving down the stock price, and that, "[i]f you do it

1 right,” they could actually control the value of the stock and move it up.

2 40. On or about September 13, 2019, Volmer spoke to Fund Manager 2 by
3 phone, and stated to Fund Manger 2 that he was looking to the Fund Managers to act
4 as a “quasi bank.”

5 41. Also during this call, Volmer explained that the Fund Managers would
6 provide seed money for the promotion of GWHP’s stock, in return for shares the
7 Fund Managers could sell as the price rose, and that they could repeat this pattern in
8 successive GWHP stock promotions.

9 42. After the September 13, 2019 meeting and follow up calls, Volmer and
10 the Fund Managers had dozens of telephone calls and several in-person meetings
11 concerning the GWHP stock promotion, including some in which Strongo
12 participated. In many or all of the telephone calls, the Fund Managers participated
13 from the Southern District of California.

14 **C. GWHP Hires Empire to Promote Its Stock**

15 43. In or around November 2019, Volmer brought in defendants Joshua and
16 Jamie Yafa, and their stock promotion firm, defendant Empire, to conduct the GWHP
17 stock promotion. Volmer had worked with the Yafas on at least one prior stock
18 promotion.

19 44. On or around December 9, 2019, Volmer met with the Fund Managers in
20 Del Mar, California, where he described how the stock promotion campaign would
21 operate, based on his prior experience with the Yafas and Empire.

22 45. In January and February 2020, Volmer participated in numerous
23 telephonic meetings with the Yafas and the Fund Managers.

24 46. In February 2020, Volmer and Joshua met with the Fund Managers in
25 Las Vegas, Nevada.

26 47. During these calls and meetings between November 2019 and
27 early 2020, Volmer and Joshua explained to the Fund Managers that Empire’s
28 promotional channels generally included a phone room, newsletter blasts sent by

1 email, and targeted online ads, and that these channels could “actually create
2 liquidity, no questions asked.”

3 48. Volmer and Joshua discussed with the Fund Managers that the basis of
4 the promotional campaign would be GWHP press releases touting the company’s
5 business, including its purported manufacture and/or distribution of COVID-19 tests.

6 49. Volmer told the Fund Managers that Strongo prepared GWHP’s press
7 releases.

8 50. Volmer and Joshua explained to the Fund Managers that Joshua runs a
9 stock promotion phone room in Boca Raton, Florida that is staffed with
10 approximately six individuals who are paid to solicit prospective investors for
11 particular stocks, and to contact existing stockholders to solicit additional
12 investments.

13 51. Volmer and Joshua explained that the phone room staff provides the
14 stockholders what purport to be independent research reports on the companies’
15 stock. However, rather than using independent research reports, Empire introduces
16 the research analyst to the stock issuer, and the stock issuer pays the research analyst
17 for the report.

18 52. Volmer and Joshua also explained to the Fund Managers that Empire
19 owns approximately twenty different stock promotion newsletters, each with a
20 subscriber base and a following. Two of Empire’s newsletters at the time were:
21 “OTC Tip Reporter” and “MarketCaliber.”

22 53. Joshua explained that during a stock promotion, Empire generally
23 includes either a summary of, or a link to, the purportedly independent research
24 report being used by the phone room, for which the issuer has paid the analyst.
25 Joshua also told the Fund Managers that he is the last person to review the text of the
26 stock promotion newsletters before publication.

27
28

1 **D. The GWHP Promotional Campaign**

2 **1. Prelude: The Issuer A Promotional Campaign**

3 54. Beginning on or around February 20, 2020, Volmer and Joshua began a
4 promotional campaign for Issuer A, a different issuer controlled by Strongo. Initially,
5 Volmer and Joshua planned to start with Issuer A, and then follow up in a few weeks
6 with the GWHP campaign, using the same promotional channels.

7 55. On or about March 5, 2020, Volmer sold 12,500 shares he indirectly
8 owned in Issuer A to the Fund Managers, pursuant to a stock purchase agreement.

9 56. When the trading volume of Issuer A did not rise significantly during the
10 promotion, Volmer and Joshua then decided to begin the campaign for GWHP.

11 57. On or about March 18, 2020, Volmer and the Fund Managers agreed to
12 convert the Fund Managers' 12,500 shares of Issuer A into an equivalent number of
13 GWHP shares. Volmer later advised Fund Manager 2 to simply alter the name of the
14 issuer from Issuer A to GWHP on the original signed stock purchase agreement.

15 58. On or about March 6, 2020, Volmer told Fund Manager 2 by phone that
16 he had just sent \$30,000 to start the phone room.

17 59. According to Volmer, he and Joshua would sell a few thousand shares
18 each week in order to generate funds sufficient to keep the phone room going, before
19 taking any profit.

20 60. On March 18, 2020, Volmer told Fund Manager 2 that he and the Yafas
21 intended to sell all their shares once the promotional campaigns were underway.

22 61. On or about May 6, 2020, Volmer told Fund Manager 2 by phone that
23 the promotional campaign for the shares of GWHP would begin in June 2020.

24 62. Volmer also stated to Fund Manager 2 that he would sell his GWHP
25 shares, let the stock price fall, and then buy the stock back right before the next phase
26 of the promotional campaign.

27 63. Volmer and Joshua told the Fund Managers that Strongo was in regular
28 contact with the phone room, Joshua, and Jamie.

1 64. During the GWHP promotional campaigns, multiple investors residing
2 in the Southern District of California purchased and/or sold GWHP shares.

3 **2. Defendants’ June 2020 Promotional Campaign**

4 65. Beginning on or about June 23, 2020, defendants launched the first of
5 three GWHP promotional campaigns, involving GWHP press releases, SEC filings,
6 and the phone room.

7 **a. The phone room**

8 66. On or about June 28, 2020, Joshua told the Fund Managers by phone that
9 Empire had begun a GWHP promotional campaign on June 23, 2020.

10 67. The phone room solicited investors for GWHP on June 23 and June 24,
11 2020.

12 **b. The GWHP press releases**

13 68. On or about June 24, 2020, GWHP issued a press release stating that it
14 had submitted an EUA to the FDA for its “Made in the USA” COVID-19 antibody
15 test (“Antibody Test”).

16 69. GWHP had first disclosed this information in its April 10, 2020 Form 8-
17 K report filed with the SEC, signed by Strongo.

18 70. On June 25, GWHP issued a press release stating that it had submitted
19 an EUA for its real time COVID-19 test (“Real Time Test”). Specifically, the
20 June 25 press release stated that “an application for Emergency Use Authorization
21 (EUA) is under review at the US Food and Drug Administration (FDA) for rt-qPCR
22 test for CoVid 19 [sic].”

23 71. GWHP had first disclosed this information in its March 15, 2020
24 Form 8-K report filed with the SEC, signed by Strongo.

25 72. In reality, GWHP had only submitted, on March 12, 2020 via a letter
26 from Strongo to the FDA, a pre-EUA request for its Real Time Test.

27 73. GWHP did not submit an EUA for its Real Time Test prior to June 25,
28 2020, nor at any time thereafter.

1 74. GWHP's March 15 Form 8-K and its June 25 press release were
2 materially false and misleading because they falsely stated that GWHP had applied
3 for an EUA for its Real Time Test.

4 75. Strongo knew, or was reckless in not knowing, that GWHP's March 15
5 Form 8-K and June 25 press release were false and misleading.

6 76. It would have been important to a reasonable investor to know,
7 particularly during the COVID-19 pandemic, that GWHP had not, in fact, requested
8 an EUA, but only submitted a pre-EUA request, since GWHP could not sell its Real
9 Time Test without an EUA.

10 **c. Defendants' trading activity during the campaign**

11 77. On June 23, 2020: (1) GWHP's trading volume increased from 251 to
12 651 shares, and the price dropped from \$9 to \$8.50 per share; and (2) Volmer sold
13 400 GWHP shares for approximately \$3,400 in proceeds.

14 78. On June 24, 2020: (1) GWHP's stock price increased 70% from a
15 closing price the previous day of \$8.50 per share to an intraday high of \$14.50 per
16 share, closing at \$8.90 per share (a 4.7% increase), and its trading volume increased
17 2,835%, from 619 shares the previous day to 18,172 shares; and (2) Volmer sold
18 roughly 14,000 GWHP shares for approximately \$133,000 in proceeds.

19 79. On June 25, 2020: (1) GWHP's stock price fell to a \$7.40 per share
20 closing price on trading volume of 2,205 shares; and (2) Volmer sold 400 GWHP
21 shares for approximately \$3,780 in proceeds.

22 80. In June 2020, Volmer told Fund Manager 2 by phone that the proceeds
23 from any sales he made during this period would go "right back in" to the budget to
24 continue funding the promotional campaign.

25 **3. Defendants' August/September 2020 Promotional Campaign**

26 81. In August/September 2020, defendants carried out the second GWHP
27 promotional campaign, involving GWHP's press releases and SEC filings, a
28 purportedly independent research report, the phone room, and Empire's stock

1 promotion newsletters.

2 **a. The phone room**

3 82. On or about August 28, 2020, defendants launched the August 2020
4 campaign.

5 83. During the August/September 2020 campaign, the phone room solicited
6 prospective investors to invest in GWHP.

7 **b. The GWHP press releases and SEC filings**

8 84. On or about July 13, 2020, the FDA notified Strongo by letter that
9 GWHP's EUA request for its Antibody Test had been denied.

10 85. At no time thereafter did GWHP resubmit an EUA request for its
11 Antibody Test.

12 86. On or about September 10, 2020, GWHP submitted an EUA request for
13 a rapid antigen test ("Antigen Test").

14 87. The same day, the FDA informed Strongo that the EUA request for
15 GWHP's Antigen Test was insufficient, and requested additional information about
16 the Antigen Test's clinical study.

17 88. In response, on or about September 12, 2020, Strongo inquired of the
18 FDA by email if GWHP's Antigen Test submission could be converted into a pre-
19 EUA submission instead.

20 89. On or about September 13, 2020 the FDA informed Strongo by email
21 that GWHP's Antigen Test EUA request had been converted to a pre-EUA
22 submission, per his request.

23 90. On September 15, GWHP filed a Form 8-K report with the SEC, signed
24 by Strongo, that falsely stated that the FDA had acknowledged receipt of the
25 company's EUA request for its Antigen Test.

26 91. In press releases it issued on September 17 and 21, 2020, GWHP
27 repeated this false statement.

28 92. On September 28, 2020, GWHP filed its Form 10-K report with the SEC

1 for the year ending June 30, 2020, signed and certified by Strongo.

2 93. In the Form 10-K, GWHP repeated the false statements that it had filed
3 EUA requests for its Real Time test and its Antibody Test.

4 94. The statements in GWHP's September 15 Form 8-K, its September 17
5 and 21 press releases, and its September 28, 2020 Form 10-K, concerning its Real
6 Time, Antibody, and Antigen Test EUA requests were materially false and
7 misleading.

8 95. Strongo knew, or was reckless in not knowing, that the statements in
9 GWHP's September 15 Form 8-K, its September 17 and 21 press releases, and its
10 September 28, 2020 Form 10-K, were false and misleading.

11 96. It would have been important to a reasonable investor to know,
12 particularly during the COVID-19 pandemic, that GWHP did not have pending EUA
13 requests with the FDA for its Real Time, Antibody, or Antigen Tests, since it could
14 not sell any of those tests without an EUA.

15 **c. The Goldman research report**

16 97. On or about August 21, 2020, Volmer told Fund Manager 2 that
17 defendants had arranged for Goldman Small Cap Research ("Goldman"), a stock
18 research firm specializing in microcap stocks, to issue a research report on GWHP
19 (the "Goldman Report").

20 98. Volmer told Fund Manager 2 that Strongo had approved the content of
21 the Goldman Report.

22 99. During the August 21 call, Volmer emailed Fund Manager 2 a link to the
23 Goldman Report, and told Fund Manager 2 that Jamie planned to begin emailing
24 Empire newsletter recommendations on August 28, 2020, with a link to the Goldman
25 Report.

26 100. Volmer also told Fund Manager 2 that GWHP had filed a Form 8-K
27 report on August 21, 2020, announcing that it had entered into an agreement with
28 Empire to implement a market awareness program designed to increase awareness

1 and visibility in the investment community, in exchange for 75,000 GWHP shares.

2 101. Volmer explained that the purpose of the filing was to head off OTC
3 Markets Group from placing a “bullhorn,” which alerts the public of a promotional
4 campaign, on GWHP.

5 102. OTC Markets did not issue a bullhorn on GWHP’s stock until
6 December 30, 2020.

7 103. Volmer suggested on the August 21 call that Fund Manager 2 not sell
8 any shares on the first two trading days of the campaign (August 31 and
9 September 1), so that GWHP’s stock price and trading volume could increase.
10 Volmer recommended that the Fund Managers also try to sell all of their shares in the
11 weeks following the campaign’s start.

12 104. On the morning of August 28, Goldman posted on its website,
13 <https://goldmanresearch.com>, its report on GWHP, titled “The Next Major COVID-
14 19 Player.”

15 105. On August 31, 2020 GWHP issued a press release announcing that
16 Goldman had initiated research on the company, and provided a link to the Goldman
17 Report.

18 106. The Goldman Report set a twelve-month price target of \$11.20 per
19 share, noted that the August 27 closing price was \$2.72 per share, and described
20 GWHP as “The Next Major COVID-19 Diagnostics Company.”

21 107. The Goldman Report repeated the false statements that GWHP had a
22 pending EUA request for its Antibody Test.

23 108. The Goldman Report stated that GWHP had paid Goldman \$4,000 for
24 the research report and distribution.

25 109. Joshua had in reality paid Goldman \$4,500 for the Goldman Report.

26 110. The Goldman Report did not identify any of the defendants or their roles
27 with GWHP, nor did it disclose that defendants intended to sell their GWHP shares.
28

1 **d. Empire’s newsletter email blasts**

2 111. After the Goldman Report was issued, later in the day on August 28,
3 Empire sent an email blast with its newsletter OTC Tip Reporter (the “August 28
4 teaser”), stating that its editor-in-chief had “just discovered” a “Tiny \$3 Stock” that
5 had received a “\$11+ Price Target This Morning!” The August 28 teaser did not
6 identify GWHP, but encouraged readers to be on the lookout for OTC Tip Reporter’s
7 analysis later that day.

8 112. The August 28 teaser did not identify any compensation Empire had
9 received relating to GWHP.

10 113. After the market closed on August 28 and continuing on through
11 September 24, Empire distributed approximately thirty-two stock recommendations
12 by email through its OTC Tip Reporter and MarketCaliber newsletters, many with
13 links to the Goldman Report. A list of these newsletters appears at Appendix A.

14 114. The newsletters stated, among other things, that GWHP was an “under-
15 the-radar stock play,” or highlighted increases in GWHP’s stock price (“Congrats,
16 GWHP Hit \$2.80 Running Up 96% This Morning (Where Does It Go From Here);”
17 “WOW! See GWHP Skyrockets to \$3.10 This Morning Running Up 74% (Breakout
18 Underway”).

19 115. The newsletters stated that an unspecified third party had paid Empire
20 125,000 GHWP shares for the promotion, but did not disclose that Empire had an
21 agreement with GWHP to implement a market awareness program in return for
22 75,000 shares.

23 116. The newsletters did not disclose that defendants intended to sell their
24 GWHP shares. Instead, the newsletters misleadingly stated that “[a]ny party that
25 engages and/or compensates [Empire] may sell shares of the Advertised Issuer while
26 [Empire] is disseminating the [newsletter].” The newsletters also misleadingly stated
27 that Empire “may intend to sell” shares of GWHP.

28 117. It would have been important to a reasonable investor considering

1 whether to purchase GWHP to know that the person or entity paying for or authoring
2 a newsletter recommending the purchase of the stock planned to sell, and/or was
3 selling, the stock.

4 **e. Defendants' trading activity during the campaign**

5 118. During the August/September 2020 campaign, GWHP's stock price
6 initially increased from \$2.72 per share on August 27 to \$3 on August 28 and \$3.50
7 on August 31. GWHP's stock price dropped to \$2.28 per share by September 24, the
8 last day of the campaign.

9 119. During the campaign, GWHP's average daily trading volume increased
10 2,280%, from 2,524 shares in the ten trading days preceding the campaign, to 60,093
11 shares by October 9, 2020.

12 120. During the August/September 2020 campaign, defendants sold
13 approximately 437,381 GWHP shares for proceeds of at least \$991,800.98, as
14 follows:

- 15 • Volmer: directly and through Nominee C: approximately 191,412
16 shares for proceeds of at least \$421,754.42;
- 17 • Strongo and Volmer: through Nominees A, D, E: approximately
18 145,533 shares for proceeds of at least \$331,660.57; and
- 19 • Empire: directly and through Nominee B: approximately 100,436
20 shares for proceeds of at least \$238,385.99.

21 **4. Defendants' November 2020 Campaign**

22 121. In November 2020, defendants carried out their third GWHP
23 promotional campaign, involving GWHP press releases and SEC filings, purportedly
24 independent research reports, the phone room, and Empire's stock promotion
25 newsletters.

26 **a. The phone room**

27 122. On or about October 9, 2020, Volmer told Fund Manager 2 by phone
28 that he, Joshua, and Strongo were "ratcheting up" GWHP again, and explained that

1 the upcoming promotion would include pay-per-clicks and Jamie’s blast emails.

2 123. On or about November 3, 2020, defendants launched the November
3 2020 campaign.

4 124. During the November 2020 campaign, the phone room solicited
5 prospective investors to invest in GWHP.

6 **b. GWHP’s press releases and SEC filings**

7 125. On November 12, 2020, GWHP filed its Form 10-Q with the SEC, for
8 the quarter ending September 30, 2020, which Strongo signed and certified.

9 126. The Form 10-Q repeated GWHP’s earlier false and misleading
10 disclosures regarding EUA requests for GWHP’s Real Time, Antibody, and Antigen
11 Tests.

12 127. Strongo knew, or was reckless in not knowing, that the statements in
13 GWHP’s November 12, 2020 Form 10-Q were false and misleading.

14 **c. The Taglich report**

15 128. On or about October 15, 2020, Taglich Brothers, Inc., a broker-dealer
16 specializing in microcap stocks, published on its website, <https://taglichbrothers.com>,
17 a report on GWHP (the “Taglich Report”).

18 129. The Taglich Report assigned GWHP a “Speculative Buy” rating, stated
19 that “[w]hile the level of sales is yet to be determined, it could be substantial once the
20 FDA grants final emergency use approvals for [GWHP’s] tests.”

21 130. The Taglich Report states that GWHP paid Taglich \$6,000 for the report.

22 131. The Taglich Report did not identify any of the defendants or their roles
23 with GWHP, nor did it disclose that defendants intended to sell their GWHP shares.

24 132. The Taglich Report repeated the false and misleading statements
25 concerning GWHP’s purportedly pending EUA request for its Antibody and Antigen
26 Tests.

27 133. It would have been important to a reasonable investor considering
28 whether to purchase GWHP to know that the person or entity paying for or authoring

1 a newsletter recommending the purchase of the stock planned to sell, and/or was
2 selling, the stock.

3 **d. Empire’s newsletter email blasts**

4 134. On or about November 3, 2020, Empire sent an email blast with its
5 newsletter OTC Tip Reporter (the “November 3 teaser”), stating that its editor-in-
6 chief had “just uncovered for YOU the next medical diagnostics company poised to
7 surge in price as the ‘second wave’ of COVID-19 hits the country.” The November 3
8 teaser did not identify GWHP, but encouraged readers to be on the lookout for OTC
9 Tip Reporter’s analysis later that day, adding, “Want a mind-blowing return of
10 1,019%? Early investors could make an absolute fortune.”

11 135. The November 3 teaser did not identify any compensation that Empire
12 had received related to GWHP.

13 136. The November 3 teaser falsely stated: “Please be advised that we have
14 not been compensated for investor relations and media services for any of today’s
15 profiles. We do not own any shares.”

16 137. After the market closed on November 3 and continuing through
17 November 20, Empire emailed approximately twenty-six newsletters under OTC Tip
18 Reporter and MarketCaliber, recommending GWHP, many with links to the Goldman
19 Report and/or the Taglich Report. A list of these newsletters appears at Appendix B.

20 138. The newsletters emphasized, for example, that GWHP was “our next
21 ‘Pandemic’ related stock ready to move in a major way” because “[t]he street is
22 taking notice of this emerging player in the hyper-growth Diagnostics & Research
23 space!”

24 139. The newsletters highlighted increases in GWHP’s stock price:
25 “[URGENT!] #1 COVID-19 Diagnostics Stock Hit \$1.99 Up 67% From Mondays
26 Alert!”

27 140. The newsletters highlighted that GWHP had received favorable stock
28 analyst coverage from Goldman and Taglich Brothers. When the reports were

1 identified, the newsletters either provided links to the reports, embedded parts of the
2 report into the email, or described the reports' contents.

3 141. The newsletters stated that an unspecified third party had paid Empire
4 225,000 GHWP shares for the promotion.

5 142. The newsletters also stated that Empire had been paid \$127,000 for the
6 November 3 to 12 newsletters and \$195,911 for the November 15 to 17 newsletters.

7 143. The newsletters did not disclose that defendants intended to sell their
8 GWHP shares, misleadingly stating only that Empire "may intend to sell" shares of
9 GWHP.

10 144. It would have been important to a reasonable investor considering
11 whether to purchase GWHP to know that the person or entity paying for or authoring
12 a newsletter recommending the purchase of the stock planned to sell, and/or was
13 selling, the stock.

14 **e. Defendants' trading activity during the campaign**

15 145. During the November 2020 campaign, GWHP's stock price initially
16 increased from \$1.05 per share the day before the campaign (November 2) to a
17 closing price of \$2.39, an 86% increase. GWHP's stock price fell to \$1.96 on
18 November 17, 2020, the last day of the campaign.

19 146. GWHP's average daily trading volume increased from 27,756 in the ten
20 trading days preceding the campaign to an average trading volume of 196,712 shares
21 during the campaign (November 3 to 17, 2020), a 608% increase.

22 147. During the November 2020 campaign, defendants sold approximately
23 509,726 GWHP shares for at least \$825,824.28, as follows:

- 24 • Volmer: directly and through Nominee C: approximately 45,474
25 shares for proceeds of at least \$66,386.68;
- 26 • Volmer and Strongo: through Nominees A, D, and E: approximately
27 113,168 shares for proceeds of at least \$216,049.69; and
- 28 • Empire: directly and through Nominee B: approximately 351,084

1 shares for proceeds of at least \$543,387.91.

2 **E. Defendants’ Illicit Trading Through Nominee Accounts**

3 148. During the June, August/September, and November 2020 promotional
4 campaigns, defendants, either directly or through nominees, sold their GWHP shares
5 into the public market for combined proceeds of at least \$1,958,647.33.

6 **1. Defendants’ Relationships to Trading Nominees**

7 162. Volmer and/or Strongo have direct relationships to two of the trading
8 nominees, Nominee C and Nominee E.

9 163. On or about April 18, 2019, Volmer told Fund Manager 1 that
10 Nominee C was his “business partner,” and that the two had started working together
11 about two years ago.

12 164. On or about October 8, 2019, while reviewing the existing GWHP
13 shareholder list with Fund Manager 2, Volmer told Fund Manager 2 that both he and
14 Strongo knew one of the shareholders, and that he and Strongo could control that
15 individual’s trading activity.

16 165. In addition, Nominee E appears to have entered into, or been preparing
17 to enter into, a consulting agreement with an entity controlled by Volmer, Pacific
18 Advisers LLC (“PAL”), on or around March 18, 2020.

19 166. According to a draft agreement between the parties, PAL would
20 “introduce GWHP” to its network of contacts, including owners of “biotech and
21 health care [sic] related newsletters and websites,” in exchange for 31,000 free-
22 trading shares of GWHP from Nominee E.

23 167. Nominees A and D are closely connected to Nominee E. All three
24 individuals work for the same human resources and payroll firm based in Salt Lake
25 City, Utah, which appears to have approximately 11 total employees.

26 168. Nominees A, D, and E also carried out virtually identical activities at the
27 same brokerages in the time just prior to and during the promotional campaigns:

28 (a) All three opened accounts with both BWIS and Schwab on or

1 about April 6, 2020.

2 (b) On or around June 12, 2020, all three nominees submitted
3 identical letters to BWIS, requesting to transfer shares of GWHP from the transfer
4 agent into their brokerage accounts.

5 (c) After their BWIS accounts were closed, all three opened new
6 accounts at Ally in August 2020, where they transferred some of their GWHP shares.

7 (d) Nominees A, D, and E then conducted trading in GWHP shares
8 throughout September 2020 before Ally closed their accounts on September 29, 2020.

9 (e) All three nominees then shifted their trading activity into their
10 Schwab accounts, where they continued to trade in GWHP shares from October 2020
11 through at least the November campaign.

12 169. During the period of the campaigns, Nominees A, B, D, and E
13 transferred, respectively, \$14,000, \$78,900, \$12,000, and \$29,000 to Empire.

14 170. During the period of the campaigns, Nominees A and D transferred,
15 respectively, \$14,000 and \$12,000 to an LLC in the name of Joshua's spouse.

16 2. Defendants' GWHP Trading Proceeds

17 171. Defendants' approximate GWHP trading proceeds during the scheme
18 were as follows:

19 Trader	Campaign(s)	Approximate Total Shares Sold	Approximate Total Proceeds
20 Volmer	June 2020	14,810 shares (6/23/20 to 6/25/20)	\$376,325.31
	21 August/September 22 2020	103,395 shares (8/31/20 to 9/22/20)	
	23 November 2020	16,450 (11/2/20 to 24 11/17/20)	
25 Empire	26 August/September 27 2020	61,904 shares (8/28/20 to 9/14/20)	\$370,397.65
	28 November 2020	129,000 shares (11/16/20 to	

Trader	Campaign(s)	Approximate Total Shares Sold	Approximate Total Proceeds
		11/19/20)	
Nominee A	August/September 2020 November 2020	21,610 shares (9/14/20 to 9/25/20) 23,110 shares (11/5/20 to 11/20/20)	\$79,321.00
Nominee B	August/September 2020 November 2020	38,532 shares (9/15/20 to 9/30/20) 222,084 shares (11/3/20 to 11/27/20)	\$411,376.25
Nominee C	August/September 2020 November 2020	88,017 shares (8/31/20 to 9/29/20) 29,024 shares (11/13/20 to 11/18/20)	\$252,828.29
Nominee D	August/September 2020 November 2020	27,500 shares (9/14/20 to 9/28/20) 28,573 shares (11/4/20 to 11/27/20)	\$106,878.01
Nominee E	August/September 2020 November 2020	98,223 shares (9/2/20 to 9/28/20) 61,485 shares (11/4/20 to 11/20/20)	\$361,520.82
APPROXIMATE TOTAL PROCEEDS			\$1,958,647.33

F. Defendants' Scienter and Negligence

172. Defendants' false and misleading statements and deceptive acts were intentional, or at a minimum reckless and negligent.

173. Defendant Strongo, as the CEO, owner, and control person of GWHP and the person communicating with the FDA about GWHP's various EUA requests

1 and pre-requests, knew or was reckless in not knowing that GWHP's public
2 statements about its requests were false and misleading

3 174. Strongo also knew that he intended to sell GWHP shares during the
4 promotional campaigns.

5 175. Strongo prepared GWHP's press releases. He was the maker of the
6 statements in GWHP's SEC filings and press releases, as he signed its disclosures and
7 was its CEO, owner, and control person.

8 176. Strongo knew that the statements in the Goldman report regarding
9 GWHP's purported EUA requests were false and misleading, yet he approved the
10 issuance of the Goldman report.

11 177. Alternatively, Strongo acted with negligence regarding GWHP's public
12 statements.

13 178. Defendant Volmer, as a consultant to GWHP, knew that he intended to
14 sell GWHP shares during the promotional campaign. He knew, or was reckless or
15 negligent in not knowing, that Empire, the Yafas, Goldman, and Taglich did not
16 accurately disclose their compensation for promoting GWHP's stock, and that
17 Goldman and Taglich were not independent, despite the representations in their
18 reports on GWHP.

19 179. Defendant Joshua, as a silent partner in Empire, knew, or was reckless or
20 negligent in not knowing, that Empire, the Yafas, Goldman, and Taglich did not
21 accurately disclose their compensation for promoting GWHP's stock, and that
22 Goldman and Taglich were not independent, despite the representations in their
23 reports on GWHP. Joshua also knew, or was reckless or negligent in not knowing,
24 that Empire's newsletters were false and misleading regarding the intentions of
25 Strongo, Volmer, Empire, and Jamie (through Empire) to sell their GWHP shares
26 once Empire began to distribute the newsletters and afterwards.

27 180. Defendant Jamie, as the principal of Empire, knew that he intended to
28 sell GWHP shares during the promotional campaign. He knew, or was reckless or

1 negligent in not knowing, that Empire, the Yafas, Goldman, and Taglich did not
2 accurately disclose their compensation for promoting GWHP's stock, and that
3 Goldman and Taglich were not independent, despite the representations in their
4 reports on GWHP.

5 181. The conduct and state of mind of defendant Strongo is imputed to
6 GWHP, because he is its CEO, owner, and control person.

7 182. The conduct and state of mind of defendants Joshua and Jamie Yafa are
8 imputed to Empire, because they are its silent partner and principal, respectively.

9 **FIRST CLAIM FOR RELIEF**

10 **Fraud in Connection with the Purchase or Sale of Securities**

11 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c)**

12 **(against all Defendants)**

13 183. The SEC realleges and incorporates by reference paragraphs 1 through
14 182 above.

15 184. Defendants GWHP, Strongo, Volmer, Joshua Yafa, Jamie Yafa, and
16 Empire carried out a scheme to defraud, through the combination of their deceptive
17 statements and actions concerning GWHP's purported EUA requests, and the secret
18 plan to promote GWHP's stock price in order to sell their GWHP shares at artificially
19 inflated prices. Alongside the false and misleading press releases and SEC filings
20 concerning the status of GWHP's EUA requests submitted to the FDA, defendants
21 carried out their promotional campaign, which included the phone room, newsletter
22 email blasts, and purportedly independent research reports. Throughout the
23 promotional campaigns, defendants concealed both their intent to sell their GWHP
24 shares when the price rose, and their involvement in the stock promotion efforts.

25 185. By engaging in the conduct described above, defendants GWHP,
26 Strongo, Volmer, Joshua Yafa, Jamie Yafa, and Empire, and each of them, directly or
27 indirectly, in connection with the purchase or sale of a security, and by the use of
28 means or instrumentalities of interstate commerce, of the mails, or of the facilities of

1 a national securities exchange: (a) employed devices, schemes, or artifices to
2 defraud; and (b) engaged in acts, practices, or courses of business which operated or
3 would operate as a fraud or deceit upon other persons.

4 186. Defendants GWHP, Strongo, Volmer, Joshua Yafa, Jamie Yafa, and
5 Empire, with scienter, employed devices, schemes, and artifices to defraud; and
6 engaged in acts, practices, or courses of conduct that operated as a fraud on the
7 investing public by the conduct described in detail above.

8 187. By engaging in the conduct described above, defendants GWHP,
9 Strongo, Volmer, Joshua Yafa, Jamie Yafa, and Empire violated, and unless
10 restrained and enjoined will continue to violate, Section 10(b) of the Exchange Act,
11 15 U.S.C. § 78j(b), and Rules 10b-5(a) and 10b-5(c) thereunder, 17 C.F.R. §§
12 240.10b-5(a) and 240.10b-5(c).

13 **SECOND CLAIM FOR RELIEF**

14 **Fraud in Connection with the Purchase or Sale of Securities** 15 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5(b)** 16 **(against Defendants GWHP, Strongo, Joshua Yafa, and Empire)**

17 188. The SEC realleges and incorporates by reference paragraphs 1 through
18 182 above.

19 189. Defendants GWHP, Strongo, Joshua Yafa, and Empire made materially
20 false and misleading statements concerning GWHP's purported EUA requests and
21 their own intent to sell their GWHP shares during the promotional campaigns.
22 Alongside the false and misleading press releases and SEC filings concerning the
23 status of GWHP's EUA requests submitted to the FDA, defendants misrepresented
24 their intent to sell their GWHP shares when the price rose.

25 190. By engaging in the conduct described above, defendants GWHP,
26 Strongo, Joshua Yafa, and Empire, and each of them, directly or indirectly, in
27 connection with the purchase or sale of a security, and by the use of means or
28 instrumentalities of interstate commerce, of the mails, or of the facilities of a national

1 securities exchange, made untrue statements of a material fact or omitted to state a
2 material fact necessary in order to make the statements made, in the light of the
3 circumstances under which they were made, not misleading.

4 191. Defendants GWHP, Strongo, Joshua Yafa, and Empire, with scienter,
5 made untrue statements of a material fact or omitted to state a material fact necessary
6 in order to make the statements made, in the light of the circumstances under which
7 they were made, not misleading, by the conduct described in detail above.

8 192. By engaging in the conduct described above, defendants GWHP,
9 Strongo, Joshua Yafa, and Empire violated, and unless restrained and enjoined will
10 continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule
11 10b-5(b) thereunder, 17 C.F.R. § 240.10b-5(b).

12 **THIRD CLAIM FOR RELIEF**

13 **Fraud in the Offer or Sale of Securities**

14 **Violations of Sections 17(a)(1) and (3) of the Securities Act**

15 **(against Defendants Strongo, Volmer, Joshua Yafa, Jamie Yafa, and Empire)**

16 193. The SEC realleges and incorporates by reference paragraphs 1 through
17 182 above.

18 194. Defendants Strongo, Volmer, Joshua Yafa, Jamie Yafa, and Empire
19 carried out a scheme to defraud, through the combination of their deceptive
20 statements and actions concerning GWHP's purported EUA requests, and the secret
21 plan to promote GWHP's stock price in order to sell their GWHP shares. Alongside
22 the false and misleading press releases and SEC filings concerning the status of
23 GWHP's EUA requests submitted to the FDA, defendants carried out their
24 promotional campaign, which included the phone room, newsletter email blasts, and
25 purportedly independent research reports. Throughout the promotional campaigns,
26 defendants concealed both their intent to sell their GWHP shares when the price rose,
27 and their involvement in the stock promotion efforts.

28 195. By engaging in the conduct described above, defendants Strongo,

1 Volmer, Joshua Yafa, Jamie Yafa, and Empire, and each of them, directly or
2 indirectly, in the offer or sale of securities, and by the use of means or instruments of
3 transportation or communication in interstate commerce or by use of the mails
4 directly or indirectly: (a) employed devices, schemes, or artifices to defraud; and (b)
5 engaged in transactions, practices, or courses of business which operated or would
6 operate as a fraud or deceit upon the purchaser.

7 196. Defendants Strongo, Volmer, Joshua Yafa, Jamie Yafa, and Empire with
8 scienter, employed devices, schemes, and artifices to defraud; and, with scienter or
9 negligence, engaged in transactions, practices, or courses of business which operated
10 or would operate as a fraud or deceit upon the purchaser.

11 197. By engaging in the conduct described above, defendants Strongo,
12 Volmer, Joshua Yafa, Jamie Yafa, and Empire violated, and unless restrained and
13 enjoined will continue to violate, Sections 17(a)(1) and 17(a)(3) of the Securities Act,
14 15 U.S.C. §§ 77q(a)(1) and 77q(a)(3).

15 **FOURTH CLAIM FOR RELIEF**

16 **Fraud in the Offer or Sale of Securities**

17 **Violations of Section 17(a)(2) of the Securities Act**

18 **(against Defendants Strongo, Volmer, Joshua Yafa, Jamie Yafa, and Empire)**

19 198. The SEC realleges and incorporates by reference paragraphs 1 through
20 182 above.

21 199. Defendants GWHP, Strongo, Joshua Yafa, and Empire obtained money
22 or property by means of materially false and misleading statements concerning
23 GWHP's purported EUA requests, and their own intent to sell their GWHP shares
24 during the promotional campaigns. Alongside the false and misleading press releases
25 and SEC filings concerning the status of GWHP's EUA requests submitted to the
26 FDA, defendants misrepresented their intent to sell their GWHP shares when the
27 price rose.

28 200. By engaging in the conduct described above, defendants Strongo,

1 Volmer, Joshua Yafa, Jamie Yafa, and Empire, and each of them, directly or
2 indirectly, in the offer or sale of securities, and by the use of means or instruments of
3 transportation or communication in interstate commerce or by use of the mails,
4 directly or indirectly obtained money or property by means of untrue statements of a
5 material fact or by omitting to state a material fact necessary in order to make the
6 statements made, in light of the circumstances under which they were made, not
7 misleading.

8 201. Defendants Strongo, Volmer, Joshua Yafa, Jamie Yafa, and Empire,
9 with scienter or negligence, obtained money or property by means of untrue
10 statements of a material fact or by omitting to state a material fact necessary in order
11 to make the statements made, in light of the circumstances under which they were
12 made, not misleading.

13 202. By engaging in the conduct described above, defendants Strongo,
14 Volmer, Joshua Yafa, Jamie Yafa, and Empire violated, and unless restrained and
15 enjoined will continue to violate, Section 17(a)(2) of the Securities Act, 15 U.S.C. §
16 77q(a)(2).

17 **FIFTH CLAIM FOR RELIEF**

18 **Nondisclosure of Compensation for Touting Stock**

19 **Violations of Section 17(b) of the Securities Act**

20 **(against Defendants Joshua Yafa, Jamie Yafa, and Empire)**

21 203. The SEC realleges and incorporates by reference paragraphs 1 through
22 182 above.

23 204. Defendants Joshua and Jamie Yafa and Empire violated the anti-touting
24 provisions by concealing the compensation they received for promoting GWHP's
25 stock. These defendants promoted GWHP's stock through the phone room and
26 Empire's newsletter email blasts, without disclosing the compensation they received
27 from defendants GWHP, Strongo, and/or Volmer.

28 205. By engaging in the conduct described above, defendants Joshua Yafa,

1 Jamie Yafa, and Empire, by the use of means or instruments of transportation or
2 communication in interstate commerce or by the use of the mails, published, gave
3 publicity to, or circulated notices, circulars, advertisements, newspapers, articles,
4 letters, investment services, or communications which, though not purporting to offer
5 a security for sale, described such security for a consideration received or to be
6 received, directly or indirectly, from an issuer, underwriter, or dealer, without fully
7 disclosing the receipt, whether past or prospective, of such consideration and the
8 amount thereof.

9 206. By engaging in the conduct described above, defendants Joshua Yafa,
10 Jamie Yafa, and Empire violated, and unless restrained and enjoined will continue to
11 violate, Section 17(b) of the Securities Act, 15 U.S.C. § 77q(b).

12 **PRAYER FOR RELIEF**

13 WHEREFORE, the SEC respectfully requests that the Court:

14 **I.**

15 Issue findings of fact and conclusions of law that defendants committed the
16 alleged violations.

17 **II.**

18 Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of
19 Civil Procedure, permanently enjoining defendants GWHP, Strongo, Volmer, Joshua
20 Yafa, Jamie Yafa, and Empire, and their officers, agents, servants, employees, and
21 attorneys, and those persons in active concert or participation with any of them, who
22 receive actual notice of the judgment by personal service or otherwise, and each of
23 them, from violating Section 10(b) of the Exchange Act [15 U.S.C. §§ 78j(b)] and
24 Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

25 **III.**

26 Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of
27 Civil Procedure, permanently enjoining defendants Strongo, Volmer, Joshua Yafa,
28 Jamie Yafa, and Empire, and their officers, agents, servants, employees, and

1 attorneys, and those persons in active concert or participation with any of them, who
2 receive actual notice of the judgment by personal service or otherwise, and each of
3 them, from violating Section 17(a) of the Securities Act [15 U.S.C. §77q(a)].

4 **IV.**

5 Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of
6 Civil Procedure, permanently enjoining defendants Joshua Yafa, Jamie Yafa, and
7 Empire, and their officers, agents, servants, employees, and attorneys, and those
8 persons in active concert or participation with any of them, who receive actual notice
9 of the judgment by personal service or otherwise, and each of them, from violating
10 Section 17(b) of the Securities Act [15 U.S.C. §77q(b)].

11 **V.**

12 Order defendants Strongo, Volmer, Joshua Yafa, Jamie Yafa, and Empire to
13 disgorge all funds received from their illegal conduct, together with prejudgment
14 interest thereon, pursuant to Exchange Act Sections 21(d)(5) and 21(d)(7) [15 U.S.C.
15 §§ 78u(d)(5) and 78u(d)(7)].

16 **VI.**

17 Order defendants to pay civil penalties under Section 20(d) of the Securities
18 Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. §
19 78u(d)(3)].

20 **VII.**

21 Enter an order against Defendant Strongo, pursuant to Section 20(e) of the
22 Securities Act, 15 U.S.C. § 77t(e), and Sections 21(d)(2) of the Exchange Act, 15
23 U.S.C. § 78u(d)(2), prohibiting him from acting as an officer or director of any issuer
24 that has a class of securities registered pursuant to Section 12 of the Exchange Act,
25 15 U.S.C. § 781 or that is required to file reports pursuant to Section 15(d) of the
26 Exchange Act, 15 U.S.C. § 78o(d).

27 **VIII.**

28 Enter an order against defendants Strongo, Volmer, Jamie Yafa, and Empire,

1 prohibiting them from participating in any offering of penny stock pursuant to
2 Section 20(g) of the Securities Act, 15 U.S.C. § 77t(g), and Section 21(d)(6) of the
3 Exchange Act, 15 U.S.C. § 78u(d)(6).

4 **IX.**

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

9 **X.**

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

12 Dated: February 17, 2022

13 */s/ Amy Jane Longo*

14

Amy Jane Longo

15 Roberto A. Tercero

16 Patricia Pei

17 Attorneys for Plaintiff

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