



One's management and operations to prevent investors from learning about his checkered past, including an \$8 million Texas securities fraud judgment entered against him in 2012; and (b) repeatedly misrepresented to investors that an initial public offering ("IPO") of Reliable One's stock was forthcoming when the company has taken no steps towards pursuing an IPO.

3. Beginning in 2020, the Defendants sought to exploit the COVID-19 pandemic by promoting that: (a) Quantum Filtration (Reliable One's subsidiary) was, as a result of cutting-edge technology, producing and selling face-masks that blocked the COVID-19 virus and were N-95 certified; and (b) that the U.S. Food and Drug Administration ("FDA") would imminently be approving these masks so Quantum Filtration could offer them for sale. In fact, Defendants each knew (or were severally reckless in not knowing) that the Quantum mask did not have a NIOSH certification,<sup>1</sup> which was a prerequisite to obtaining an N-95 certification. They actually each knew by least February 2021 that Reliable One's sample masks containing the membrane that was to provide the promised protections had been submitted for testing necessary to seek NIOSH certification and that it had "failed miserably." Despite this knowledge, the Defendants continued to tell investors that they were selling N-95 certified masks through Quantum Filtration's website. Further, Reliable One disseminated investor update emails that represented that it expected to imminently obtain FDA approval to confirm the effectiveness of its masks to block and kill the COVID-19 virus. However, even though Reliable One stated that it was "currently awaiting our [510k] approval from the FDA," Wiedrich and, through him, Reliable One and Quantum Filtration, each knew (or were severely reckless in not knowing) that Reliable One had never even submitted a 510(k) application to the FDA.

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<sup>1</sup> The National Institute for Occupational Safety and Health ("NIOSH") is a federal agency responsible for testing and approving respirators used in U.S. workplace settings. According to a NIOSH publication, NIOSH only approves respirators that pass its strict quality assurance and performance requirements.

4. Additionally, Defendants misled investors about the existence of business deals and prospects, including: (a) in or around October 2020, representations that Reliable One had orders from Saudi Arabia for approximately 15 million masks and five million gallons of hand sanitizer; and (b) in or around August 2021, representations that Reliable One had an agreement with the parent company of the Six Flags amusement park chain to disinfect the parks' pool waters. In reality, Reliable One had no orders from Saudi Arabia and no agreement with Six Flags.

5. Finally, Cravey, Wiedrich, and Reliable One misled investors about Reliable One's use of investor funds to pay salaries to officers and directors and to pay commissions to salespeople. In Reliable One's public filings and investor-solicitation materials, Cravey, Wiedrich, and/or Reliable One represented that Reliable One would not use investor funds to pay salaries to its officers and directors. However, Cravey and Wiedrich knew—because they controlled Reliable One's bank accounts—that Reliable One paid more than \$2.1 million to officers and directors, including at least \$545,000 to Cravey, whose active involvement in Reliable One was concealed from investors. Further, Cravey, Wiedrich, and Reliable One disseminated Private Placement Memoranda (“PPMs”) to investors representing that Reliable One *may enter* into agreements with FINRA-registered broker-dealers to sell shares of Reliable One, but that Reliable One *had not entered* into any agreements with any broker-dealer as of the date of the PPM. In truth, not only was Reliable One paying sales commissions at that time, but the salespeople were not representatives of FINRA-member broker-dealers.

6. Through their actions, Defendants have violated—and continue to violate—the antifraud provisions of the federal securities laws, namely Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange

Act”) and Rule 10b-5 thereunder. In addition, Defendants have offered and sold—and continue to offer and sell—securities in an unregistered offering, in violation of the securities-registration provisions of the federal securities laws, specifically Sections 5(a) and 5(c) of the Securities Act. Unless Defendants are enjoined by the Court, they will continue to fraudulently offer and sell securities in violation of the federal securities laws.

7. To protect the public from further illicit activity and harm, the Commission brings this action against Defendants and seeks: (a) emergency temporary and preliminary relief; (b) permanent injunctive relief; (c) disgorgement of ill-gotten gains resulting from Defendants’ violations of the federal securities laws, plus prejudgment interest on those ill-gotten gains; (d) civil penalties; (e) an order prohibiting Cravey and Wiedrich from each serving as an officer or director of a public company; and (f) an order barring Cravey and Wiedrich from participating in any offering of penny stocks.

## **II. JURISDICTION AND VENUE**

8. Defendants offered and sold stock of Reliable One, which is a security under Section 2(a)(1) of the Securities Act [15 U.S.C. § 77b(a)(1)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. § 78c(a)(10)].

9. The Commission brings this action under Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]. The Commission seeks the imposition of civil penalties pursuant to Section 20(d)(2)(C) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3)(B)(iii) of the Exchange Act [15 U.S.C. § 78u(d)].

10. This Court has jurisdiction over this action under Sections 20(b) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b) and 77v(a)] and Sections 21 and 27 of the Exchange Act [15 U.S.C. §§ 78u and 78aa] because Defendants directly or indirectly made use of the means or

instrumentalities of commerce and/or the mails in connection with the transactions described herein.

11. Venue is proper in this District under Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa], because certain of Defendants' acts, practices, transactions, and courses of business alleged herein occurred within this judicial district. Further, Cravey resides in this District, and Reliable One and Quantum Filtration maintain their principal places of business in this District.

### **III. DEFENDANTS**

12. **Reliable One** is a South Dakota corporation formed in 2015 with its principal place of business in Athens, Texas. Cravey and Wiedrich own a majority interest in Reliable One, and have jointly controlled Reliable One's operations since its inception. Neither Reliable One nor its securities are registered with the Commission in any capacity.

13. **Quantum Filtration** is a South Dakota corporation formed in 2020 with its principal place of business in Athens, Texas. Quantum Filtration is a wholly owned subsidiary of Reliable One. Cravey and Wiedrich have jointly controlled Quantum Filtration since its inception in 2020. In June 2021, South Dakota administratively dissolved Quantum Filtration's corporate status for failure to file an annual report. Despite its dissolution, Quantum Filtration continues to operate. Neither Quantum Filtration nor its securities are registered with the Commission in any capacity.

14. **Cravey**, age 54, resides in Eustace, Texas. Throughout the time period relevant to this Complaint, Cravey served—either formally or in a *de facto* manner—as the Chairman of the Board and CEO of Reliable One. Regardless of his title (or lack thereof), Cravey exercises control over Reliable One and its affiliates along with Wiedrich. In 2012, a Texas state district

court entered an \$8 million judgment against Cravey for defrauding investors in a fraudulent securities offering in violation of the Texas Securities Act. On August 12, 2010, Cravey and his wife filed for Chapter 13 bankruptcy in the United States Bankruptcy Court, Northern District of Texas, Fort Worth Division.

15. **Wiedrich**, age 76, resides in Forney, Texas. He is Reliable One’s President and CFO, and he owns a majority interest with Cravey. Before his involvement with Reliable One, Wiedrich served as CFO for at least four OTC-traded entities,<sup>2</sup> including three SEC-reporting companies. He has never been licensed as a Certified Public Accountant (“CPA”).

#### **IV.** **FACTS**

##### **A. Background**

16. In February 2015, Cravey directed Wiedrich to form Reliable One. Reliable One’s internal documents—including its organizational charts and management biographies—identify Cravey as Reliable One’s CEO and the Chairman of its Board of Directors and Wiedrich as Reliable One’s President and CFO. In addition, both Cravey and Wiedrich are signatories on the bank accounts for Reliable One and its affiliates. In short, regardless of their titles, Wiedrich and Cravey have jointly controlled Reliable One as partners, making all of the company’s important decisions.

17. Reliable One claims to possess a “disruptive technology” that is capable of purifying contaminated water into potable water on an industrial scale. Since its inception, the company has continuously touted its plan to implement its industrial water-treatment process—purportedly by deploying mobile units and constructing large water purification plants—to

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<sup>2</sup> Over-the-counter (“OTC”) securities are securities that are not listed on a major exchange in the United States; instead, they are offered and sold via broker-dealer network, typically because many are smaller companies and do not meet the requirements to be listed on a formal exchange.

purify water that has been contaminated during use in the oil-and-gas fracking process. To-date, the company has not successfully implemented its plan and has never earned any revenue from its water-purification business.

18. On February 29, 2020, Cravey and Wiedrich formed Quantum Filtration, as a wholly owned subsidiary of Reliable One, to market face masks, air filters, and water desalinization filters using technology purportedly derived from Reliable One's efforts to develop its water-purification business. The following month (March 2020), as the COVID-19 pandemic was enveloping the United States, Cravey and Wiedrich began focusing Reliable One's investor solicitation efforts on Quantum Filtration to tout a facemask, which Cravey, Wiedrich, and Reliable One claimed (and continue to claim) uses a nanofiber membrane capable of *blocking* the COVID-19 virus.

**B. Reliable One Has Engaged in an Unregistered Securities Offering Since 2015.**

19. Since Reliable One's creation in February 2015, Reliable One has engaged in an ongoing offering of its common stock at prices ranging from \$0.50 to \$3.00 per share. Through this offering, Reliable One has raised at least \$34 million from investors from February 15, 2015 through approximately May 2022. At various times since its creation, Reliable One's net assets were less than \$5 million.

20. From the outset, Cravey, Wiedrich, and Reliable One have promoted the offer and sale of Reliable One's stock through various means, including public websites, press releases issued to the public, cold-calls and bulk e-mail blasts to individuals identified on purchased lead lists, in-person sales presentations, and word-of-mouth advertising from existing investors who introduced the investment opportunity to their friends.

21. As part of its solicitations, Reliable One provides interested investors with: (a) a Private Placement Memorandum (“PPM”),<sup>3</sup> approved by Cravey and Wiedrich, which provides information about the company; (b) periodic updates and other information; and (c) an investor suitability form for investors to fill out and return. Reliable One provides investors with the suitability form to purportedly help the company determine “accredited investor” status. Instead of taking additional steps to confirm the information provided by investors (or to otherwise independently determine if investors are accredited), the company simply relies on the answers provided by the investors.

22. Cravey and Wiedrich shared joint responsibility for reviewing and approving Reliable One’s PPM, investor suitability forms, financial projections, website content, and other information provided to investors. Wiedrich took a leading role in drafting the PPM and the investor-update emails. Cravey often approved update emails sent by others on behalf of Reliable One, drafted investor emails, cold-called prospective investors, and instructed Reliable One sales representatives about what to tell prospective investors on phone calls. Both Cravey and Wiedrich spoke directly to investors, as necessary, to close stock sales.

23. To offer and sell Reliable One stock to investors, Reliable One enlisted its own employees and at least seven outside salespeople to cold-call individuals listed on purchased lead lists. For each investor who expressed an interest in purchasing Reliable One stock, Cravey and Wiedrich instructed a salesperson to send the investor a copy of Reliable One’s PPM. At in-person sales presentations, a Reliable One employee delivered the PPM directly. As Wiedrich admitted in sworn testimony, Reliable One paid the responsible salesperson a commission ranging from 12% to 30% of the purchase price for each sale of Reliable One stock. In addition,

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<sup>3</sup> There have been multiple versions of the PPM throughout the time period relevant to this Complaint. The primary difference between the versions relates to the discussion of recent business activities.



at least one salesperson earned his sales commissions by purchasing blocks of Reliable One stock at a 20% discount to the offering price, and then selling the stock to investors at a markup, pocketing the difference between the markup and his discounted purchase prices.

24. In March 2017, Reliable One filed a notice of purportedly exempt offering of securities on the Commission's Form D, which was signed by Wiedrich and which claimed that Reliable One's stock offering was exempt from registration under Regulation D, Rule 506(b). As discussed below, the Form D was (and continues to be) materially false.

**C. Defendants Made Fraudulent Statements and Omissions Throughout the Offering.**

**(i) Concealing Cravey's Control over Reliable One**

25. Reliable One's PPMs and its Form D failed (and continue to fail) to disclose Cravey's key role with Reliable One. The Form D identified Reliable One's officers and the PPMs contained a list of (and biographies for) Reliable One's executive officers and directors. However, Cravey's name was omitted from both of these key documents. Wiedrich testified under oath that Cravey instructed him to omit Cravey's name from the documents to prevent investors from discovering "negative" information about Cravey on the internet. The negative information includes easily accessible information that Cravey is subject to an \$8 million Texas state securities-fraud judgment obtained in 2012 by investors in an earlier Cravey-led securities offering. The lawsuit alleged that Cravey and several members of his family committed multiple violations of the Texas Securities Act in a "nationwide oil and gas securities fraud scheme."

**(ii) Falsely Promising an Initial Public Offering**

26. At Cravey's instruction (and as Wiedrich knew), Reliable One salespeople regularly represented to investors that a Reliable One initial public offering ("IPO") was imminent. For example, in a March 2021 email to an investor (on which Cravey was copied), a

Reliable One employee said, “[w]e plan on entering the public markets with an IPO very soon.” In phone calls with investors throughout Reliable One’s existence, salespeople continually represented that the IPO would take place within six to 18 months, and that stock purchased at a low price (such as the \$.50 through \$3 per share price that Reliable One typically used during the time period relevant to this Complaint) before the IPO would be worth \$30 to \$50 per share after the IPO. For example, in February 2020, a Reliable One salesperson assured a prospective investor that Reliable One’s shares (then being sold at \$1.50 a share) would go public within 18 months and would be worth \$50 after the IPO.

27. In reality, as Reliable One, Cravey, and Wiedrich knew, Reliable One had *de minimis* sales revenue, and Reliable One, Cravey, and Wiedrich had taken no steps toward pursuing an IPO, such as retaining an underwriter or preparing a registration statement. Indeed, Reliable One kept promising investors that it would go public, but Wiedrich and Cravey knew that they (as Reliable One’s Chairman, CEO, President, and CFO, collectively) would not pursue an IPO unless Reliable One generated sufficient revenue, which it never did. Notwithstanding their knowledge of the matters identified in this paragraph, and in spite of the alluring promises of an imminent IPO, Wiedrich, Cravey, and Reliable One failed to disclose these things to investors.

28. Further, this misrepresentation and/or omission relating to an imminent IPO is especially material when considering other undisclosed facts. For example, between April 2020 and March 2021, Reliable One emailed to potential investors links to a Quantum Filtration PowerPoint presentation. Within the PowerPoint presentation, Reliable One projected \$611 million in total revenue for the months of April 2020 through March 2021. It predicted monthly “Total Net Cash Profit” of \$3.9 million for May 2020, increasing to \$42.1 million by November

2020 and leveling off at \$42.2 million per month from December 2020 through March 2021.

Reliable One purportedly premised the projections on the ability to operate 10 mask-making machines at full capacity. However, when Reliable One began disseminating the projections in April 2020—when it was projecting almost \$4 million in revenue for the very next month—the company had only *purchased* two membrane-making machines. Moreover, while it appears Reliable One had purchased a mask-making machine in April 2020, it was not received until June 2020. By the end of December 2020, Reliable One had purchased several additional machines, but *none* of the machines ever produced masks for commercial sale. In fact, Reliable One never earned a profit and certainly never came close to earning the monthly profits that were projected in the PowerPoint presentation. Yet Reliable One kept providing investors with the same baseless projections through at least March 2021.

29. Reliable One also failed to disclose its poor financial condition to investors. For example, while promising an imminent IPO, Reliable One failed to disclose to investors that it was unable to pay its financial obligations as they came due. From February 2019 to December 2021, Reliable One borrowed over \$1.7 million from nine lenders at interest rates ranging from 25% to 50%. Under the loan arrangements, Reliable One was required to make daily payments to the lenders directly from its bank account. On several occasions, Reliable One failed to pay on the loans as required and, instead, switched banks to skirt the lenders' efforts to collect. Eventually, several lenders obtained judgments against Reliable One for unpaid debts of approximately \$1.1 million. Further, Reliable One also failed to disclose to investors that, on several occasions, it had insufficient cash on hand to make payroll.

**(iii) Falsely Claiming that Quantum Filtration's Masks were N95 Certified and FDA Approval was Imminent**

30. In an April 2021 update emailed to investors, Reliable One represented that proprietary facemasks were now for sale on the website of its subsidiary, Quantum Filtration. The email included a link to Quantum Filtration's website. One of the facemasks for sale on the website was designated as "N95." However, this claim was materially false, as each Defendant knew or was severely reckless in not knowing. Cravey and Wiedrich (and therefore Reliable One and Quantum Filtration), knew as early as August 2020 that, before selling a mask with an N95 designation, a company must obtain a NIOSH certification. And each Defendant knew or was severely reckless in not knowing that the Quantum Filtration mask did not have a NIOSH certification. In fact, each Defendant knew by at least February 2021 that Reliable One had submitted mask membranes for testing and that they had "failed miserably." Each Defendant also knew that a second test was also unsuccessful. Despite knowing of these failures, the Defendants continued to tell investors, by sending them e-mails that linked to Quantum Filtration's website, that they were selling N95 masks.

31. In an August 2021 update emailed to investors, Reliable One stated, "[w]e are currently awaiting our 501k [sic]<sup>4</sup> approval from the FDA which will allow us to make our proven claims on the effectiveness of blocking and killing any viruses such as Covid and Delta . . . [w]e expect to have that approval shortly which will allow us to advertise our proven claims." As each Defendant knew, or was severely reckless in not knowing, a company seeking to market a device requiring FDA approval—such as a surgical facemask—must submit a 510(k) application, known as a premarket submission, to the FDA to prove that the product is safe and effective for human use. In reality, as each Defendant knew or was severely reckless in not knowing, neither Reliable One nor Quantum Filtration ever submitted a 510(k) application to the

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<sup>4</sup> The proper statutory reference is "510(k)," not 501(k).

FDA. Accordingly, it was materially false for the Defendants to claim that FDA approval was expected shortly.

**(iv) Lying about Sales Commissions and Officer-and-Director Compensation**

32. In a Form D filed with the Commission, Reliable One represented that it used no investor funds to (a) pay commissions to salespeople who offer and sell Reliable One's stock or (b) compensate the company's directors or executive officers. These statements were false. In fact, as Cravey and Wiedrich knew by way of their authority over Reliable One's bank accounts (or were severely reckless in not knowing), Reliable One paid commissions—sourced from investor funds—to salespersons ranging from 12% to 30%. Further, Reliable One used investor funds to compensate Reliable One's officers and directors, including Cravey and Wiedrich. These undisclosed payments to officers and directors totaled at least \$2.1 million, including at least approximately \$545,000 directly to Cravey.

33. Similarly, the Reliable One PPM represented to investors:

Reliable One **may** enter into agreements with securities broker-dealers **who are members of the Financial Regulation Industry Authority, Inc. (FINRA)**, whereby these broker-dealers will be involved in the sale of the Shares and will be paid a commission by the Reliable One Resources, Inc. **of up to ten percent (10%)** of the offering price of the Shares sold by them, plus an additional unaccountable expense of three percent (3%) of the offering price of the Shares sold by them. As of the date of this Amended Offering Memorandum, Reliable One had not entered into any agreements with any broker-dealer. (Emphasis added.)

34. This statement was misleading because, much like the Form D's false claim concerning the payment of sales commissions, it failed to disclose that the payment of commissions had actually occurred and was not a hypothetical possibility. Moreover, as the Defendants each knew or were severely reckless in not knowing, the salespeople who received the commissions were not representatives of FINRA-member broker-dealers.

**(v) Touting Phony Business Deals**

35. In an October 2020 update emailed to investors, Wiedrich stated:

Some investors have asked why we have started to participate in the hand sanitizer arena. The answer is simple. We currently have a standing order from Saudi Arabia for ten million masks and have been asked if we could provide an alcohol-free hand sanitizer that they can purchase. Since then, we have another Saudi Arabian group that wants to purchase 5 million masks per month and 5 million gallons of sanitizer per month.

In reality, as Wiedrich knew, Reliable One had no such order from anyone in Saudi Arabia, and there is no evidence that Reliable One sold masks or sanitizer to anyone in Saudi Arabia.

36. In an August 2021 update emailed to investors, Reliable One claimed that it was working with the parent company of the Six Flags amusement parks to disinfect the parks' pool waters. The updated asserted that if Reliable One's products could disinfect the Six Flags pool waters, then Reliable One could begin selling its products to Six Flags. Reliable One further claimed that Six Flags had agreed to send samples of its pool waters to be tested by Reliable One. But, as Wiedrich knew—and has admitted under oath—Six Flags never agreed to provide samples of its pool waters to Reliable One or to purchase Reliable One's product(s).

**D. Reliable, Cravey, and Wiedrich Misused Investor Funds.**

37. Cravey and Wiedrich, who jointly controlled the bank accounts of Reliable One and Quantum Filtration, spent a significant amount of investor funds in ways that appear inconsistent with representations made to investors in Reliable One's PPM. For example, bank account records show that since January 2019, Reliable One spent approximately \$185,000 by making ATM cash withdrawals, shopping online, purchasing groceries and pharmaceuticals, and spending Walmart, liquor stores, plastic-surgery centers, sports venues, and college bookstores. During the same period, Reliable One paid approximately \$1.6 million combined to nine of Cravey's family members, including: (a) \$307,000 to Cravey's wife who purportedly worked

part-time for Reliable One; and (b) \$41,000 to a Cravey family member that Wiedrich, Reliable One's President, claimed not to know.

#### **E. Reliable Continues to Seek to Raise Investor Funds**

38. Reliable One is still seeking to raise money from investors. Both the Reliable One and Quantum Filtration websites currently contain invitations to investors to inquire about investing. Videos of Reliable One's investor pitches are still available on YouTube. And at least as recently as August 2022, Wiedrich solicited investors to purchase Reliable One shares,<sup>5</sup> again before the company's purported IPO, stating in an investor update:

At this juncture we are working tirelessly towards revenue generation to a level where the company is cash flow positive. Any one of our various projects could achieve this goal *over* the next few months. Reliable One Resources' focus is to then pivot to commence an Initial Public Offering, which we would be targeting for 2023. Currently, investors that wish to benefit from Reliable One Resources' technologies are purchasing the private share's using our standard Subscription Agreement.

39. Meanwhile, Reliable One's website continues to omit Cravey's name and involvement in Reliable One's management and operations. Under the heading "Our Team," the website lists Wiedrich and two vice-presidents, but it does not list or otherwise identify Cravey.

### **V.** **CLAIMS FOR RELIEF**

#### **FIRST CLAIM** **Violations of Section 5(a) and 5(c) of the Securities Act**

40. The Commission repeats and re-alleges Paragraphs 1 through 39 of the Complaint as if fully set forth herein.

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<sup>5</sup> Based on Wiedrich's sworn testimony in October 2022, Reliable One: (a) is currently raising money by selling joint venture interests in a helium well project, and has raised approximately \$1.5 million to date; and (b) intends to begin raising funds for another joint venture relating to an unspecified land development.

41. By engaging in the acts and conduct alleged herein, Defendants, directly or indirectly:

- a. made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell, through the use or medium of any prospectus or otherwise, securities as to which no registration statement was in effect; and/or
- b. for the purpose of sale or delivery after sale, carried or caused to be carried through the mails or in interstate commerce, by means or instruments of transportation, securities as to which no registration statement was in effect; and/or
- c. made use of means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell, through the use or medium of any prospectus or otherwise, securities as to which no registration statement had been filed.

42. There were no applicable exemptions from registration.

43. By reason of the foregoing, each Defendant has violated, and unless enjoined will continue to violate, Sections 5(a) and 5(c) of the Securities Act, [15 U.S.C. § 77e(a) and (c)].

**SECOND CLAIM**  
**Violations of Section 17(a) of the Securities Act**

44. The Commission repeats and re-alleges Paragraphs 1 through 39 of the Complaint as if fully set forth herein.

45. By engaging in the conduct described herein, each Defendant directly or indirectly, singly or in concert, in the offer or sale of a security, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails:



- a. employed a device, scheme, or artifice to defraud;
- b. obtained money or property by means of an untrue statement of a material fact or an omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or
- c. engaged in a transaction, practice, or course of business which operated or would operate as a fraud or deceit upon the purchaser.

46. With regard to violations of Section 17(a)(1) of the Securities Act, each Defendant acted intentionally, knowingly, or with severe recklessness. With regard to violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act, each Defendant acted intentionally, knowingly, recklessly, or negligently.

47. By engaging in this conduct, each Defendant has violated, and unless enjoined will continue to violate, Section 17(a) of the Securities Act [15 U.S.C. §§ 77q(a)].

### **THIRD CLAIM**

#### **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder**

48. The Commission repeats and re-alleges Paragraphs 1 through 39 of the Complaint as if fully set forth herein.

49. By engaging in the conduct described herein, each Defendant directly or indirectly, singly or in concert, in connection with the purchase or sale of a security, by the use of any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange, knowingly or with severe recklessness:

- a. employed a device, scheme, or artifice to defraud;

- b. made an untrue statement of a material fact, or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and/or
- c. engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit upon any person.

50. By engaging in this conduct, each Defendant has violated, and unless enjoined will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5].

## **VI. RELIEF REQUESTED**

For these reasons, the Commission respectfully requests that the Court enter a judgment:

(a) Temporarily, preliminarily, and permanently enjoining Defendants from violating, directly or indirectly, Sections 5(a), 5(c), and 17(a) of the Securities Act [15 U.S.C. §§ 77e(a) and (c) and 77q(a)] and Section 10(b) of the Exchange Act [15 U.S.C. §§ 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

(b) Temporarily, preliminarily, and permanently enjoining Defendants Cravey and Wiedrich from directly or indirectly, including, but not limited to, through any entity owned or controlled by them, participating in the issuance, purchase, offer, or sale of any security; provided however, that such injunction shall not prevent Defendants Cravey and Wiedrich from purchasing or selling securities listed on a national securities exchange for their own personal accounts;

(c) Temporarily, preliminarily, and permanently barring Defendants Cravey and Wiedrich from participating in any offering of a penny stock, including: acting as a promoter,

finder, consultant, agent or other person who engages in activities with a broker, dealer, or issuer for purposes of the issuance of trading of any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

(d) Temporarily, preliminarily, and permanently enjoining Defendants Cravey and Wiedrich from serving as an officer or director of any issuer required to file reports with the SEC under Section 12(b), 12(g), or 15(d) of the Exchange Act [15 U.S.C. §§ 781(b), 781(g), and 78o(d)] pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)];

(e) Ordering each Defendant to disgorge all ill-gotten gains realized by each of them as a result of the violations alleged herein, pursuant to Sections 21(d)(3), 21(d)(5), and 21(d)(7) of the Exchange Act [15 U.S.C. §§ 78u(d)(3), 78u(d)(5), and 78u(d)(7)], plus prejudgment interest thereon;

(f) Ordering each Defendant to pay a civil penalty 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)];

(g) Retaining jurisdiction over this action to implement and carry out the terms of all orders and decrees that may be entered; and

(h) Granting all other relief to which the Commission may be entitled.

Dated: January 6, 2013

Respectfully submitted,



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JS 44 (Rev. 04/21)

**CIVIL COVER SHEET**

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

<p><b>I. (a) PLAINTIFFS</b></p> <p>U.S. Securities and Exchange Commission</p> <p><b>(b)</b> County of Residence of First Listed Plaintiff _____ <i>(EXCEPT IN U.S. PLAINTIFF CASES)</i></p> <p><b>(c)</b> Attorneys <i>(Firm Name, Address, and Telephone Number)</i></p> <p>David Reece, 817-978-6476 801 Cherry St., Suite 1900, Fort Worth, TX 76102</p>	<p><b>DEFENDANTS</b></p> <p>Reliable One Resources, Inc., Quantum Filtration, Inc., Clyde Cameron Cravey, and Kenneth Wiedrich</p> <p>County of Residence of First Listed Defendant <u>Henderson</u> <i>(IN U.S. PLAINTIFF CASES ONLY)</i></p> <p>NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.</p> <p>Attorneys <i>(If Known)</i></p> <p style="text-align: right;">FILED: 1/6/23 U.S. DISTRICT COURT EASTERN DISTRICT COURT DAVID A. O'TOOLE, CLERK</p>
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<p><b>II. BASIS OF JURISDICTION</b> <i>(Place an "X" in One Box Only)</i></p> <p><input checked="" type="checkbox"/> 1 U.S. Government Plaintiff</p> <p><input type="checkbox"/> 2 U.S. Government Defendant</p> <p><input type="checkbox"/> 3 Federal Question <i>(U.S. Government Not a Party)</i></p> <p><input type="checkbox"/> 4 Diversity <i>(Indicate Citizenship of Parties in Item III)</i></p>	<p><b>III. CITIZENSHIP OF PRINCIPAL PARTIES</b> <i>(Place an "X" in One Box for Plaintiff and One Box for Defendant)</i></p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th></th> <th>PTF</th> <th>DEF</th> <th></th> <th>PTF</th> <th>DEF</th> </tr> <tr> <td>Citizen of This State</td> <td><input type="checkbox"/> 1</td> <td><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business In This State</td> <td><input type="checkbox"/> 4</td> <td><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input type="checkbox"/> 2</td> <td><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business In Another State</td> <td><input type="checkbox"/> 5</td> <td><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="checkbox"/> 3</td> <td><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 6</td> <td><input type="checkbox"/> 6</td> </tr> </table>		PTF	DEF		PTF	DEF	Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
	PTF	DEF		PTF	DEF																				
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4																				
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Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

**IV. NATURE OF SUIT** *(Place an "X" in One Box Only)* Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<p><b>PERSONAL INJURY</b></p> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	<p><b>PERSONAL INJURY</b></p> <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <p><b>LABOR</b></p> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <p><b>INTELLECTUAL PROPERTY RIGHTS</b></p> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark <input type="checkbox"/> 880 Defend Trade Secrets Act of 2016 <p><b>SOCIAL SECURITY</b></p> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <p><b>FEDERAL TAX SUITS</b></p> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit (15 USC 1681 or 1692) <input type="checkbox"/> 485 Telephone Consumer Protection Act <input type="checkbox"/> 490 Cable/Sat TV <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
<p><b>REAL PROPERTY</b></p> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<p><b>CIVIL RIGHTS</b></p> <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	<p><b>PRISONER PETITIONS</b></p> <p><b>Habeas Corpus:</b></p> <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <p><b>Other:</b></p> <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement		

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

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

**VI. CAUSE OF ACTION**

Cite the U.S. Civil Statute under which you are filing *(Do not cite jurisdictional statutes unless diversity)*:  
 Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

Brief description of cause:  
 violations of securities laws

**VII. REQUESTED IN COMPLAINT:**

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

**VIII. RELATED CASE(S) IF ANY** *(See instructions):*

JUDGE \_\_\_\_\_ DOCKET NUMBER \_\_\_\_\_

DATE: January 6, 2023

SIGNATURE OF ATTORNEY OF RECORD: 

**FOR OFFICE USE ONLY**

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_



## INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

## Authority For Civil Cover Sheet

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

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

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