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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

CHRISTOPHER BEALS and ARDEN
LEE,

Defendants.

Case No. 2:24-cv-08215

COMPLAINT

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

JURISDICTION AND VENUE

1. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§ 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27(a) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e) & 78aa(a).

2. Defendants have, directly or indirectly, made use of the means or

1 instrumentalities of interstate commerce, of the mails, or of the facilities of a national
2 securities exchange in connection with the transactions, acts, practices and courses of
3 business alleged in this complaint.

4 3. Venue is proper in this district pursuant to Section 22(a) of the Securities
5 Act, 15 U.S.C. § 77v(a), and Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a),
6 because certain of the transactions, acts, practices and courses of conduct constituting
7 violations of the federal securities laws occurred within this district. In addition,
8 venue is proper in this district because Defendants Christopher Beals (“Beals”) and
9 Arden Lee (“Lee”) reside in this district.

10 SUMMARY

11 4. WM Technology, Inc. (“WM Technology”) is a publicly-traded
12 company that operates an online marketplace connecting cannabis users with
13 cannabis businesses. This civil enforcement action concerns negligent
14 misrepresentations by Christopher Beals and Arden Lee – the company’s former
15 chief executive officer and chief financial officer – to the investing public about a key
16 operating metric: the number of “monthly active users” (“MAU”) for WM
17 Technology’s online marketplace.

18 5. WM Technology’s stock became publicly traded as part of a de-SPAC
19 transaction in June 2021. When reporting MAU publicly, WM Technology described
20 MAU as the number of unique users opening the WM Technology mobile app or
21 accessing the WM Technology website during the course of a calendar month, and
22 further explained that the number of MAU was determined by counting the total
23 number of users that had “engaged with” the company’s website during the final
24 calendar month of the given period. WM Technology described MAU as a “key
25 operating metric” in its public filings with the Commission. Both during the de-
26 SPAC transaction and after WM Technology became public, WM Technology
27 repeatedly reported substantial and continued MAU growth and emphasized the
28 strength and expansion of WM Technology’s user base in the company’s public

1 filings and earnings calls.

2 6. Contrary to these statements, however, a large and increasing percentage
3 of the users of the WM Technology site were instead persons who visited a third-
4 party site that were then automatically shown the WM Technology site by way of a
5 “pop-under” advertisement (which appeared under their browser windows).
6 Consequently, these purportedly “active” users did not volitionally seek out the WM
7 Technology site, and, in most instances, did not click on any links or otherwise
8 engage in measurable activity on the WM Technology site.

9 7. Despite the reported growth in MAU, WM Technology’s user
10 engagement metrics were stagnant or declining. Beals and Lee were told about the
11 declining user trends on the WM Technology site and the fact that these non-
12 engaging users were making up an increasingly large percentage of WM
13 Technology’s total MAU. They understood that only a very small percentage of
14 users acquired by pop-under ads were clicking on any links or otherwise engaging in
15 measurable activity on the WM Technology site, and they were told that WM
16 Technology was using paid traffic, and pop-under ads specifically, to hit MAU
17 targets. Beals and Lee failed to reasonably follow up on this accelerating trend, failed
18 to disclose that the calculation of MAUs included an increasing percentage of non-
19 engaging users whose only contact with the site consisted of having a pop-under ad
20 open on their device, and negligently continued to sign WM Technology’s SEC
21 filings and make public statements that reported MAU numbers that included non-
22 engaging users when discussing the company’s growing user base.

23 8. Through their conduct, Beals and Lee violated Sections 17(a)(2) and (3)
24 of the Securities Act, 15 U.S.C. §§77q(a)(2) and (3), and Section 14(a) of the
25 Exchange Act, 15 U.S.C. § 78n, and Rule 14a-9 thereunder, 17 C.F.R. § 240.14a-9.

26 9. As a result of this conduct, the SEC seeks an order permanently
27 enjoining Beals and Lee from future violations of these Securities Act and Exchange
28 Act provisions, barring them from acting as an officer or director of a public issuer

pursuant to Section 21(d)(5) of the Exchange Act, 15 U.S.C. § 78u(d)(5) and this Court’s inherent equitable powers, and imposing civil money penalties against them 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).

THE DEFENDANTS

10. **Christopher Beals**, age 44, is a resident of Los Angeles, California. Beals served as chief executive officer of WM Technology and its private company predecessor entity from March 2019 until his departure from the company in November 2022. Beals also served as a WM Technology board member from June 2021 until November 2022.

11. **Arden Lee**, age 48, is a resident of Pacific Palisades, California. Lee served as chief financial officer of WM Technology and its private company predecessor entity from February 2019 through his voluntary departure from the company in July 2023.

RELATED ENTITY

12. **WM Technology, Inc.**, is a publicly traded Delaware corporation with its principal place of business in Irvine, California. WM Technology is listed on NASDAQ under the ticker “MAPS,” and its common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act. WM Technology was the subject of a cease-and-desist and administrative proceeding with the SEC. *In the Matter of WM Technology, Inc.*, Exchange Act Release No. 101153, Admin. Proc. File No. 3-22172 (September 24, 2024).

THE ALLEGATIONS

A. WM Technology’s Business and Origin as a Public Company

13. WM Technology operates an online marketplace connecting members of the public who are interested in purchasing or learning about cannabis (WM Technology’s “users”) with cannabis businesses seeking to promote their cannabis products or brands (WM Technology’s “clients”).

1 14. WM Technology primarily generates revenue by charging cannabis
2 business clients to list or advertise their cannabis products or brands on the WM
3 Technology site. WM Technology does not charge its users to use its site.

4 15. A key part of WM Technology's pitch to its revenue generating business
5 clients is that the WM Technology site has a significant user base of frequent
6 cannabis consumers.

7 16. WM Technology, which had been in business as a private company
8 since 2008, became a public company in June 2021 as part of a de-SPAC transaction
9 with a special purpose acquisition company (the "SPAC"), which was first announced
10 on December 10, 2020.

11 **B. WM Technology's Relevant MAU Statements During the De-SPAC**
12 **Process: Spring 2021**

13 17. The SPAC filed an S-4 registration statement with the SEC that was
14 declared effective on May 25, 2021.

15 18. On May 26, 2021, the SPAC issued a proxy statement/prospectus, which
16 sought approval from the SPAC's shareholders for the contemplated merger
17 transaction between the SPAC and WM Technology's private company predecessor
18 entity.

19 19. The May 26, 2021 proxy statement provided the SPAC's shareholders
20 with detailed information regarding WM Technology's business, including its MAU
21 metric.

22 20. On behalf of WM Technology, both Beals and Lee participated in
23 providing the information about WM Technology's business to the SPAC for its
24 proxy statement/prospectus, which they knew would be publicly filed with the SEC.

25 21. The SPAC's May 26, 2021 proxy statement/prospectus noted that Beals
26 and Lee would be the CEO and CFO of the surviving public company, with Beals
27 also a nominee director, and it included biographies of both Beals and Lee.

28 22. The SPAC's May 26, 2021 proxy statement/prospectus described MAU

1 as measuring the number of people who opened the WM Technology app or accessed
2 the WM Technology site and explained that WM Technology determined its MAUs
3 by counting the total number of users who have “engaged with” the WM Technology
4 site in the final calendar month of a given quarter.

5 23. Using this definition, the SPAC’s May 26, 2021 proxy
6 statement/prospectus stated that WM Technology’s MAU was 9.1 million as of
7 March 31, 2021.

8 24. The SPAC’s May 26, 2021 proxy statement/prospectus described MAU
9 as one of seven “Key Operating and Financial Metrics” for WM Technology’s
10 business, alongside metrics like revenue, net income, and EBITDA. Of these
11 identified seven key metrics, MAU was the only metric that showed user traffic or
12 activity on WM Technology’s site.

13 25. The SPAC’s May 26, 2021 proxy statement/prospectus explained that
14 WM Technology monitored these “Key Operating and Financial Metrics” “to
15 evaluate [its] business, measure [its] performance, identify trends affecting [its]
16 business, formulate business plans, and make strategic decisions.” The filing also
17 explained the importance of the MAU metric, stating: “We view the number of
18 MAUs as a key indicator of our growth, the breadth and reach of our weedmaps.com
19 site, the value proposition and consumer awareness of our brand, the continued use of
20 our sites by our users and their level of interest in the cannabis industry.”

21 26. The SPAC’s May 26, 2021 proxy statement/prospectus highlighted WM
22 Technology’s “over nine million MAUs” and that WM Technology had increased its
23 MAUs each year from 2018 to 2020. Various charts set forth in the filing reported
24 consistent year-over-year MAU growth.

25 27. The SPAC’s May 26, 2021 proxy statement/prospectus further noted that
26 WM Technology intended to disclose MAU on a quarterly basis going forward in its
27 filings with the Commission.

28 28. The business combination between WM Technology’s private company

1 predecessor entity and the SPAC was approved and consummated on June 16, 2021.

2 **C. WM Technology’s MAU Statements as a Public Company: July**
3 **2021 to May 2022**

4 29. WM Technology continued to publicly report monthly active users, or
5 MAU, as its sole user metric after the business combination was approved and it
6 became a public company in June 2021.

7 30. WM Technology reported MAU in its July 20, 2021 Form S-1
8 registration statement and associated prospectuses.

9 31. WM Technology also reported MAU in its quarterly and annual reports
10 and in its related earnings releases.

11 32. In the Management’s Discussion and Analysis section for each of these
12 filings, WM Technology continued to identify MAU as one of its seven “Key
13 Operating and Financial Metrics.” In each periodic report, WM Technology
14 continued to describe MAU the same way:

15 We define MAUs as the number of unique users opening our
16 Weedmaps mobile app or accessing our Weedmaps.com website
17 over the course of a calendar month. In any particular period, we
18 determine our number of MAUs by counting the total number of
19 users who have engaged with the weedmaps.com site during the
20 final calendar month of the given period.

21 33. Other references to MAU in these filings did not explicitly describe
22 these users as having “engaged” with WM Technology’s site, but none of these other
23 references contradicted the claim that a user had to “engage” to be counted towards
24 MAU.

25 34. From becoming public in June 2021 up to its Form 10-Q filed on May 6,
26 2022, WM Technology reported consistent quarterly MAU growth and highlighted
27 this growth trajectory in its SEC filings, which included disclosure of its MAU metric
28 relative to the same quarter in the prior year, often disclosing annual MAU growth of

over 50% from the prior year period.

35. In four periodic filings between August 13, 2021 and May 6, 2022, WM Technology reported MAU as follows:

Filing Date	Reporting Period	Disclosed MAU
8/13/2021	2Q 2021	12.3 million “monthly active users”
11/12/2021	3Q 2021	13.9 million “monthly active users”
2/25/2022	4Q 2021	15.73 million “monthly active users”
5/6/2022	1Q 2022	16.43 million “monthly active users”

36. Beyond disclosing this metric, WM Technology’s public filings noted the importance of MAU as an indicator of the company’s breadth and growth, and of the consumer awareness of WM Technology’s brand and consumer use of its site. WM Technology also represented that its “user base and the frequency of consumption of cannabis of that user base is highly valuable to [its] clients and results in clients paying for [its] services.”

37. Beals and Lee signed each of WM Technology’s quarterly and annual filings between August 2021 and May 2022.

38. Lee also signed the Forms 8-K that furnished WM Technology’s quarterly earnings releases between August 2021 and May 2022.

39. Beals and Lee separately noted WM Technology’s MAU growth in earnings calls with analysts that took place from August 2021 to May 2022, conveying a narrative of a steadily growing and engaged user base on the WM Technology site.

40. In WM Technology’s May 4, 2022 earnings call, Beals stated that WM Technology was driving “user growth” across the WM Technology marketplace, while stating that “users are the core of our value proposition with clients.” Lee noted in that same call that WM Technology “continued to grow [its] user base with over 50% growth in monthly active users versus last year.”

1 41. Analysts at times cited WM Technology’s consistent MAU growth as a
2 positive business trend in their reports on the company.

3 **D. WM Technology’s Undisclosed and Long-Running Use of Non-**
4 **Engaging Pop-Under Ads That Inflated Its Publicly Reported MAU**
5 **Metric**

6 42. The actual user traffic and activity trends on WM Technology’s site
7 were inconsistent with the growth picture that WM Technology described in its
8 public filings.

9 43. Starting as early as mid-2020, WM Technology promoted its online
10 marketplace through digital advertising on a network of third-party sites.

11 44. WM Technology used several forms of digital advertising on these sites,
12 including pop-under ads where a visitor to a third-party site would have the WM
13 Technology site automatically open under their browser. The individual visiting the
14 third-party site that received the pop-under ad would have made no intentional effort
15 to seek out the WM Technology site.

16 45. The great majority of those directed involuntarily to the WM
17 Technology site via these pop-under ads did not click on any links or otherwise
18 engage in measurable activity on the WM Technology site. WM Technology internal
19 documents show less than 2% of the pop-under traffic resulted in an engaged user
20 session.

21 46. WM Technology nevertheless counted these pop-under visitors as
22 “monthly active users,” or MAU.

23 47. At the same time, actual engaged user traffic and activity on the WM
24 Technology site was stagnant or declining.

25 48. Internally, WM Technology used the term “direct traffic” to refer to
26 users who went straight to the WM Technology site or directly opened the WM
27 Technology app, while it used “organic traffic” to refer to users that came to the WM
28 Technology site after doing something like running a search on Google.

1 49. Another internal term, “paid traffic,” measured the traffic directed to the
2 WM Technology site via WM Technology’s paid digital advertising efforts, including
3 the pop-under ads.

4 50. WM Technology’s internal records show that its direct and organic
5 traffic did not grow and in fact declined for much of the period between July 2020
6 and June 2022, while its paid traffic increased dramatically due to WM Technology’s
7 increasing reliance on non-engaging traffic from pop-under ads.

8 51. Although it disclosed in its filings with the Commission that MAU was
9 determined by counting those “who have engaged with” the company’s site,
10 internally WM Technology calculated MAU simply by looking at visitors to the site,
11 no matter how they arrived there, and did not require that they actually engage in any
12 way.

13 52. For its internal use, WM Technology measured engagement activity
14 differently. Its primary internal metric, “active sessions,” required that the user take
15 one of a set of defined actions on the WM Technology site. WM Technology did not
16 report this metric publicly.

17 53. WM Technology at times also internally used another metric called
18 “eMAU,” which stood for “engaged MAU.”

19 54. Like direct and organic traffic, WM Technology’s non-MAU
20 engagement metrics were, with the exception of certain month-over-month periods,
21 stagnant or declining from July 2020 through June 2022.

22 55. WM Technology did not report these non-MAU engagement metrics
23 publicly.

24 56. In spite of these declining trends, WM Technology ran pop-under ads
25 and continued to hit internal MAU targets and publicly report MAU growth until
26 August 9, 2022, when, in a Form 8-K and its Form 10-Q for the quarter ended June
27 30, 2022, it disclosed that its board of directors had received an internal complaint
28 regarding “the calculation, definition, and reporting of our MAUs.”

1 57. WM Technology’s August 9, 2022 Form 10-Q disclosed that it had
2 formed a special committee of independent directors to conduct an investigation and
3 summarized the committee’s findings as follows:

4 As we have previously disclosed, one of the ways in which we
5 acquire users is through paid advertising. To an increasing degree
6 over time, growth of our monthly active users, reported as MAUs,
7 has been driven by the purchase of pop-under advertisements,
8 which are marketing advertisements on third party websites that
9 automatically present our platform on users’ screens in certain
10 circumstances. Our internal data suggests that the vast majority of
11 users who are directed to weedmaps.com via pop-under
12 advertisements close the site without clicking on any links. Based
13 on management’s review, users whose access to the website
14 resulted from these pop-under advertisements represented
15 approximately 65% of our MAUs as of June 30, 2022, and 54%,
16 50% and 54% of our MAUs as of March 31, 2022, December 31,
17 2021 and September 30, 2021, respectively.

18 58. WM Technology’s internal documents show that the pop-under ads also
19 constituted roughly 41% and 34% of the company’s reported MAU for the two
20 quarters ended June 30, 2021 and March 31, 2021, respectively.

21 59. As such, significant and increasingly material percentages of the MAU
22 that WM Technology reported during these periods were made up of pop-under ad
23 “users” who did not intentionally seek out the WM Technology site, nor take any
24 action on the site once there. This was inconsistent with the statements in WM
25 Technology’s public filings that the company calculated MAU by measuring the
26 number of unique users that had “engaged with” the WM Technology site during the
27 relevant period. Moreover, these trends with respect to the pop-under ads and their
28 impact on MAU were not publicly disclosed during these periods.

1 60. In its August 9, 2022 Form 10-Q, WM Technology described “MAU” as
2 representing “the total number of unique users who opened the Weedmaps mobile
3 app or gained access to the Weedmaps.com website during the final calendar month
4 of the period,” and removed the language that described MAU as reflecting the
5 number of unique users who had “engaged” with the WM Technology site during that
6 period.

7 61. Then, three months later, WM Technology announced that it would be
8 discontinuing its public reporting of MAU in its November 8, 2022 Form 10-Q.

9 **E. Defendants’ Awareness of Declining User Trends and the Use of**
10 **Non-Engaging Pop-Under Ads to Drive MAU Growth, and Their**
11 **Failure to Exercise Reasonable Care**

12 62. During the second half of 2020 and early 2021, before WM Technology
13 went public, Beals and Lee received information indicating that pop-under traffic was
14 becoming an increasingly large percentage of WM Technology’s website traffic and
15 its overall MAU, and that such traffic was “low quality” and did not meaningfully
16 engage with WM Technology’s site.

17 63. This continued after WM Technology went public, as Beals and Lee
18 both received various weekly updates throughout the summer and fall of 2021 that
19 contained graphs, charts, and commentary showing that WM Technology’s direct and
20 organic traffic, as well as the active sessions on the site, had declined by double digits
21 since mid-2020 and that the company’s MAU growth was being driven by very low
22 engagement paid traffic.

23 64. A November 2021 “Weekly Business Review” presentation further
24 highlighted that paid traffic was propping up MAU as direct and organic traffic
25 declined, and that the paid traffic, which increasingly included traffic from pop-under
26 ads, had reached roughly 50% or more of WM Technology’s total MAU.

27 65. Beals and Lee both also received information showing that WM was
28 using paid traffic, and pop-under ads specifically, to hit internal MAU targets that

1 would allow the company to show continued MAU growth.

2 66. During this time, Beals and Lee continued to sign WM Technology's
3 public filings that disclosed MAU growth despite receiving information about WM
4 Technology's deteriorating user traffic and dependence on paid traffic generally, and
5 pop-under ads specifically, to grow MAU.

6 67. Between in or about June 2021 and May 6, 2022, Beals and Lee failed to
7 exercise reasonable care in signing WM Technology's public filings referenced above
8 because they did not follow up or take meaningful steps to obtain more information
9 about how the pop-under ads were affecting WM Technology's MAU, nor did they
10 take measures to ensure that WM Technology was calculating MAU in a way that
11 was consistent with how it defined the term in its SEC filings—as “active” users who
12 “engaged” with the WM Technology site.

13 68. Between in or about June 2021 and May 6, 2022, Beals and Lee further
14 failed to exercise reasonable care because they failed to take measures to include
15 additional disclosures in WM Technology's SEC filings that would be sufficient to
16 make the disclosed MAU figures not misleading. They made no effort to clearly
17 disclose that the MAU metric included pop-under ad “users” who did not volitionally
18 seek out the WM Technology site or engage with it, and the level to which such pop-
19 under ad users were contributing to growth in MAU, which was material to
20 understanding the metric.

21 69. For the same reasons, Beals and Lee failed to exercise reasonable care
22 with respect to the information concerning WM Technology's MAU metric that was
23 contained in the SPAC's May 26, 2021 proxy statement/prospectus.

24 **F. Beals and Lee Compensation**

25 70. Between in or about June 2021 and May 6, 2022, Beals and Lee obtained
26 money or property while signing the WM Technology public filings that inflated
27 MAU growth when the actual number of “active” and “engaged” user traffic
28 remained stagnant or declined, including through the sale of WM Technology stock

1 pursuant to 10b5-1 plans that were designed to cover taxes associated with the
2 quarterly vesting of restricted stock units.

3 **FIRST CLAIM FOR RELIEF**

4 **Violations of Section 17(a)(2) of the Securities Act**
5 **(against Defendants Beals and Lee)**

6 71. The SEC realleges and incorporates by reference paragraphs 1 through
7 70 above.

8 72. By negligently engaging in the conduct described above, Defendants
9 Beals and Lee, and each of them, directly or indirectly, in the offer or sale of
10 securities, and by the use of means or instruments of transportation or communication
11 in interstate commerce or by use of the mails, obtained money or property by means
12 of untrue statements of a material fact or by omitting to state a material fact necessary
13 in order to make the statements made, in light of the circumstances under which they
14 were made, not misleading.

15 73. By negligently engaging in the conduct described above, Defendants
16 Beals and Lee violated, and unless restrained and enjoined will continue to violate,
17 Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2).

18 **SECOND CLAIM FOR RELIEF**

19 **Violations of Section 17(a)(3) of the Securities Act**
20 **(against Defendants Beals and Lee)**

21 74. The SEC realleges and incorporates by reference paragraphs 1 through
22 70 above.

23 75. By negligently engaging in the conduct described above, Defendants
24 Beals and Lee, and each of them, directly or indirectly, in the offer or sale of
25 securities, and by the use of means or instruments of transportation or communication
26 in interstate commerce or by use of the mails, engaged in transactions, practices, or
27 courses of business which operated or would operate as a fraud or deceit upon the
28 purchaser.

76. By negligently engaging in the conduct described above, Defendants Beals and Lee violated, and unless restrained and enjoined will continue to violate, Section 17(a)(3) of the Securities Act, 15 U.S.C. § 77q(a)(3).

THIRD CLAIM FOR RELIEF

Solicitation of Proxies in Violation of Rules and Regulations

Violations of Section 14(a) of the Exchange Act and

Rule 14a-9 Thereunder

(against Defendants Beals and Lee)

77. The SEC realleges and incorporates by reference paragraphs 1 through 70 above.

78. By negligently engaging in the conduct described above, Defendants Beals and Lee, and each of them, directly or indirectly, by the use of means or instruments of transportation or communication in interstate commerce or by use of the mails or any facility of a national securities exchange, solicited proxies without furnishing each person solicited a proxy statement containing the information specified by the proxy rules, and used proxy statements containing statements which, at the time and in light of the circumstances under which they were made, were false or misleading with respect to a material fact, or omitted to state material facts necessary to make the statement therein not misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which had become false or misleading.

79. By negligently engaging in the conduct described above, Defendants Beals and Lee violated, and unless restrained and enjoined, are reasonably likely to continue to violate, Section 14(a) of the Exchange Act, 15 U.S.C. § 78n(a), and Rule 14a-9 thereunder, 17 C.F.R. §§ 240.14a-9.

PRAYER FOR RELIEF

WHEREFORE, the SEC respectfully requests that the Court:

I.

Issue findings of fact and conclusions of law that Defendants committed the alleged violations.

II.

Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently enjoining Beals, and his officers, agents, servants, employees and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the judgment by personal service or otherwise, and each of them, from violating Sections 17(a)(2) and 17(a)(3) of the Securities Act and Section 14(a) of the Exchange Act and Rule 14a-9 thereunder.

III.

Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently enjoining Lee, and his officers, agents, servants, employees and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the judgment by personal service or otherwise, and each of them, from violating Sections 17(a)(2) and 17(a)(3) of the Securities Act and Section 14(a) of the Exchange Act and Rule 14a-9 thereunder.

IV.

Issue an order, pursuant to Section 21(d)(5) of the Exchange Act, 15 U.S.C. § 78u(d)(5) and this Court's inherent equitable powers, prohibiting Beals and Lee from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l, or that is required to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d), as appropriate or necessary for the benefit of investors.

V.

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

1 VI.

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

6 VII.

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

9 Dated: September 24, 2024

10 /s/ Douglas M. Miller

11 Douglas M. Miller

12 Christopher A. Nowlin

13 Attorneys for Plaintiff

14 Securities and Exchange Commission
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