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17
18 **UNITED STATES DISTRICT COURT**
19 **CENTRAL DISTRICT OF CALIFORNIA**
20

21 SECURITIES AND EXCHANGE
22 COMMISSION,

23 Plaintiff,

24 vs.

25 DAVID P. ORTIZ, and
26 DAVEGLO INVESTMENT GROUP,
27 INC.

28 Defendants.

Case No. 2:25-cv-08610

COMPLAINT

JURY TRIAL DEMAND

1 Plaintiff Securities and Exchange Commission (“Commission” or “SEC”),
2 for its Complaint against David P. Ortiz and DaveGlo Investment Group, Inc.,
3 alleges as follows:

4 **JURISDICTION AND VENUE**

5 1. The Commission brings this action pursuant to the authority
6 conferred upon it by Section 20(b) of the Securities Act [15 U.S.C. §§ 77t(b)],
7 Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)], and Section 209(d) of the
8 Advisers Act [15 U.S.C. § 80b-9(d)].

9 2. This Court has jurisdiction over this action pursuant to Sections
10 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(d) and 77v(a)], Sections
11 21(d) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d) and 78aa], and Sections
12 209(d), 209(e), and 214(a) of the Advisers Act [15 U.S.C. §§ 80b-9(d), 80b-9(e),
13 and 80b-14(a)].

14 3. Defendants, directly or indirectly, have made use of the means or
15 instruments of transportation or communication in interstate commerce, or of a
16 means or instrumentality of interstate commerce, or of the mails, in connection
17 with the transactions, acts, practices, and courses of business alleged in this
18 Complaint. Among other things, Defendants engaged in interstate emails and
19 telephone calls with clients and Resolute personnel.

20 4. Venue lies in this District pursuant to Section 22(a) of the Securities
21 Act [15 U.S.C. §77v (a)], Section 27 of the Exchange Act [15 U.S.C. §78aa (a)],
22 and Section 214 of the Advisers Act [15 U.S.C. §80b-14] because Defendants
23 transacted business here, including certain of the acts complained of in this
24 Complaint, and because Defendants reside and maintain a principal place of
25 business in Whittier, California.

26 5. Defendant Ortiz and the Commission executed tolling agreements
27 that tolled the running of any applicable statute of limitation from October 8, 2024
28 to July 5, 2025. Defendant DaveGlo and the Commission executed tolling

1 agreements that tolled the running of any applicable statute of limitation from
2 December 12, 2024 to September 8, 2025. The Defendants' securities law
3 violations during the Relevant Period are within the five-year statute of limitations
4 for certain relief as set forth in 28 U.S.C. § 2462.

5 SUMMARY

6 6. From at least 2020 through 2021 (the "Relevant Period"), Ortiz, a
7 California resident working through his entities DaveGlo Investment Group, Inc.
8 ("DaveGlo") and David Ortiz Advisors, Inc. ("Ortiz Advisors"), marketed and
9 sold approximately \$18 million of investments in risky, oil and gas securities (the
10 "Oil and Gas Securities") to approximately 20 retail investors. The Oil and Gas
11 Securities were sold in a series of unregistered securities offerings sponsored by
12 Resolute Capital Partners, LLC ("Resolute") and Homebound Resources, LLC
13 ("Homebound"). Through an intermediary company, Beacon Global Group, Inc.
14 ("Beacon Global"), Resolute paid Ortiz transaction-based compensation through
15 Ortiz's company, DaveGlo.

16 7. Ortiz used mass marketing to find investors to purchase the Oil and
17 Gas Securities. Ortiz placed commercials on Los Angeles area radio stations to
18 advertise his investment services and promote investment workshops that he
19 hosted. He hosted the workshops in the offices of Ortiz Advisors located in
20 Whittier, California. At these workshops, Ortiz discussed investment strategies
21 and investments with prospective investors, including the Oil and Gas Securities.
22 Ortiz used these and other means to reach a large audience of prospective
23 investors for the Oil and Gas Securities.

24 8. Many of the individuals to whom Ortiz sold the Oil and Gas
25 Securities lost their money. The sponsoring entities failed to make interest
26 payments and return principal to debt investors when notes came due and made
27 only *de minimis* distributions to equity investors.
28

1 9. Through DaveGlo, Ortiz received \$816,934 in transaction-based
2 compensation from Resolute for sales of Oil and Gas Securities during the
3 Relevant Period.

4 10. Defendants have never been registered with the Commission in any
5 capacity.

6 11. During the Relevant Period, Ortiz acted as an investment adviser
7 through his entity Ortiz Advisors. He advised clients to invest in the Oil and Gas
8 Securities. Through Ortiz Advisors, Ortiz received fees from clients in exchange
9 for providing investment advice. Ortiz did not disclose to his advisory clients the
10 additional transaction-based compensation he received for selling the Oil and Gas
11 securities, which breached his fiduciary duty to his advisory clients.

12 12. Defendants violated the federal securities laws by: (i) actively
13 participating in the offer and sale of the Oil and Gas Securities in securities
14 offerings that were not registered with the Commission or exempt from
15 registration; (ii) acting as brokers in the offer and sale of the Oil and Gas
16 Securities while failing to register with the Commission as, or associate with, a
17 registered broker-dealer; and, with respect to Defendant Ortiz, (iii) failing to
18 disclose to advisory clients his financial conflict of interest in connection with the
19 sale of the Oil and Gas securities.

20 13. Defendants participated in unregistered offerings at key points in the
21 chain of distribution of the Oil and Gas Securities, including by actively soliciting
22 purchases from investors in this District and elsewhere in the United States. The
23 Oil and Gas Securities offerings were not registered with the Commission or
24 exempt from registration.

25 14. Defendants acted as unregistered brokers and engaged in the
26 business of effecting transactions in securities for others. Defendants actively
27 solicited clients to purchase the Oil and Gas Securities and received transaction-
28 based compensation in return.

1 15. Defendant Ortiz also failed to disclose financial conflicts of interest
2 while acting as an investment adviser. Ortiz recommended the Oil and Gas
3 Securities to advisory clients, while failing to disclose to those clients the financial
4 compensation Defendants received from the sale of the securities.

5 **VIOLATIONS AND RELIEF SOUGHT**

6 16. As a result of conduct alleged in this Complaint, Defendants
7 violated Sections 5(a) and 5(c) of the Securities Act of 1933 (“Securities Act”) [15
8 U.S.C. §§ 77e(a) and (c)], and Section 15(a) of the Securities Exchange Act of
9 1934 (“Exchange Act”) [15 U.S.C. § 78o(a)]; and Defendant Ortiz violated
10 Section 206(2) of the Investment Advisers Act of 1940 (“Advisers Act”) [15
11 U.S.C. § 80b-6(2)].

12 17. The Commission seeks a judgment from this Court:

- 13 (a) permanently enjoining Defendants from future violations of
14 Section 5 of the Securities Act [15 U.S.C. §§ 77e] and Section
15 15(a) of the Exchange Act [15 U.S.C. § 78o(a)];
- 16 (b) permanently restraining and enjoining Ortiz from violating,
17 while acting as an investment adviser, Section 206(2) of the
18 Advisers Act [15 U.S.C. § 80b-6(2)] by using the mails or any
19 means or instrumentality of interstate commerce, directly or
20 indirectly, to engage in any transaction, practice, or course of
21 business which operates as a fraud or deceit upon any client or
22 prospective client by, directly or indirectly, (i) creating a false
23 appearance or otherwise deceiving any client or prospective
24 client, or (ii) disseminating false or misleading documents,
25 materials, or information or making, either orally or in writing,
26 any false or misleading statement in any communication with
27 any client or prospective client, about the use of client funds or
28

1 compensation to any person, including any associated conflicts
2 of interest;

3 (c) permanently restraining and enjoining Ortiz from directly or
4 indirectly, including but not limited to through any entity he
5 owns or controls, participating in the issuance, purchase, offer,
6 or sale of any security; provided, however, that such injunction
7 shall not prevent Defendant Ortiz from purchasing or selling
8 securities for his own personal account;

9 (d) ordering Defendants to disgorge, on a joint and several basis,
10 their ill-gotten gains, together with prejudgment interest
11 thereon pursuant to Section 21(d)(3), (d)(5), (d)(7) of the
12 Exchange Act [15 U.S.C. §§ 78u(d)(3), (5), and (7)]; and

13 (e) ordering Defendant Ortiz to pay civil money penalties pursuant
14 to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)],
15 Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)], and
16 Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)].

17 **DEFENDANTS**

18 18. **David Patrick Ortiz, age 63**, resides in Whittier, California. Ortiz
19 previously held Series 6, 63 and 65 licenses prior to the Relevant Period. Ortiz has
20 never been registered with the Commission as a securities broker or associated
21 with a registered broker. On August 9, 2021, in a settled civil action entitled
22 *Securities and Exchange Commission v. David Ortiz*, No. 21-cv-60590 (S.D. Fla.),
23 in which the Commission alleged misconduct similar to that alleged here—acting
24 as an unregistered broker and selling securities in unregistered offerings—but
25 involving different securities, the U.S. District for the Southern District of Florida
26 entered a consent final judgment against Ortiz. Without admitting or denying the
27 allegations, Ortiz consented to the final judgment that, among other relief,
28

1 permanently enjoined him from future violations of Sections 5(a) and 5(c) of the
2 Securities Act and Section 15(a)(1) of the Exchange Act.

3 19. **DaveGlo Investment Group, Inc.** is a California company located
4 in Whittier, California. Ortiz owns the company with his wife but is the sole
5 operator. DaveGlo has never been registered with the Commission in any
6 capacity. DaveGlo was a pass-through entity that Ortiz used to receive
7 transaction-based compensation for selling the oil and gas securities.

8 **OTHER RELEVANT PERSONS AND ENTITIES**

9 20. **David Ortiz Advisors, Inc.** is a California company located in
10 Whittier, California. Ortiz is the sole owner and operator. The company was
11 registered in California as an investment adviser until October 2021. The company
12 is defunct.

13 21. **Beacon Global Group, Inc.** is a Georgia company located in
14 Marietta, Georgia. Beacon Global purports to offer consultancy services to
15 businesses.

16 22. **Resolute Capital Partners LTD, LLC** is a Nevada company with
17 offices in Texas, California and Minnesota. Resolute created numerous oil and gas
18 debt and equity investment vehicles using oil and gas wells identified by
19 Homebound and its affiliates.

20 23. **Homebound Resources, LLC** is a Texas company located in
21 Irving, Texas. Homebound acted as a project sponsor for Resolute's offerings and
22 was responsible for identifying and purchasing the oil and gas wells in which the
23 Resolute investment vehicles owned working interests.

24 24. **Thomas Joseph Powell ("Powell")**, age 53, is a resident of Reno,
25 Nevada. Powell was the owner of Resolute and other related entities and served as
26 the Senior Managing Partner of Resolute during the Relevant Period.

27 25. **Stefan Tiberiu Toth ("Toth")**, age 48, is a resident of Frisco,
28 Texas. Toth is the founder, co-owner, Chairman and Chief Executive Officer of

1 Homebound Financial Group, LP, and also operated and controlled its
2 subsidiaries, including Homebound, during the Relevant Period.

3 26. A 2021 Commission Order found that Homebound, Resolute,
4 Powell, and Toth violated registration and anti-fraud provisions of the federal
5 securities laws. *See In the Matter of Resolute Capital Partners, Ltd, LLC, et al.*,
6 AP File No. 3-20597 (Sept. 24, 2021) (the “Commission Order”). In particular,
7 the Commission Order found that Homebound, Resolute, Powell, and Toth sold
8 the Oil and Gas Securities in unregistered offerings that were not exempt from
9 registration. It also found that their offering disclosures were inadequate and that
10 they made materially misleading statements in marketing the Oil and Gas
11 Securities. The misleading statements included insufficiently supported oil
12 production projections, assertions about potential tax benefits that were
13 unavailable to certain investors, and incomplete disclosures about potential uses of
14 investor funds, including the amount of funds that would be used for payments to
15 prior debt and equity investors.

16 27. Each of Homebound, Resolute, Powell, and Toth reached a
17 settlement with the Commission, neither admitting nor denying the Commission’s
18 findings. The Commission Order found that Homebound, Resolute, Powell, and
19 Toth violated Sections 5(a) and (c) and 17(a)(2) and (3) of the Securities Act, and
20 found that Powell and Toth additionally violated Section 15(a) of the
21 Exchange Act.

22 **FACTS**

23 **I. The Unregistered Offerings of the Oil and Gas Securities**

24 28. The Oil and Gas Securities offered and sold by Resolute and
25 Homebound included both equity securities and debt securities. The securities
26 were offered and sold throughout the Relevant Period.

27 29. The equity securities were membership interests in pooled
28 investment vehicles that purchased a percentage interest in a set of oil and gas

1 wells identified and purchased by Homebound, including, for example, an
2 offering titled Advantage Capital Holdings I. The offering materials for these
3 equity securities stated that investors could expect monetary distributions from
4 revenue earned by the wells' oil or gas production and revenue from any
5 subsequent sale of the wells.

6 30. The debt securities were promissory notes issued by subsidiaries of
7 Homebound, including for example, offerings titled Choice Energy Holdings III
8 and PRMH Lenders Fund IV. The offering materials for these debt securities
9 stated that the proceeds would be used by a subsidiary of Homebound to acquire
10 oil and gas leases, among other things. The offering materials promised fixed
11 interest payments ranging between 8% to 12% and the return of capital upon
12 expiration of the notes.

13 31. The Oil and Gas Securities were "securities" within the meaning of
14 Section 2(a)(1) of the Securities Act and Section 3(a)(10) of the Exchange Act.
15 The equity securities involved investors paying money to purchase membership
16 interests, a common enterprise, and a reasonable expectation of profits based on
17 the efforts of third parties who identified, acquired and drilled the wells. The
18 promissory notes were "notes" as included in the definition of "security" set forth
19 in Section 2(a)(1) of the Securities Act.

20 32. The offerings of Oil and Gas Securities were required to be
21 registered with the Commission under Sections 5(a) and (c) of the Securities Act
22 or otherwise qualify for an exemption from registration. During the Relevant
23 Period, no registration statement was filed or in effect for any offering of Oil and
24 Gas Securities, and no exemption from registration applied to these securities
25 offerings.
26
27
28

1 **II. Ortiz Contracted with Beacon Global to be a “Referral Agent” for**
2 **Resolute**

3
4 33. On October 12, 2018, Beacon Global entered into a “Master
5 Services Agreement” with Resolute. The agreement obligated Beacon Global to
6 provide “support and compliance services” to Resolute. This included Beacon
7 Global contracting with “Referral Agents” who would “refer” investors to
8 Resolute for potential investment in the Oil and Gas Securities. Beacon Global
9 was also required to provide “payment services” to Resolute by receiving a
10 monthly ACH transfer from Resolute and using the funds to compensate the
11 “Referral Agents.” The agreement stated that Beacon Global was to receive
12 compensation, on a monthly basis, of the greater of (a) \$20,000 or (b) 0.4% of
13 monies brought in by the “Referral Agents.” The agreement also provided for
14 reimbursement of Beacon Global’s expenses.

15 34. On October 23, 2018, Ortiz entered into an agreement with Beacon
16 Global to act as a “Referral Agent” (or “Referral Contractor,” as the agreement
17 states) for Resolute. The “Referral Contractor Agreement” provided that Beacon
18 Global would compensate Ortiz for “referring” investors to Resolute for
19 investment in the Oil and Gas Securities. It specified that Ortiz would be paid both
20 a monthly fee and additional transaction-based compensation for his efforts. On
21 July 21, 2020, Ortiz, through his entity DaveGlo, entered into a new “Referral
22 Contractor Agreement,” which updated the terms of Ortiz’s compensation, but
23 similarly provided that Beacon Global would compensate Ortiz for his “referral”
24 of investors to Resolute. Beacon Global ultimately paid all compensation to Ortiz
25 through DaveGlo.

26 35. The agreements prohibited Defendants, as “Referral Contractors,”
27 from engaging in certain activities. Among other things, Defendants were not
28 permitted to:

- a. "Provide to prospective investors or lenders ('Prospects') any offering documents related to investment opportunities";
- b. "Sell any securities or engage in any sales efforts";
- c. "'Pre-sell' securities offered by [Resolute] in order to gauge a Prospect's interest in an investment";
- d. "Solicit any Prospect for investment";
- e. "Make any recommendation with respect to a potential investment";
- f. "Give any advice or express any opinion with respect to a potential investment, or its advantages or disadvantages";
- g. "Conduct any suitability analysis, conduct any due diligence, provide any valuation services, or provide any analysis of a potential investment";
- h. "Do any advertising or mass marketing";
- i. "Modify existing or create new educational materials"; and
- j. "Compensate another person, entity, or other third party based on a referral's investment into any product."

As described below, Defendants engaged in sales activities despite the foregoing prohibitions in the agreements.

III. Defendants' Sales Activity Relating to the Oil and Gas Securities

36. Although the "Referral Contractor Agreements" purported to limit his services to finding and referring potential investors to Resolute, Defendants in fact participated in the offer and sale of the Oil and Gas Securities to investors.

37. Defendants used mass marketing techniques to find investors to purchase the Oil and Gas Securities. Defendants used Los Angeles area radio commercials to advertise Ortiz's investment services and promote investment workshops that he hosted. Ortiz hosted the workshops in the Ortiz Advisors

1 offices located in Whittier, California. At these workshops, Ortiz discussed with
2 prospective investors investment strategies and investments, including the Oil and
3 Gas Securities. Ortiz used these and other means to reach a large audience of
4 prospective investors for the Oil and Gas Securities.

5 38. Ortiz discussed and described the Oil and Gas Securities at his
6 workshops, which were typically attended by 6 to 12 prospective investors. At the
7 workshops, Ortiz described the benefits of the Oil and Gas Securities, including
8 the promissory notes. Ortiz described the promissory notes as low risk because
9 they were secured by issuer assets, provided returns starting at 8%, and had third-
10 party due diligence reports.

11 39. Ortiz described the Oil and Gas Securities in detail to prospective
12 investors. He provided prospective investors with Resolute marketing and offering
13 documents for the securities, which he reviewed and discussed with them. Ortiz
14 described to prospective investors the purported success of previous investors in
15 the Oil and Gas Securities. Ortiz recommended that the prospective investors
16 purchase the Oil and Gas Securities.

17 40. Ortiz had investors complete suitability questionnaires.

18 41. As to certain investors, through his entity Ortiz Advisors, Ortiz also
19 was an investment adviser and received fees from these clients for providing
20 investment advice and managing the clients' investments. Ortiz advised clients to
21 invest in the Oil and Gas Securities without disclosing to these clients the
22 financial compensation he received from Resolute/Beacon, which was a breach of
23 fiduciary duty to his advisory clients. Following his recommendation, certain of
24 Ortiz's clients purchased the Oil and Gas Securities.

25 42. Through Defendants, investors made investments in multiple of the
26 Oil and Gas Securities offerings, including offerings titled Advantage Capital
27 Holdings I, Choice Energy Holdings III, and PRMH Lenders Fund IV.
28

1 43. For example, after hearing radio advertisements for David Ortiz
2 Advisors, Investor A paid a fee for Ortiz's advisory services. Based on Ortiz's
3 recommendation, Investor A invested \$780,000 in PRMH Lenders Fund IV in
4 January 2020. He quickly lost nearly all of his money. Investor A received only a
5 few months of interest payments from Resolute before payments stopped, and he
6 never received a return of the principal.

7 44. After hearing radio advertisements for David Ortiz Advisors,
8 Investor B paid a fee for Defendants' advisory services. Based on Ortiz's
9 recommendation, Investor B invested \$676,000 in PRMH Lenders Fund IV and
10 Choice Energy Holdings III in or around April 2020. Investor B received
11 approximately \$156,000 in interest payments and a partial return of the principal
12 before payments stopped.

13 45. Defendants' contribution to the distribution of the Oil and Gas
14 Securities was not *de minimis*. To the contrary, they generated approximately \$18
15 million of sales for Resolute during the Relevant Period.

16 **IV. Defendants' Compensation**

17 46. During the Relevant Period, Defendants sold approximately \$18
18 million of the Oil and Gas Securities to retail investors, and received from
19 Resolute, through Beacon Global, \$816,934 in transaction-based compensation.
20 This compensation was purportedly calculated based on the two "Referral
21 Contractor Agreements" between Ortiz and Beacon Global.

22 47. The first agreement, the October 2018 "Referral Contractor
23 Agreement," provided that Ortiz would receive a monthly contractor fee of
24 \$16,734.59, as well as a referral fee of \$2,430 for every investor Ortiz placed with
25 Resolute. The agreement also provided that Ortiz's compensation could increase
26 pursuant to bi-weekly "quality assessments" of Ortiz's "referrals" and certain
27 "referral fee multipliers." The "quality assessments" allowed Beacon Global and
28 Resolute to adjust Ortiz's compensation based on how much investment money he

1 was bringing into Resolute. The “referral fee multipliers” provided for additional
 2 compensation to Ortiz for longer term debt securities that he sold. For example,
 3 Ortiz was compensated more for selling a two-year note than a one-year note.
 4 Ortiz was compensated through his entity DaveGlo.

5 48. The second agreement, the July 2020 “Referral Contractor
 6 Agreement” between Beacon Global and DaveGlo, provided for tier-based
 7 “referral” fees, with “Directors Club” being the highest tier. The agreement also
 8 had “quality assessment” provisions and provided that “[a]dditional Marketing
 9 Fees may be provided at the sole discretion of the parties.” Under both
 10 agreements, Resolute, through Beacon Global, paid to Ortiz and DaveGlo
 11 transaction-based compensation based on the dollar amount of investments and
 12 type of securities Ortiz sold. The tier designations provided for higher
 13 compensation to Defendants based on the aggregate amount of money Ortiz’s
 14 clients invested in the Oil and Gas Securities.

15 49. Ortiz was paid for performance and monies invested—transaction-
 16 based compensation—through the use of salesperson “tiers,” “referral fee
 17 multipliers” and “quality assessments.” Ortiz, through his entity DaveGlo,
 18 received \$560,684 in transaction-based compensation in 2020, and \$256,250 in
 19 2021.

20 **CLAIMS FOR RELIEF**

21 **Count I**

22 **(Violations of Sections 5(a) and 5(c) of the Securities Act (Both Defendants))**

23 50. The Commission re-alleges and incorporates by reference the
 24 allegations in paragraphs 1 through 49 inclusive, as if they were fully set forth
 25 herein.

26 51. As detailed above, Defendants, by engaging in the securities
 27 offerings alleged in this Complaint, directly or indirectly:
 28

1 (a) made use of the means or instruments of transportation or
2 communications in interstate commerce or of the mails to sell
3 securities through the use or medium of any prospectus or
4 otherwise, without a registration statement in effect as to such
5 securities;

6 (b) carried or caused to be carried through the mails or in interstate
7 commerce, by any means or instruments of transportation,
8 securities for the purpose of sale or for delivery after sale,
9 without a registration statement in effect as to such securities;
10 and

11 (c) made use of the means or instruments of transportation or
12 communication in interstate commerce or of the mails to offer to
13 sell through the use or medium of a prospectus or otherwise
14 securities as to which no registration statement had been filed.

15 52. There were no applicable exemptions from registration for the
16 offerings Defendants engaged in as described herein.

17 53. By reason of the foregoing, Defendants violated, and, unless
18 enjoined, are reasonably likely to continue to violate, Sections 5(a) and 5(c) of the
19 Securities Act, 15 U.S.C. § 77e(a) and 77e(c).

20 **Count II**

21 **(Violations of Section 15(a) of the Exchange Act (Both Defendants))**

22 54. The Commission re-alleges and incorporates by reference the
23 allegations in paragraphs 1 through 49 inclusive, as if they were fully set forth
24 herein.

25 55. As detailed above, Defendants, directly or indirectly, by the use of
26 the mails or the means or instrumentalities of interstate commerce, while acting as
27 a broker or dealer, effected transactions in the purchase or sale of securities, while
28 Defendants were not registered with the Commission as a broker or dealer and

1 while Defendants were not associated with an entity registered with the
2 Commission as a broker or dealer in accordance with Section 15(b) of the
3 Exchange Act [15 U.S.C. § 78o(b)].

4 56. By engaging in the conduct described above, Defendants violated,
5 and unless restrained and enjoined, are reasonably likely to continue to violate,
6 Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a).

7 **Count III**

8 **(Violations of Section 206(2) of the Advisers Act (Defendant Ortiz))**

9 57. The Commission re-alleges and incorporates by reference the
10 allegations in paragraphs 1 through 49 inclusive, as if they were fully set forth
11 herein.

12 58. By engaging in the acts and conduct alleged in this Complaint,
13 Defendant Ortiz acted as an investment adviser to his clients within the meaning
14 of Section 202(a)(11) of the Advisers Act, 15 U.S.C. § 80b-2(a)(11), because, for
15 compensation, he engaged in the business of advising others, either directly or
16 through publications or writings, as to the value of securities or as to the
17 advisability of investing in, purchasing, or selling securities.

18 59. As detailed above, Defendant Ortiz, directly or indirectly, by use of
19 the mails or means or instrumentalities of interstate commerce, while acting as an
20 investment adviser, engaged in transactions, practices, or courses of business
21 which operated as a fraud or deceit upon any client or prospective client, with at
22 least negligence.

23 60. As an investment adviser, Defendant Ortiz owed his client a
24 fiduciary duty of utmost good faith, undivided loyalty, and care to make full
25 disclosure to them of all material facts, as well as the duty to act in their best
26 interests, and not to act in his own interests to the detriment of his clients.

27 61. Defendant Ortiz breached his fiduciary duty to his clients and
28 engaged in fraudulent conduct by not disclosing conflicts of interest to his clients.

62. By reason of the foregoing, Defendant Ortiz violated, and unless enjoined, is reasonably likely to continue to violate, Section 206(2) of the Advisers Act, 15 U.S.C. § 80b-6(2).

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court enter a judgment:

A. Permanently restraining and enjoining Defendants from, directly or indirectly, violating Section 5 of the Securities Act [15 U.S.C. § 77e]; and Section 15(a) of the Exchange Act [15 U.S.C. § 78(o)];

B. Permanently restraining and enjoining Ortiz from violating, while acting as an investment adviser, Section 206(2) of the Advisers Act [15 U.S.C. § 80b-6(2)] by using the mails or any means or instrumentality of interstate commerce, directly or indirectly, to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any client or prospective client, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any client or prospective client, about the use of client funds or compensation to any person, including any associated conflicts of interest;

C. Permanently restraining and enjoining Ortiz from, directly or indirectly, including but not limited to through any entity he owns or controls:

- participating in the issuance, purchase, offer, or sale of any security;
- provided, however, that such injunction shall not prevent Ortiz from purchasing or selling securities for his own personal account;

D. Ordering Defendants to disgorge, on a joint and several basis, all funds received from their illegal conduct, together with prejudgment interest

1 thereon, pursuant to Sections 21(d)(3), (d)(5), (d)(7) of the Exchange Act [15
2 U.S.C. §§ 78u(d)(3), (5), and (7)];

3 E. Ordering Defendant Ortiz to pay civil money penalties pursuant to
4 Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d) of the
5 Exchange Act [15 U.S.C. § 78u(d)], and Section 209(e) of the Advisers Act [15
6 U.S.C. § 80b-9(e)]; and

7 F. Granting such other and further relief as this Court may deem just,
8 equitable, or necessary in connection with the enforcement of the federal
9 securities laws and for the protection of investors.

10
11 Date: September 11, 2025

12 Respectfully submitted,
13 /s/ Ruth C. Pinkel
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