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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA**

United States Securities and
Exchange Commission,

Plaintiff,

v.

Fred W. Wagenhals;
Robert D. Wiley; and
Christopher D. Larson,

Defendants.

Case No.

COMPLAINT AND JURY DEMAND

Plaintiff United States Securities and Exchange Commission (the “SEC”),
for its Complaint against Defendants Fred W. Wagenhals, Robert D. Wiley, and
Christopher D. Larson (collectively, the “Defendants”), alleges as follows:

INTRODUCTION AND SUMMARY

1
2 1. This case involves disclosure and accounting frauds and related
3 misconduct committed by the former executive management of AMMO, Inc.
4 (“Ammo” or the “Company”), a publicly traded company based in Scottsdale,
5 Arizona, that has now been renamed Outdoor Holding Company. The fraudulent
6 conduct included Defendants Fred Wagenhals, Ammo’s former Chief Executive
7 Officer (“CEO”), and Robert Wiley, Ammo’s former Chief Financial Officer
8 (“CFO”), making repeated materially false and misleading statements in Ammo’s
9 public SEC filings and financial statements that generally had the purpose of
10 hiding or obfuscating unfavorable information about the management and
11 operations of the company. The false and misleading statements included hiding
12 that one of Ammo’s key business leaders, and a co-founder of the company,
13 Defendant Christopher Larson, played a critical executive and management role
14 notwithstanding a federal court order from 2020 that prohibited him from holding
15 and performing an executive role at a public company. Further, Ammo’s public
16 reports and financial statements were replete with misleading statements and
17 omitted information, and also contained fundamental accounting errors, which
18 Wagenhals and Wiley approved and certified while knowing information in the
19 reports was inaccurate.

20 2. Not only did Larson’s undisclosed, senior role at Ammo enable him to
21 lead major business operations of the company in contravention of a court order,
22 including the negotiations for the most significant acquisition in Ammo’s history,
23 it also allowed him to arrange a series of transactions where Larson or a member of
24 his family would benefit financially. These related party transactions included
25 Ammo contracting with a company owned by Larson’s brother to build a \$25
26 million manufacturing facility and a kickback scheme where an Ammo vendor
27 shared one-half of the fees Ammo paid to it with Larson.
28

1 3. Over several years, CEO Wagenhals and CFO Wiley repeatedly
2 covered up and attempted to hide Larson's problematic role and conduct, which
3 included them making repeated false and misleading statements to Ammo's
4 outside auditors, and failing to disclose related party transactions involving Larson
5 and members of his family to the investing public.

6 4. In addition, various of the Defendants falsely portrayed Ammo's
7 financial condition and operations more favorably by, among other things,
8 understating its expenses by improperly capitalizing certain investor relations
9 costs, misrepresenting the reasons for a positive earnings metric, and deviating
10 from Ammo's disclosed method of calculating stock-compensation expense.

11 5. As a result of this and the other conduct alleged herein, Defendants
12 have violated and, unless restrained and enjoined, will continue to violate multiple
13 provisions of the federal securities laws.

14 **DEFENDANTS AND RELEVANT ENTITIES**

15 6. AMMO, Inc., which presently operates under the name Outdoor
16 Holding Company, was a Delaware corporation with its principal office in
17 Scottsdale, Arizona. In December 2020, Ammo began trading on the Nasdaq
18 Stock Exchange. Prior to trading on the Nasdaq Stock Exchange, Ammo's stock
19 was traded over the counter.

20 7. At all times relevant to the allegations herein, Ammo's common stock
21 was registered with the SEC pursuant to Section 12 of the Securities Exchange Act
22 of 1934 ("Exchange Act") [15 U.S.C. § 78l]. Further, Ammo was required to file
23 periodic reports, including Forms 10-K and 10-Q, with the SEC pursuant to
24 Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and related rules
25 thereunder.

26 8. **Fred W. Wagenhals**, age 84, resides in Paradise Valley, Arizona.
27 Wagenhals co-founded Ammo with Larson in 2016. From approximately
28 December 2016 and continuing through July 2023, Wagenhals worked as Ammo's

1 Chairman of the Board and CEO. In July 2023, Wagenhals transitioned to become
2 Ammo's Executive Chairman, and he departed Ammo's board in April 2025.

3 9. **Robert D. Wiley**, age 34, resides in Scottsdale, Arizona. Wiley is a
4 Certified Public Accountant ("CPA") licensed in the state of Arizona. From May
5 2018 through January 2019, Wiley was Ammo's controller, and from January 2019
6 through September 20, 2024, when he resigned at the request of Ammo's board of
7 directors, Wiley served as Ammo's CFO.

8 10. **Christopher D. Larson**, age 53, resides in Cave Creek, Arizona.
9 Larson co-founded Ammo in 2016. Larson was a CPA licensed in Minnesota until
10 his license was revoked in July 2021. Between approximately 2017 and 2022,
11 Larson held a role with the responsibilities of an executive officer and member of
12 Ammo's management, including the title of Vice President of Finance, and
13 oversaw critical operations of Ammo. Throughout his tenure at Ammo, Larson
14 held a position subordinate only to Wagenhals and was senior to, or equivalent to,
15 other named executive officers. Ammo terminated Larson in November 2022.

16 **JURISDICTION AND VENUE**

17 11. The SEC brings this action pursuant to authority conferred on it by
18 Sections 20(b), 20(d)(1), and 20(e) of the Securities Act of 1933 ("Securities Act")
19 [15 U.S.C. §§ 77t(b), 77t(d)(1), and 77t(e)] and Sections 21(d)(1), (2), (3), (5) and
20 (7), and 21(e) of the Exchange Act [15 U.S.C. §§ 78u(d)(1), (2), (3), (5), and (7)
21 and 78u(e)] to restrain and enjoin the Defendants from engaging in the acts,
22 practices, and courses of business described in this Complaint and similar acts,
23 practices, and courses of business. The SEC seeks permanent injunctions, civil
24 penalties, and officer and director bars against Wagenhals, Wiley, and Larson;
25 disgorgement of Larson's ill-gotten gains derived from the conduct alleged in the
26 Complaint plus prejudgment interest thereon; and reimbursement from Wagenhals
27 and Wiley to Ammo of certain compensation and profits.

12. In connection with the acts, practices, and courses of business alleged herein, Defendants, directly or indirectly, singly and in concert, made use of the means or instruments of transportation or communications in interstate commerce, the means or instrumentalities of interstate commerce, or of the mails, including within this District.

13. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1), 20(e), and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d)(1), 77t(e) and 77v(a)] and Sections 21(d)(1), (2), (3), (5), and (7), 21(e), and 27(a) of the Exchange Act [15 U.S.C. §§ 78u(d)(1), (2), (3), (5), and (7), 78u(e), and 78aa(a)].

14. Venue is proper in the District of Arizona pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], Section 27(a) of the Exchange Act [15 U.S.C. § 78aa(a)], and 28 U.S.C. § 1391(b). Each of the Defendants resides in this District, and certain of the acts and transactions constituting violations of the Securities Act and the Exchange Act occurred in this District, including the offer and sale of Ammo securities.

15. In May 2025, each of Wagenhals, Wiley, and Larson entered into agreements with the SEC to toll the running of any statute of limitations applicable to any action or proceeding arising out of the SEC's investigation entitled In the Matter of Ammo, Inc. (D-04083), from which this action and the allegations herein arise, for the period of May 1, 2025 through August 29, 2025.

FACTUAL ALLEGATIONS

I. Relevant Background

A. Ammo's Founding by Wagenhals and Larson and the Company's Early Growth

16. In approximately 2016, Wagenhals met Larson, and, along with a third individual ("Co-Founder"), agreed to pursue acquiring the assets of an ammunition manufacturing facility in Payson, Arizona, with the purpose of starting

1 their own company. Larson and Co-Founder informed Wagenhals that their goal
2 would be to take such a business public. Near the time of their initial discussions,
3 both Larson and Co-Founder informed Wagenhals that they could not become
4 officers of this new company. In particular, Larson informed Wagenhals that he
5 was then under investigation by the SEC.

6 17. From late 2016 through early 2017, Wagenhals organized a
7 predecessor company to Ammo that was eventually combined, by a reverse
8 merger, with a shell company called Retrospektiva, Inc. that had a public
9 distribution of securities which traded over the counter. As a result of these
10 transactions, Retrospektiva was renamed AMMO, Inc., its trading symbol was
11 changed to “POWW,” and Wagenhals became the sole director of the company.

12 18. From at or near the time of Ammo’s commencing operations in 2017,
13 Wagenhals held the title of CEO, Larson held the title of Vice President of
14 Finance, and Co-Founder held the title of Chief Marketing Officer. At that time,
15 Wagenhals, Larson, and Co-Founder held positions at Ammo that were senior in
16 the organization to all other employees, including the Chief Operating Officer
17 (“COO”) and CFO.

18 19. Wiley joined Ammo as its controller in approximately April 2018, and
19 he became the CFO in January 2019 after the prior CFO resigned. At the time he
20 was hired, Wiley was Wagenhals’s stockbroker’s son-in-law, was 27-years old,
21 and had never held a corporate-officer position. After Wiley assumed the role of
22 CFO, Larson continued to hold a position and responsibilities senior to Wiley
23 through 2022.

24 20. Beginning with Ammo’s Form 10-K filed on April 11, 2018, the
25 company repeatedly stated in its public filings that one of its primary business
26 objectives was pursuing strategic acquisitions and developing strategic
27 relationships. Between 2017 and 2020, Ammo substantially increased its sales
28 revenues, based in part on its corporate acquisitions. Between fiscal year 2017 and

1 fiscal year 2021, Ammo’s sales increased from approximately \$1.3 million to
2 \$62.4 million.

3 21. On April 30, 2021, Ammo entered into a merger transaction under
4 which it acquired ownership of a group of companies that did business as
5 GunBroker.com, an online marketplace. To date, this was Ammo’s largest
6 acquisition. After the acquisition, Ammo had two primary business lines—
7 manufacturing and the online marketplace GunBroker.com.

8 22. During the timeframe relevant to the allegations herein, Ammo
9 regularly offered and sold securities, including stock, as defined in Section 2(a)(1)
10 of the Securities Act and Section 3(a)(10) of the Exchange Act [15 U.S.C. §§
11 77b(a)(1) and 78c(a)(10)].

12 23. Ammo regularly awarded its common stock to its executives,
13 employees, and board of directors. Also, Ammo periodically issued common stock
14 to third parties for services and goods purchased. In late 2020, Ammo sold about
15 9.5 million shares of common stock in a secondary offering at \$2.10 per share. In
16 early 2021, Ammo sold another 20 million shares of common stock at \$5.00 per
17 share. And in May 2021, Ammo sold about 1.4 million shares of 8.75% Series A
18 Cumulative Redeemable Perpetual Preferred Stock at \$25.00 per share.

19 **B. Larson Acted as a *De Facto* Executive Officer of Ammo**
20 **Throughout His Tenure.**

21 24. For the benefit and protection of the investing public, the federal
22 securities laws and regulations mandate the disclosure of specific information by
23 public companies in certain of their public reports and proxy statements. Among
24 other things, public companies are required to identify their executive officers and
25 significant employees and disclose their business experience and any significant
26 legal history, including certain criminal convictions and injunctive orders. In
27 general, an executive officer is a “president, any vice president of the registrant in
28 charge of a principal business unit, division or function (such as sales,

1 administration or finance), any other officer who performs a policy making
2 function or any other person who performs similar policy making functions for the
3 registrant.” 17 C.F.R. § 240.3b-7. A person who acts as an executive officer of a
4 public company, even if he or she has not been given such a title, is defined as an
5 executive officer under the securities laws and regulations. These laws and
6 regulations also require public companies to disclose the compensation of their
7 highest-paid executive officers.

8 25. In April 2016, the SEC filed a lawsuit against Larson and others in the
9 United States District Court for the Southern District of California in a matter
10 entitled *SEC v. Zouvas, et al.*, Case No. 16-CV-00998 (CAB), which alleged
11 violations of Sections 17(a)(1) and (3) of the Securities Act [15 U.S.C. §§
12 77(q)(a)(1) and 77(q)(a)(3)] and Section 10(b) and Rules 10b-5(a) and 10b-5(c) of
13 the Exchange Act [15 U.S.C. § 78j(b) and 17 C.F.R. §§ 240.10b-5(a) and 240.10b-
14 5(c).] The SEC alleged in this earlier lawsuit, among other matters, that Larson
15 had acted as *de facto* chief financial officer of a company called Crown Dynamics
16 Corporation (“Crown”) but that Larson’s “name did not appear in any of Crown’s
17 filings with the Commission.” The prior lawsuit was transferred to the United
18 States District Court for the District of Arizona in February 2017, and assigned
19 case number 2:17-cv-00427 (SPL).

20 26. The SEC and Larson agreed to settle the prior lawsuit on or about
21 March 13, 2020. As part of the settlement, Larson consented to entry of an order
22 barring him from acting as an officer of a public company. On June 1, 2020, the
23 Honorable Steven P. Logan, United States District Judge, entered a Partial Final
24 Judgment against Larson (hereinafter the “Larson Court Judgment”) that, among
25 other things prohibited Larson:

26 pursuant to Section 20(e) of the Securities Act, 15 U.S.C. § 77t(e), and
27 Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2), for a
28 period of five years from the date of entry of the Final Judgment, from
acting as an officer or director of any issuer that has a class of securities

1 registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l,
2 or that is required to file reports pursuant to Section 15(d) of the
3 Exchange Act, 15 U.S.C. § 78o(d).

4 27. In addition, on June 3, 2020, the SEC suspended Larson from
5 appearing or practicing before the SEC as an accountant pursuant to Rule 102(e) of
6 the SEC's Rules of Practice [17 C.F.R. § 201.102(e)] (the "SEC Suspension").

7 28. Throughout most of his tenure at Ammo, Larson used the title Vice
8 President of Finance and also was referred to as a "Partner" (to Wagenhals).
9 Larson, in fact, assumed and exercised the responsibilities of an executive officer
10 of Ammo by at least 2017 and continued to exercise such job functions and
11 authorities consistent with being a *de facto* executive officer until November 2022
12 when he departed Ammo. Larson was a member of Ammo's executive
13 management team, and he held the roles and responsibilities of an executive officer
14 and assisted in the overall management of Ammo's operations, particularly in its
15 capital markets, mergers and acquisitions, and business development functions.

16 29. Between approximately 2017 and 2022, Wagenhals and Larson
17 oversaw the operations and growth of Ammo, including by sharing an executive
18 office suite, having frequent and often daily contact about Ammo's business, and
19 coordinating with investment bankers to raise capital for Ammo. During that
20 period, Larson's job responsibilities included:

- 21 (a) Providing input on key corporate decisions;
- 22 (b) Soliciting individuals to join Ammo's board of directors;
- 23 (c) Serving on Ammo's advisory board;
- 24 (d) Identifying and participating in the hiring and employment-
25 contract negotiations for other company officers, including the CEO who
26 succeeded Wagenhals;
- 27 (e) Developing the strategy for and executing corporate finance and
28 fundraising activities, including common and preferred stock offerings;

1 (f) Identifying and leading negotiations for corporate acquisitions,
2 including for the acquisition of GunBroker.com;

3 (g) Participating in hiring and terminating senior employees,
4 including a person who served as audit committee chair and President;

5 (h) Preparing materials for and attending meetings of the board of
6 directors;

7 (i) Reviewing corporate financial projections;

8 (j) Playing a strategic role in procuring manufacturing equipment
9 and raw materials;

10 (k) Identifying vendors for Ammo and negotiating and signing
11 contracts with vendors and third parties on behalf of Ammo;

12 (l) Approving payments to vendors;

13 (m) Identifying and recommending a contractor (his brother's
14 company) to build Ammo's new manufacturing facility;

15 (n) Providing direction on the content of and reviewing corporate
16 financial filings before their submission;

17 (o) Drafting, reviewing, and editing press releases, earnings
18 releases, and earnings call scripts; and

19 (p) Leading Ammo's investor relations activities, including by
20 formulating strategies, meeting with investors and potential investors, and
21 responding to analysts.

22 30. Ammo also made representations to third parties that indicated that
23 Larson held a role functionally equivalent to that of an executive officer, including
24 after the Larson Court Judgment and SEC Suspension. For example, the merger
25 agreement for Ammo's largest transaction in its history—its acquisition of
26 GunBroker.com—listed Larson, along with Wagenhals, Wiley, and an individual
27 who served in a capacity similar to an in-house attorney ("In-House Counsel"), as
28 the four "Key Employees" whose knowledge was imputed to the company. Larson

1 was also listed as a key employee in certain of Ammo's other acquisition
2 agreements.

3 31. In addition, Larson was the second-highest compensated executive
4 officer at Ammo, after Wagenhals, for Ammo's fiscal years ended March 31, 2020
5 ("FY 2020"), March 31, 2021 ("FY 2021"), and March 31, 2022 ("FY 2022"), and
6 the highest compensated executive officer in Ammo's fiscal year ended March 31,
7 2023 ("FY 2023"). His base compensation during those fiscal years always
8 exceeded \$175,000, and Larson also received substantial incentive-based
9 compensation and stock awards during those years, including as further described
10 below.

11 32. On May 20, 2025, Ammo filed an amendment to its fiscal year ended
12 March 31, 2024 ("FY 2024") Form 10-K, which restated certain information
13 contained in its previously issued financial statements for FY 2022, FY 2023, and
14 FY 2024, as well as restated its opening balance sheet as of the beginning of FY
15 2022 for the cumulative effect of the errors in prior periods (the "Restatement").
16 In the Restatement, Ammo described that, following an investigation by a special
17 committee of its board of directors, the special committee discovered accounting
18 and financial reporting errors that required restatement resulting primarily from (i)
19 inaccurate valuation of, and accounting for, share-based compensation awards to
20 employees, non-employee directors, and other service providers, and shares issued
21 in exchange for goods and services, (ii) inappropriate capitalization of certain share
22 issuance costs, and (iii) inappropriate accounting for certain convertible notes and
23 warrants issued by Ammo. The Restatement further described that the special
24 committee found that Ammo had not properly disclosed certain executive officers,
25 executive compensation, and related party transactions.

26 33. As part of its Restatement, Ammo disclosed that Larson was an
27 executive officer for FY 2022 and 2023, that Larson's salary for FY 2022 was
28 \$698,465 (the third highest executive officer salary) and his total compensation

1 was \$2,644,580 (the second highest), and for FY 2023 his salary was \$1,337,187
2 (the highest) and total compensation was \$1,514,990 (the highest).

3 **C. Defendants' Systematic Efforts to Hide or Minimize Larson's**
4 **Role and Responsibilities**

5 34. No later than mid-2020, after the Larson Court Judgment and SEC
6 Suspension were in place, Wagenhals and Wiley took steps to hide, minimize, and
7 obfuscate Larson's actual job responsibilities, executive officer role, and adverse
8 disciplinary history from the company's investors and outside auditors.

9 35. The steps Wagenhals and Wiley took to hide Larson's role and
10 disciplinary history included preparing, signing, and certifying numerous SEC
11 filings that excluded Larson from the lists and descriptions of Ammo's executive
12 officers and represented that none of Ammo's executive officers had in the past ten
13 years been subject to various disciplinary actions. The steps also included
14 preparing, signing, and certifying reports and financial statements that did not
15 disclose related party transactions involving Larson, including obfuscating that
16 Ammo hired a company owned by Larson's brother (called Larson Building) to
17 construct a \$25 million manufacturing facility.

18 36. Wagenhals and Wiley also repeatedly lied to Ammo's outside
19 auditors, who inquired about Larson's employment status and sought assurances
20 that Larson had either left the company or was not involved in certain aspects of its
21 business. These misrepresentations were made, first, to a New-York-based
22 independent registered public accounting firm ("Audit Firm #1") and, later, to a
23 Texas-based independent registered public accounting firm ("Audit Firm #2"),
24 both of which provided audit and disclosure review services to Ammo, as required
25 by Section 13(a) of the Exchange Act and related rules thereunder.

26 37. For example, beginning in or around June 2020, after the Larson
27 Court Judgment was entered, Wiley falsely informed an employee of Audit Firm
28 #1 that Larson was no longer involved with Ammo. Similarly, in August 2020,

1 Wagenhals told Audit Firm #1 that Larson had quit. Then, after Audit Firm #1
2 sought formal verification that Larson had quit in August 2020, Wagenhals and
3 Wiley falsely represented that Larson had resigned on August 13, 2020, and signed
4 a management representation letter on behalf of Ammo, dated August 19, 2020,
5 stating Larson was “not employed by the Company and he will not return as an
6 employee to the Company.” Nevertheless, Larson continued his work at Ammo
7 with Wagenhals, Wiley, and others. For example, on August 19, 2020, Wagenhals
8 emailed Larson a draft term sheet for a secondary offering that Ammo was
9 considering and wrote “Chris [Larson], Time to make a decision. Fred.” In
10 addition, on August 19, 2020, Wagenhals, Wiley, and Larson received an email
11 request from Ammo’s investor relations firm asking them to review the upcoming
12 Form 10-Q filing “with a fine tooth comb and confirm everything is factual and
13 correct,” which Larson himself forwarded to another person. The next day, August
14 20, 2020, Larson sent an email from his Ammo email account to the financial firm
15 working on the secondary offering, copying Wagenhals, and wrote, in part: “Siting
16 [sic] with Fred [Wagenhals] what time are we doing the call. I thought I had it
17 saved.”

18 38. Indeed, in between Larson’s alleged resignation on August 13, 2020,
19 and the August 19, 2020 representation letter stating that Larson no longer worked
20 at Ammo, Wiley and Larson exchanged at least 20 emails concerning Ammo’s
21 business and were both copied on at least 20 additional emails, and during that
22 period Wagenhals and Larson exchanged at least 10 emails and were both copied
23 on numerous additional messages. The exchanged messages included (1) an email
24 from Wiley to only Larson with a copy of Ammo’s financial projections; (2)
25 Larson’s acceptance of Wiley’s invitation to an August 17th call with one of
26 Ammo’s lenders; (3) an email from Ammo’s investor relations firm to Wiley
27 telling Wiley that they had confirmed with Larson that a press release would be
28 going out pre-market the next day; and (4) an email from Wiley to only Larson

1 forwarding him a copy of the draft representation letter to the auditor. Further, in
2 the week after the representation letter, between August 20, 2020, and August 26,
3 2020, Wagenhals and Larson exchanged nearly three dozen emails concerning
4 Ammo; and Wiley and Larson exchanged more than fifty emails concerning
5 Ammo.

6 39. Wagenhals and Wiley were at all relevant times aware of Larson's
7 continued employment with Ammo and his substantial job responsibilities and
8 seniority at the company, and they had consistent and substantive communications
9 with Larson about his work. In reality, aside from absenteeism or leaves of
10 absence, Larson never actually separated from Ammo and remained employed as a
11 *de facto* executive officer until at least his formal separation in November 2022.
12 Indeed, Larson received semi-monthly paychecks of executive-level salary on each
13 Ammo payday between June 2020 and November 2022.

14 40. Among other acts to conceal Larson's role, Wiley directed others to
15 prepare, and participated himself in preparing, false and misleading documents to
16 support the false representations being made to outside auditors. For example,
17 Wiley texted In-House Counsel, who, despite his law license being suspended, was
18 serving in a capacity similar to in-house counsel, about removing Larson from the
19 list of individuals working on the late-2020 secondary offering described above in
20 order "to save my ass." After that, Wiley, Larson, and In-House Counsel worked
21 to create a backdated separation agreement to support Larson's purported departure
22 from the company, so Wiley could "have cover with [Audit Firm #1] until they
23 [were] fired." Nevertheless, Larson was still working at Ammo on important
24 business operations, including, at that time, a late-2020 securities offering. On
25 November 13, 2020, Wiley texted In-House Counsel, to inform him that Audit
26 Firm #1 had again requested Wiley and Wagenhals to make representations about
27 Larson's role, to which In-House Counsel responded, "F*** them. Get K filed and
28 fire their a** as soon as uplisting happens," referring to firing Audit Firm #1.

1 41. Between approximately November 2020 and April 2021, when Ammo
2 fired Audit Firm #1, Wiley made additional false representations to Audit Firm #1
3 that falsely indicated Larson was not then working at Ammo, including by sending
4 to Audit Firm #1 the fabricated separation agreement described in paragraph 40.

5 42. After Ammo engaged Audit Firm #2 in or around April 2021,
6 Wagenhals and Wiley made additional false or misleading statements to the new
7 audit firm that had the purpose and effect of minimizing Larson's actual
8 responsibilities, including telling Audit Firm #2 that Larson had been "terminated
9 and rehired in an operational capacity," and that Larson was "no longer involved in
10 the financial function of the Company." Such statements were made soon after
11 Larson had led Ammo's negotiations to acquire GunBroker.com in early 2021.

12 43. As part of the negotiations for the merger with GunBroker.com,
13 Wagenhals hid important information about Larson, including his prior
14 disciplinary history. For example, although Larson was listed as one of four
15 Ammo "Key Employees" in the merger agreement, which was signed by
16 Wagenhals, the merger agreement provided that:

17 To Parent's [Ammo's] knowledge, none of the Key Employees or
18 directors of Parent has been . . . (iii) subject to any order, judgment or
19 decree (not subsequently reversed, suspended, or vacated) of any court
20 of competent jurisdiction permanently or temporarily enjoining him or
21 her from engaging, or otherwise imposing limits or conditions on his or
22 her engagement in any securities, investment advisory, banking,
insurance, or other type of business or acting as an officer or director of
a public company. . . .

23 Thus, despite being a Key Employee whose knowledge was imputed to Ammo, the
24 merger agreement did not disclose Larson's disciplinary history, the Larson Court
25 Judgment, or the SEC Suspension.

26 44. As part of its Restatement, Ammo disclosed that Larson was an
27 executive officer for FY 2022 and 2023, the Larson Court Judgment, the SEC
28

1 Suspension, and that the Minnesota Board of Accountancy revoked Larson's
2 certified public accountant certificate.

3 **D. Larson's Related Party Transactions**

4 **1. Payment for Ammo Vendor Contract with Larson's Wife's**
5 **Shares and Hidden Repayment**

6 45. In late 2020, while Wagenhals and Wiley were representing to Audit
7 Firm #1 that Larson was "not employed by the Company and he will not return as
8 an employee to the Company," Larson entered into several agreements between
9 Ammo and a company based in Canada ("Vendor #1") that required Ammo to
10 make, among other payments to Vendor #1, transfers of Ammo common stock to
11 Vendor #1. Several agreements between Ammo and Vendor #1 described Vendor
12 #1 as providing "consulting services" to Ammo, including related to investor
13 relations, capital introductions, marketing, and advertising. A portion of one
14 agreement described Vendor #1 as providing "Media Awareness" including a
15 targeted message to "refine and amplify [Ammo's] public information, press
16 releases, and other due diligence our team uncovers from publicly available
17 information and continuously flood the channels below with this information to
18 heighten awareness of [Ammo] in the market."

19 46. Upon information and belief, around the time Larson engaged Vendor
20 #1, its CEO had been engaged in market manipulation involving the stock of a
21 different company for which he had been providing investor relations and
22 promotional activities. In or about May 2025, Vendor #1's CEO was sanctioned
23 by the Alberta Securities Commission related to this conduct.

24 47. On or about January 3, 2021, Larson emailed Wiley and another
25 Ammo manager to convey, in sum and substance, that because Ammo could not
26 issue the needed shares directly to Vendor #1, Larson's wife would transfer the
27 required shares and "then Ammo can issue [wife's first name] . . . shares in
28 return...."

1 48. On or about January 6, 2021, Larson’s wife transferred 200,000
2 Ammo shares as payment to Vendor #1.

3 49. Instead of arranging for Ammo to repay Larson’s wife directly,
4 Larson directed In-House Counsel to create a shell company called RW Cabo, LLC
5 (“RW Cabo”) to accept the shares. In-House Counsel attempted to incorporate that
6 entity in Arizona and listed Larson’s father-in-law (“Father-In-Law”) as the
7 managing member.

8 50. On February 1, 2021, Ammo issued 200,000 shares to RW Cabo,
9 which were repayment of the shares provided by Larson’s wife.

10 51. In light of Larson’s role as an executive officer and member of
11 Ammo’s management, the arrangements for Larson’s wife to pay Vendor #1 with
12 her shares and, later, to be repaid through the share issuance to RW Cabo were
13 related party transactions.

14 52. Later in February 2021, Ammo filed multiple Forms S-3 that
15 purported to describe the agreements between Ammo and Vendor #1 and stated
16 that Ammo had issued shares to Vendor #1. In the filings, Ammo stated that a
17 portion of the shares were assigned to “RW Cabo LLC” and, in one filing, stated
18 “[Father-In-Law] has voting and investment power over the shares held by RW
19 Cabo LLC.” Father-In-Law’s last name is not Larson. Thus, the filings obscured
20 that RW Cabo was related to Vendor #1 and hid that a Larson entity was being
21 issued a portion of these shares as repayment for his wife’s prior share transfer to
22 Vendor #1. The Forms S-3 also represented that “neither the Selling Stockholders
23 [a defined term that included RW Cabo] nor any of their associates or affiliates has
24 held any position office, or other material relationship with [Ammo] in the past
25 three years.”

26 53. Ammo did not disclose in its Form 10-K for FY 2021 the transactions
27 involving the loans of shares from Larson’s wife or the arrangements to repay RW
28 Cabo, despite disclosing other related party transactions. But, as discussed below,

1 Ammo was required to disclose these as related party transactions; in the
2 Restatement, Ammo included the following concerning newly disclosed related
3 party transactions for Larson: “In February 2021, the Company issued 200,000
4 shares of Common Stock to an entity controlled by an immediate family member
5 of Chris Larson. The shares were issued to pay for services valued at \$1,080,000.
6 The Company issued these shares to reimburse Mr. Larson and/or his spouse for
7 providing a third-party service provider with 200,000 shares of the Company’s
8 Common Stock in January 2021 through a separate entity.”

9 **2. Larson Engaged in a Self-Dealing Kickback Scheme**

10 54. After the acquisition of GunBroker.com, Larson, on behalf of Ammo,
11 negotiated an agreement between Ammo and a payment-processing company (the
12 “Processing Company”), which was owned by Larson’s friend and former co-
13 worker, to perform credit card processing services and develop online shopping
14 cart capabilities for Ammo’s newly acquired business line.

15 55. Larson and the Processing Company entered into an agreement to pay
16 Larson, through a company he controlled called Thomas Lake & Co. (“Thomas
17 Lake”), a portion of the fees Ammo would pay to the Processing Company. On
18 May 4, 2021, the Processing Company executed a contract with Thomas Lake that
19 provided the Processing Company would pay Thomas Lake a portion of the
20 processing fees collected from Ammo, “in exchange for a successful introduction
21 and entry into a contract between [the Processing Company] and Ammo, Inc. . . .”
22 The agreement negotiated by Larson resulted in Ammo overpaying the Processing
23 Company for its services to enable the Processing Company to pay the extra
24 proceeds to Larson. This resulted in excess expenses for Ammo.

25 56. At the time he negotiated the transactions with the Processing
26 Company, Larson was required to report to Ammo his arrangement with the
27 Processing Company by Ammo’s employee handbook, which prohibited outside
28 employment that “in any way create[d] a conflict of interest,” and required Larson

1 to report any outside employment that would “conflict with [Larson’s] duties and
2 obligations to” Ammo. Larson failed to report his kickback arrangement with the
3 Processing Company to Ammo.

4 57. Between June 2022 through March 2024, the Processing Company
5 paid Thomas Lake approximately \$814,864, an overpayment by Ammo for the
6 services of the Processing Company.

7 58. In light of Larson’s role as an executive officer and member of
8 Ammo’s management, the arrangement for the Processing Company to pay a
9 portion of fees earned from Ammo to Thomas Lake was a related party transaction.

10 59. As part of its Restatement, Ammo included the following newly
11 disclosed related party transaction for Larson:

12 After the initial filings of the Company’s Form 10-Ks for the years
13 ended March 31, 2024, 2023 and 2022, the Company was made aware
14 that Chris Larson had received undisclosed payments totaling \$814,863
15 from a vendor with which the Company had a Master Services
16 Agreement and from which the Company received services. The
17 payments were made by this third-party service provider. This third
18 party made payments to Mr. Larson from approximately January 2022
19 through March 2024 based on a percentage of revenue received in
20 connection with, and as a commission from, services rendered to the
21 Company. Mr. Larson separated as an employee from the Company
22 effective November 4, 2022 and was later engaged as a contractor for
23 approximately six months.

24 **3. Building of Manufacturing Facility by Larson’s Brother’s** 25 **Company**

26 60. On or about December 18, 2020, Ammo hired a Wisconsin-based
27 company called Larson Building, Inc. (“Larson Building”), which was owned and
28 managed by Larson’s brother, to construct a \$25 million manufacturing facility for
Ammo in Wisconsin.

61. Wagenhals and Wiley both knew that Larson’s brother owned and
managed Larson Building.

1 62. Wagenhals and Wiley selected Larson Building based on Larson's
2 recommendation, without securing bids from other general contractors to construct
3 a new manufacturing facility, and without procuring a resolution of Ammo's board
4 of directors approving the transaction.

5 63. Beginning around June 6, 2021, and continuing until November 7,
6 2022, Ammo paid invoices to Larson Building for the construction of the
7 manufacturing facility, which cumulatively totaled more than \$25 million, making
8 payments to Larson Building exceeding \$1.4 million in each quarter from the
9 second quarter of FY 2022 through the third quarter of FY 2023. Throughout that
10 period, Ammo did not disclose in its public filings that its new manufacturing
11 facility was constructed by a related party.

12 64. In light of Larson's role as an executive officer and member of
13 Ammo's management, the arrangement with Larson Building was a related party
14 transaction. As discussed below, Ammo was required to disclose the transaction as
15 a related party transaction. As part of its Restatement, Ammo included the
16 following newly disclosed related party transaction for Larson:

17 In December 2020, the Company entered into an agreement with
18 Larson Building to serve as the general contractor for the construction
19 of its Manitowoc, WI manufacturing facility. Larson Building is
20 wholly owned by the brother of Chris Larson, who was an executive
21 officer of the Company at the time. During the years ended March 31,
22 2023 and 2022, the Company paid \$14,584,805 and \$11,221,738,
23 respectively, to Larson Building in connection with this project.

24 **E. Additional Misconduct Related to Accounting Decisions**

25 65. Between 2020 and 2023, Wiley and Larson, who worked closely with
26 one another on financial matters and filings at Ammo, made or assisted others in
27 making misstatements about the size of many basic, readily ascertainable expenses
28 and costs for Ammo, which resulted in material impacts to Ammo's financial
statements filed with the SEC.

1 66. First, after Ammo had issued multiple press releases in August and
2 September 2020 announcing that it expected its adjusted earnings before interest,
3 taxes, depreciation, and amortization (“EBITDA”) would, for the first time, turn
4 positive, Larson and Wiley learned that Ammo’s adjusted EBITDA was not
5 actually positive. Thereafter, Wiley and Larson had a conversation concerning
6 whether to change the methodology by which Ammo calculated adjusted EBITDA
7 from the methodology used in prior financial reports. In November 2020, Wiley
8 then changed in a draft of the Form 10-Q the methodology by which Ammo
9 calculated adjusted EBITDA to include an add-back for excise taxes on products
10 sold. This caused adjusted EBITDA for the quarter to change from being negative
11 \$(629,240) to positive \$976,521. Ammo then touted in a press release: “We
12 continue to make further progress with the manufacturing capabilities,
13 infrastructure and capacity improvements deployed in fiscal year 2020 and
14 2021. As a result, we achieved our first ever quarter of adjusted EBITDA
15 profitability during the second quarter.” The press release, which Wiley reviewed
16 and approved knowing of the change in methodology, did not disclose that Ammo
17 had changed its adjusted EBITDA methodology.

18 67. Second, between June 2021 and June 2023, Wiley deviated from
19 Ammo’s publicly stated methodology of calculating the expense for shares issued
20 as compensation for goods or services, which was disclosed to be on the basis of
21 the closing fair market value of Ammo’s common stock on the date of
22 grant. Instead, Wiley calculated Ammo’s stock-compensation expense by using
23 prices associated with various restricted stock transactions occurring at various
24 points during or proximate to those fiscal years or by using other valuation
25 methods. Under GAAP requirements, share-based payment arrangements (such as
26 issuing stock for executive compensation) should be measured at the fair value of
27 the stock issued. Accounting rules further provide that the quoted price on a
28 securities exchange (*e.g.*, Nasdaq) provides the most reliable evidence of the fair

1 value of that stock. By using incorrect reference prices, which were often
2 significantly discounted from the applicable closing market price on the grant date,
3 combined with a failure to consider the appropriate grant date for each stock
4 issuance, Wiley caused Ammo to understate stock-compensation expenses by
5 approximately \$4.2 million in FY 2021 and \$4.1 million in FY 2023.

6 68. Moreover, Wiley was keenly aware of the deviation in his stock-
7 compensation methodology, as he explained in multiple memos to Ammo's
8 auditors his actual methodology, including that "the Company often looks to the
9 nearest sale of restricted common stock to ascertain a compensation value." Wiley
10 also ignored reports made to him that his methodology was wrong and deviated
11 from Ammo's disclosed policy. On or about April 13, 2023, an investor raised
12 concerns to the Ammo Board of Directors about Ammo's method for calculating
13 stock-compensation expense. The investor noted that Ammo did not appear to
14 have followed its disclosed method for valuing stock-compensation expense—*i.e.*,
15 "based on the closing fair market value of [Ammo's] Common Stock on the date of
16 grant." And the investor characterized the potential error as a "serious problem
17 that demands immediate action by the Board (especially the Audit
18 Committee)." Ammo's Audit Committee chair forwarded this email to Wiley on
19 April 13, 2023.

20 69. After Wiley left the company, Ammo acknowledged stock-
21 compensation expense errors in its Restatement. It disclosed that it "previously
22 accounted for stock-based payments using a grant date fair value that was
23 discounted from the fair value under the incorrect interpretation that the shares
24 were restricted. In addition, the determination of the grant date was incorrectly
25 determined with respect to historically issued stock-based payments."

26 70. Third, Larson provided false information about other expenses Ammo
27 had incurred between 2020 and 2022 in order to allow Ammo to, without a basis,
28 capitalize certain expenditures, resulting in Ammo materially under-reporting its

1 expenses. Specifically, for two purported investor relations firms paid by Ammo,
2 Vendor #1 (described above) and “Vendor #2,” Larson falsely provided
3 information that the firms had assisted with specific stock offerings, when they had
4 not. By providing misleading information and documentation, Larson caused
5 Ammo, for FY 2021, to understate certain expenses by approximately \$1,005,000
6 for amounts paid to Vendor #1, and for FY 2022, to understate certain expenses by
7 approximately \$5,752,500 for amounts paid to Vendor #1 and Vendor #2.

8 71. After the Defendants left the company, Ammo acknowledged these
9 inaccuracies in its Restatement, noting that certain capitalized costs should have
10 been expensed as incurred in general and administrative expenses in the
11 consolidated statement of operations.

12 **II. Wagenhals and Wiley Made Materially False and Misleading**
13 **Statements, and Wiley and Larson Aided and Abetted Ammo Making**
14 **Materially False and Misleading Statements.**

15 72. In Ammo’s public filings and press releases, which Defendants knew
16 would be available to, and relied upon by, existing and potential Ammo investors,
17 Wagenhals and Wiley made, and Wiley and Larson aided and abetted Ammo in
18 making, certain materially false and misleading statements in violation of Section
19 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5(b) of the Exchange Act thereunder [17
20 C.F.R. § 240.10b-5(b)].

21 73. The materially false and misleading statements and omissions
22 concerned (a) Larson’s role as *de facto* executive officer of Ammo; (b) related
23 party transactions involving Larson and his family members; (c) Ammo’s net
24 income or loss, which was misstated based on improperly capitalizing expenses
25 and mishandling stock-compensation expenses; and (d) a press release
26 misrepresenting that Ammo achieved positive adjusted EBITDA “as a result of”
27 operational improvements.
28

1 **A. Wagenhals and Wiley Made False and Misleading Statements**
2 **About Larson’s Role as a *De Facto* Executive Officer Role and**
3 **Compensation.**

4 74. Between in or about June 2020 and July 2023, Wagenhals and Wiley
5 made materially false and misleading statements about the identities of Ammo’s
6 executive officers and their compensation in numerous public filings that purported
7 to describe the executive officers and senior leaders of Ammo, including the
8 following.

9 75. First, Ammo’s Form 10-K filed on August 19, 2020 included a table
10 under “Item 10” concerning “Directors and Executive Officers and Corporate
11 Governance,” that purported to “set[] forth the names and ages of our current
12 directors and executive officers.” The table listed three executive officers:
13 Wagenhals as CEO, Wiley as CFO, and another person as COO. Ammo’s Form S-
14 1 registration statement filed on September 15, 2020 contained a similar table
15 disclosing the same three executive officers, and Ammo’s Forms 10-K filed on
16 June 29, 2021 and June 29, 2022 contained substantially similar statements and
17 tables that listed Wagenhals as CEO, Wiley as CFO, and another individual for
18 each year holding the position of COO or “President.” Each of the filings also
19 provided biographical information for the disclosed individuals who remained
20 employed on the date of the filing.

21 76. A reasonable investor would have understood from each of these
22 statements that the individuals disclosed were all of Ammo’s executive officers
23 and that Larson was not an executive officer of Ammo during the reported periods.

24 77. Second, Ammo’s Form 10-K issued on August 19, 2020, also
25 included a table under “Item 11” concerning “Executive Compensation” that
26 purported to “set[] forth for the year ended March 31, 2020, and March 31, 2019,
27 information with respect to compensation for services in all capacities to us and
28 our subsidiaries earned by the Company’s Chief Executive Officer and all other

1 executive officers of the Company and any employee of the Company whose cash
2 compensation exceeded \$100,000. We refer to these executive officers as our
3 ‘named executive officers.’” The table included the name, “principal position,”
4 and compensation information for Wagenhals, Wiley, and a person listed as COO.
5 Ammo’s Form S-1 issued on September 15, 2020 contained the same table.

6 78. A reasonable investor would have understood from these statements
7 the individuals listed were all employees earning over \$100,000 per year, that
8 Larson was not an executive officer of Ammo during the reported periods, and that
9 Larson’s cash compensation did not exceed \$100,000 for FY 2019 or FY 2020.

10 79. Third, Ammo’s Form 10-K issued on June 29, 2021 included a table
11 under “Item 11” concerning “Executive Compensation” that purported to “set[]
12 forth for the year ended March 31, 2021, and March 31, 2020, information with
13 respect to compensation for services in all capacities to us and our subsidiaries
14 earned by the Company’s Chief Executive Officer and our two most highly
15 compensated executive officers of the Company whose cash compensation
16 exceeded \$100,000. We refer to these executive officers as our ‘named executive
17 officers.’” The table included the name, “principal position,” and compensation
18 information for Wagenhals, Wiley, and a person listed as COO. Ammo’s Form
19 10-K issued on June 29, 2022, and Form 10-K/A issued on July 31, 2023,
20 contained substantially similar statements and tables that included compensation
21 information for various identified executive officers for various fiscal years, none
22 of whom were Larson. In addition, Ammo’s Form 10-K/A issued on July 31,
23 2023, stated: “The Company did not have more than three (including the CEO and
24 CFO) executive officers in any of the years ended March 31, 2023, 2022 and,
25 2021.”

26 80. A reasonable investor would have understood from these statements
27 that Larson was not an executive officer of Ammo for FY 2021, 2022, or 2023,
28 that Larson was not one of Ammo’s three most highly compensated executive

1 officers during those periods, and that Ammo did not have more than three
2 executive officers during the reported periods.

3 81. The lists and tables identifying the executive officers of Ammo and
4 their compensation were false and misleading because Larson was an executive
5 officer at all relevant times during each of Ammo's fiscal years from 2019 to 2023,
6 because Ammo had more than three executive officers during FY 2021, 2022, and
7 2023, because Larson's cash compensation in FY 2020 was at least \$175,000, and
8 because Larson was one of the two most highly compensated executive officers
9 aside from Wagenhals during FY 2021, 2022, and 2023.

10 82. The foregoing statements and tables concerning the executive officer
11 roles, identities, background, and compensation were material to investors because
12 the identity of executive management and leadership of a company and their
13 compensation would be important to a reasonable investor, particularly given
14 Larson's background and prior disciplinary and adjudicatory proceedings.

15 83. Wagenhals and Wiley knew or were reckless in not knowing the
16 foregoing statements were false and misleading because they worked with Larson
17 and knew his actual responsibilities and role at Ammo, they knew of the identities
18 and roles of other Ammo executive officers, they reviewed and signed the
19 statements referred to above, and they were aware of or had access to Larson's
20 compensation information and compensation for other Ammo executive officers.

21 84. Wagenhals and Wiley determined the content of and had ultimate
22 authority over these statements including because they, as CEO and CFO,
23 respectively, prepared, signed, and certified the accuracy of the Forms 10-K filed
24 on August 19, 2020, June 29, 2021, and June 29, 2022; because Wagenhals and
25 Wiley prepared and signed, in various capacities, the Form S-1 registration
26 statement filed on September 15, 2020, and were appointed to make amendments
27 to the registration statement by Ammo's board; and because Wiley prepared,
28 signed, and certified the accuracy of the Form 10-K/A filed on July 31, 2023.

1 **B. Wagenhals and Wiley Made False and Misleading Statements**
2 **About the Absence of Prior Disciplinary Proceedings for Ammo’s**
3 **Executive Officers.**

4 85. Between in or about June 2020 and June 2022, Wagenhals and Wiley
5 made materially false and misleading statements that during the prior ten years
6 none of Ammo’s executive officers had been subject to certain disciplinary
7 proceedings, including the following.

8 86. Ammo’s Form 10-K issued on August 19, 2020 stated, under a
9 subsection of “Item 10” titled “Legal Proceedings” that “[d]uring the past ten
10 years, none of our current directors or executive officers has been . . . subject to
11 any order, judgment or decree, not subsequently reversed, suspended or vacated, of
12 any court of competent jurisdiction, permanently or temporarily enjoining, barring,
13 suspending or otherwise limiting his involvement in any type of business,
14 securities or banking activities” or “subject of, or a party to, any order, judgment,
15 decree or finding, not subsequently reversed, suspended or vacated, relating to an
16 alleged violation of a federal or state securities or commodities law or regulation,
17 law or regulation respecting financial institutions or insurance companies, law or
18 regulation prohibiting mail or wire fraud or fraud in connection with any business
19 entity.” Ammo’s Form S-1 filed on September 15, 2020, and Forms 10-K filed on
20 June 29, 2021, and June 29, 2022, contained the same or substantially similar
21 statements about the absence of legal proceedings against its executive officers.

22 87. The foregoing and substantially similar statements were false when
23 made because since at least 2017 Larson had been an executive officer of Ammo
24 and after June 3, 2020, Larson was subject to the Larson Court Judgment, which
25 was a judgment of a court enjoining, barring, suspending or otherwise limiting
26 Larson’s involvement in a type of business, securities or banking activities, and the
27 SEC Suspension, which was an order or decree relating to an alleged violation of a
28 federal or state securities law or regulation.

1 88. The statements regarding the absence of prior legal proceedings and
 2 absence of adverse disciplinary history for Ammo's executive officers were
 3 material because the disciplinary background of a company's management and
 4 whether there are restrictions on the activities that executives can perform, as well
 5 as whether adverse findings or sanctions have been imposed by government or
 6 disciplinary authorities, would be important to a reasonable investor.

7 89. Wagenhals and Wiley knew or were reckless in not knowing the
 8 foregoing statements were false and misleading because they worked with Larson
 9 and knew his actual responsibilities and role at Ammo, they reviewed or signed the
 10 statements referred to above, and they were aware of the Larson Court Judgment
 11 and SEC Suspension.

12 90. Wagenhals and Wiley determined the content of and had ultimate
 13 authority over the statements including because they, as CEO and CFO,
 14 respectively, prepared, signed, and certified the accuracy of the Forms 10-K issued
 15 on August 19, 2020, June 29, 2021, and June 29, 2022; and because Wagenhals
 16 and Wiley prepared and signed, in various capacities, the Form S-1 registration
 17 statement filed on September 15, 2020, and were appointed to make amendments
 18 to the registration statement by Ammo's board.

19 **C. Wagenhals and Wiley Made False and Misleading Statements**
 20 **about Related Party Transactions.**

21 91. SEC-registered entities like Ammo must disclose their related party
 22 transactions. The obligation to do so arises from, among other requirements: (1)
 23 SEC regulations, and (2) Generally Accepted Accounting Principles ("GAAP").

24 92. SEC regulations require disclosure of a company's related party
 25 transactions in its Forms 10-K. Item 404(a) of Regulation S-K [17 C.F.R. §
 26 229.404(a)] generally requires the disclosure of past or proposed future
 27 transactions exceeding \$120,000 with "related persons" if the company is a
 28 participant and the related person has a direct or indirect material interest in the

1 transaction. For purposes of Regulation S-K, related persons include, among
2 others, any director or executive officer of the registrant, and any immediate family
3 member of the director or executive officer of the registrant, including spouses and
4 siblings.

5 93. GAAP, which governed the preparation of Ammo's financial
6 statements, requires the disclosure of material related party transactions in an
7 entity's financial statements. The financial statement disclosure must describe the
8 transaction in question, the nature of the relationship, the dollar amount of the
9 transaction, and the amounts due from or to related parties. Under GAAP, related
10 parties of an entity include management of the entity and members of their
11 immediate families. The Financial Accounting Standards Board Codification
12 Master Glossary defines "management" as persons who are responsible for
13 achieving the objectives of the entity and who have the authority to establish
14 policies and make decisions by which those objectives are to be pursued.
15 Management normally includes members of the board of directors, the chief
16 executive officer, chief operating officer, vice presidents in charge of principal
17 business functions (such as sales, administration, or finance), and other persons
18 who perform similar policy making functions. Persons without formal titles also
19 may be members of management.

20 94. Between at least 2020 and 2023, Ammo listed related party
21 transactions in at least two portions of its SEC disclosures: (1) in Item 13 of Form
22 10-K; and (2) in the "Notes" to its financial statements that were part of Ammo's
23 Forms 10-K and Forms 10-Q. Ammo's Forms 10-K and Forms 10-Q further
24 included representations indicating that Ammo's financial statements had been
25 prepared in accordance with GAAP and SEC regulations. For example, in
26 Ammo's Forms 10-K under headings such as "Critical Accounting Policies," the
27 filings made statements like the following: "Our discussion and analysis of our
28 financial condition and results of operation are based upon our financial

statements, which have been prepared in accordance with GAAP.” In addition, in Forms 10-Q, the filings stated:

The accompanying unaudited condensed consolidated financial statements and related disclosures included in this Quarterly Report on Form 10-Q have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and reflect all adjustments, which consist solely of normal recurring adjustments, needed to fairly present the financial results for these periods. Additionally, these condensed consolidated financial statements and related disclosures are presented pursuant to the rules and regulations of the Securities Exchange Commission (“SEC”).

i. Wagenhals and Wiley Made False and Misleading Statements and Omissions by Not Disclosing the Larson Building Transaction.

95. Between in or about June 2021 and August 2022, Wagenhals and Wiley made materially false and misleading statements and omissions by not disclosing the Larson Building transaction as a related party transaction in either Ammo’s Forms 10-K or in the financial statements attached to the Forms 10-K and Forms 10-Q, including the following.

96. First, Ammo’s Forms 10-K filed on or about June 29, 2021, and June 29, 2022, under “Item 13,” concerning “Certain Relationships and Related Transactions, and Director Independence,” included a section entitled “Related Party Transactions,” which represented that, other than the listed transactions, “none of the directors or executive officers of the Company, nor any person who owned of record or was known to own beneficially more than 5% of the Company’s outstanding shares of its Common Stock, nor any associate or affiliate of such persons or companies, has any material interest, direct or indirect, in any transaction that has occurred during the past fiscal year, or in any proposed transaction, which has materially affected or will affect the Company.” The list of

1 related party transactions included under Item 13 did not include the transaction
2 with Larson Building.

3 97. Second, the Notes to Ammo's financial statements that were
4 purported to be issued under GAAP and were included in Ammo's Forms 10-K
5 issued on June 29, 2021, (in "Note 15") and June 29, 2022, (in "Note 17") listed
6 "Related Party Transactions." The lists of related party transactions did not
7 include the transaction with Larson Building. In addition, each of Ammo's Forms
8 10-Q filed on February 12, 2021, August 16, 2021, November 15, 2021, February
9 14, 2022, and August 15, 2022 included representations that the financial
10 statements and related disclosures had been prepared in accordance with GAAP
11 and the rules and requirements of the SEC. But the financial statements included
12 in the Forms 10-Q did not include the disclosure of related party transactions
13 including the related party transaction with Larson Building.

14 98. A reasonable investor would have understood from these statements
15 that all related party transactions were disclosed, that there were no related party
16 transactions involving Larson, and that Ammo's financial statements concerning
17 related party transactions complied with the requirements of GAAP and the
18 requirements of the SEC.

19 99. The foregoing and substantially similar statements were false and
20 misleading and omitted required information when made because, among other
21 reasons, Larson was during each of FY 2021 and FY 2022 an executive officer of
22 Ammo and a member of management under GAAP, Larson was a related party
23 under Regulation S-K and under GAAP, the transaction involving Larson Building
24 was a related party transaction under Regulation S-K and GAAP, and the Larson-
25 Building-transaction's related-party status was withheld from both annual and
26 quarterly reports.

27 100. The foregoing statements regarding related party transactions were
28 material to investors because accurate information about related party transactions

1 would be relevant to determining whether Ammo engaged in transactions that
2 involved actual or potential conflicts of interest and, if so, the size of such
3 transactions and their purpose, and because whether a company's financial
4 statements and SEC filings were prepared in accordance with SEC regulations and
5 GAAP would impact the reliability of the statements in those filings, and, as such,
6 would be important to a reasonable investor.

7 101. Wagenhals and Wiley knew or were reckless in not knowing that the
8 foregoing statements that did not disclose the Larson Building transaction as a
9 related party transaction were misleading because they worked with Larson, knew
10 Larson's actual responsibilities and role at Ammo, knew that Ammo's SEC reports
11 and financial statements required the disclosure of related party transactions, and
12 were aware of information about Larson's involvement in the Larson Building
13 transaction, including that the builder of the manufacturing facility in Wisconsin
14 was owned by Larson's brother.

15 102. Wagenhals and Wiley determined the content of and had ultimate
16 authority over these statements including because they, as CEO and CFO,
17 respectively, prepared, signed, and certified the accuracy of the Forms 10-K filed
18 on June 29, 2021, and June 29, 2022, and the Forms 10-Q filed on February 12,
19 2021, August 16, 2021, November 15, 2021, February 14, 2022, and August 15,
20 2022.

21 **ii. Wiley Made False and Misleading Statements by Not**
22 **Disclosing the Payment of Shares from Larson's Wife and**
23 **RW Cabo Repayment.**

24 103. In or about June 2021, Wiley made materially misleading statements
25 by not disclosing in Ammo's Form 10-K or the attached financial statements the
26 related party transactions for the payment of shares to Vendor #1 from Larson's
27 wife and the repayment of those shares through RW Cabo, including the following.
28

1 104. Ammo's Form 10-K issued on or about June 29, 2021, under "Item
2 13," concerning "Certain Relationships and Related Transactions, and Director
3 Independence," included a section entitled "Related Party Transactions," which
4 represented that other than the listed transactions, "none of the directors or
5 executive officers of the Company, nor any person who owned of record or was
6 known to own beneficially more than 5% of the Company's outstanding shares of
7 its Common Stock, nor any associate or affiliate of such persons or companies, has
8 any material interest, direct or indirect, in any transaction that has occurred during
9 the past fiscal year, or in any proposed transaction, which has materially affected
10 or will affect the Company." The list of related party transactions included under
11 Item 13 did not include the arrangement to pay Vendor #1 with shares from
12 Larson's wife or the arrangement to repay RW Cabo, including as described above.

13 105. In addition, the notes to Ammo's financial statements that were
14 purported to be issued under GAAP and were included in Ammo's Form 10-K
15 issued on June 29, 2021, listed "Related Party Transactions." The lists of related
16 party transactions did not include the arrangement to pay Vendor #1 with shares
17 from Larson's wife or the arrangement to repay RW Cabo.

18 106. A reasonable investor would have understood from these statements
19 that all related party transactions were disclosed and that there were no related
20 party transactions involving Larson's wife paying an Ammo vendor or Ammo
21 issuing stock to repay Larson's wife through a company controlled by Larson.

22 107. The foregoing and substantially similar statements were misleading
23 when made because, among other reasons, Larson was during FY 2021 an
24 executive officer of Ammo and a member of management under GAAP, Larson
25 was a related party under Regulation S-K and under GAAP, the arrangement for
26 Larson's wife to pay Vendor #1 was a related party transaction under Regulation
27 S-K and GAAP, and the issuance of shares for RW Cabo to repay Larson's wife
28 was a related party transaction under Regulation S-K and GAAP.

1 108. The foregoing statements regarding related party transactions were
2 material to investors because accurate information about related party transactions
3 would be relevant to determining whether Ammo engaged in transactions that
4 involved actual or potential conflicts of interest and, if so, the size of such
5 transactions and their purpose, and because whether a company's financial
6 statements and SEC filings were prepared in accordance with SEC regulations and
7 GAAP would impact the reliability of the statements in those filings, and, as such,
8 would be important to a reasonable investor.

9 109. Wiley knew or was reckless in not knowing that the foregoing
10 statements that did not disclose the arrangement for Larson's wife to pay Vendor
11 #1 or the share issuance to RW Cabo as related party transactions were false and
12 misleading because he worked with Larson, knew Larson's actual responsibilities
13 and role at Ammo, knew about the arrangement with Vendor #1 to receive
14 payment from shares owned by Larson's wife, and knew about the share issuance
15 to RW Cabo, including that it was intended to benefit Larson or Larson's wife.

16 110. Wiley determined the content of and had ultimate authority over the
17 statements including because he, as CFO, prepared, signed, and certified the
18 accuracy of the Form 10-K filed on June 29, 2021.

19 **D. Wiley Made Materially False and Misleading Statements Related**
20 **to Stock Compensation and Net Income or Loss**

21 111. Between in or about June 2021 and June 2023, Wiley made one or
22 more materially false or misleading statements about Ammo's stock-compensation
23 expense and net income or loss, including the following.

24 112. First, Ammo's Form 10-K and Form 8-K (in the attached press release
25 and financial results), filed or furnished on June 29, 2021, reported a net loss of
26 \$(7,812,294) for FY 2021.

1 113. Second, Ammo's Form 10-K and Form 8-K (in the attached press
2 release and financial results), filed or furnished on June 14, 2023, reported a net
3 loss of \$(4,596,038) for FY 2023.

4 114. Third, Ammo's Forms 10-K issued on June 29, 2021 and June 14,
5 2023, stated as to Ammo's stock compensation:

6 We grant stock-based compensation to key employees and directors as
7 a means of attracting and retaining highly qualified personnel. We also
8 grant stock in lieu of cash compensation for key consultants and service
9 providers. We recognize expense related to stock-based payment
10 transactions in which we receive employee or non-employee services
in exchange for equity. We measure stock compensation based on the
closing fair market value of our Common Stock on the date of grant.

11 115. The foregoing and substantially similar statements were false or
12 misleading when made because for at least FY 2021 and FY 2023, Wiley
13 calculated Ammo's stock-compensation expense by reference to prices associated
14 with sales of restricted stock or other stock transactions. By using incorrect
15 reference prices, which were often significantly discounted from the applicable
16 closing market price on the grant date, combined with a failure to consider the
17 appropriate grant date for each stock issuance, Wiley caused the calculation of the
18 expenses associated with stock-based payment transactions to be understated by
19 approximately \$4.2 million in FY 2021 and \$4.1 million in FY 2023.

20 116. These statements regarding the company's net loss and methodology
21 for calculating stock-based compensation expense were false and misleading when
22 made because (a) Ammo's stock-compensation expenses for FY 2021 were
23 understated by approximately \$4,192,414; (b) Ammo's actual net loss was at least
24 \$4,192,414 more than reported for FY 2021; (c) Ammo's stock-compensation
25 expenses for FY 2023 were understated by approximately \$4,141,363; (d) Ammo's
26 actual net loss was at least \$4,141,363 more than reported for FY 2023, and (e)

1 because Ammo did not calculate its stock-compensation expense based on the
2 closing fair market value of Ammo's common stock on the date of grant.

3 117. The above false and misleading statements of Ammo's financial
4 results, including its stock-based compensation expenses and its net losses were
5 material because Ammo's original reported net loss for FY 2021 was \$(7,812,294)
6 and the actual net loss was at least 53% greater than reported due to stock-based
7 compensation expenses; Ammo's original reported net loss for FY 2023 was
8 \$(4,596,038) and the actual net loss was at least 90% higher than reported due to
9 stock-based compensation expense; and reporting accurate financial results and
10 figures, including revenues, expenses, losses, and gains, and the accuracy of the
11 methodologies used for those reports would be important to a reasonable investor.

12 118. Wiley knew, or was reckless in not knowing, that the statements about
13 how Ammo calculated its stock-compensation expense and the calculations
14 themselves were false and misleading because he was a trained CPA, had access to
15 all relevant information about Ammo's calculation of its stock-compensation
16 expense, prepared paperwork for the stock-compensation grants and public reports
17 about it, calculated Ammo's stock-compensation expense, reported to Ammo's
18 auditors a different methodology than was contained in Ammo's public reports,
19 and signed the statements referred to above.

20 119. Wiley determined the content of and had ultimate authority over the
21 statements including because he as CFO prepared and signed the Form 10-K and
22 Form 8-K filed or furnished on June 29, 2021, and signed the Form 10-K and Form
23 8-K filed or furnished on June 14, 2023.

24 **E. Larson Aided and Abetted Ammo's False and Misleading**
25 **Reporting of Expenses.**

26 120. During its 2021 and 2022 fiscal years, Ammo engaged Vendor #1 and
27 Vendor #2 to provide purported investor-relations services. It made payments of
28 cash and shares to Vendor #1 and Vendor #2. Under GAAP, these payments for

1 general investor relations and other services should have been recorded as
2 expenses that reduced Ammo's net income (or increased Ammo's net loss).

3 121. Ammo made false and misleading statements by improperly
4 recharacterizing, in a manner inconsistent with GAAP, expenses paid to Vendor #1
5 and Vendor #2 as costs incurred in connection with stock offerings or debt or
6 equity issuances. This recharacterization improperly reduced Ammo's reported
7 expenses on its income statements (and transferred them to its balance sheet). The
8 false and misleading statements included the following.

9 122. First, Ammo's Form 10-K and Form 8-K (in the attached press release
10 and financial results), filed or furnished on June 29, 2021, reported a "Net Loss" of
11 \$(7,812,294) and the Form 10-K reported "Corporate general and administrative"
12 expense of \$7,191,544 for FY 2021.

13 123. Second, Ammo's Form 10-K and Form 8-K (in the attached press
14 release and financial results) filed or furnished on June 29, 2022, reported net
15 income of \$33,247,436 for FY 2022. These forms also stated that Ammo's
16 "Corporate general and administrative" expenses were \$16,986,344 for FY 2022.

17 124. These statements regarding the company's net income or loss and
18 contributing expenses were false and misleading when made because (a) for FY
19 2021, Ammo understated its corporate general and administrative expenses by
20 approximately \$1,005,000 for amounts paid to Vendor #1; (b) for FY 2022, Ammo
21 understated its corporate general and administrative expenses by approximately
22 \$5,752,500 for amounts paid to Vendor #1 and Vendor #2; (c) Ammo's net loss for
23 FY 2021 was understated by at least \$1,005,000; and (d) Ammo's net income for
24 FY 2022 was overstated by at least \$5,752,500.

25 125. The above false and misleading statements of Ammo's financial
26 results, including its expenses and net losses were material because this caused
27 Ammo's FY 2021 net loss to be understated by at least 12.86%, and caused
28 Ammo's FY 2022 net income to be overstated by at least 17.3%. Moreover,

1 Ammo reporting accurate financial results and figures, including revenues,
2 expenses, losses, and gains, would be important to a reasonable investor.

3 126. Larson knowingly or recklessly provided substantial assistance to
4 Ammo in making the false statements, improperly reducing its reported expenses,
5 and inflating its net income, including by the following:

6 (a) Prior to the filing of the Form 10-K and Form 8-K for FY 2021,
7 Larson represented falsely to Wiley that Vendor #1's services directly related to
8 Ammo's Series A preferred stock offering that closed in May 2021, rather than
9 general investor relations services. This was false as Vendor #1 did not perform
10 any work directly related to that securities offering.

11 (b) In approximately mid-2021, Larson arranged for Vendor #1 to
12 send altered invoices falsely stating that the firm provided services in connection
13 with Ammo's offering of preferred stock.

14 (c) Also in approximately mid-2021, Larson sent Wiley a supposed
15 agreement between Vendor #1 and Ammo stating that Vendor #1 would provide
16 services related to the Series A preferred stock offering that closed in May 2021.
17 The supposed agreement contained a typewritten signature for Vendor #1's CEO
18 that, upon information and belief, was forged.

19 (d) Larson also represented falsely to Wiley that Vendor #2's
20 services directly related to assisting Ammo's investment bankers in debt and equity
21 raises.

22 (e) In approximately June 2021, Larson sent Wiley a purported
23 agreement between Ammo and Vendor #2 that indicated that, among other things:
24 "Consultant will facilitate contact with advisors, business professionals, as well as
25 potential individual investors, family offices, money managers, RIA's, funds,
26 research analysts and retail brokerage firms" and would support other firms "in
27 current and future debt and equity raises." This was false as Vendor #2 did not
28 perform such work.

1 127. Larson knew, or was reckless in not knowing, that the information he
2 provided about expense capitalization based on the treatment of the payments to
3 Vendor #1 and Vendor #2 would cause Ammo to make false and misleading
4 statements in its financial reports because he was trained as and previously
5 certified as a CPA, he had worked as a CFO at public companies, he had
6 substantial involvement with Ammo's financial functions, he knew of the actual
7 services provided by Vendor #1 and Vendor #2, and knew that discrepancies in the
8 services reported would be used to recharacterize the certain expenses.

9 128. Larson's scienter is imputed to Ammo.

10 **F. Wiley Aided and Abetted Ammo's False and Misleading**
11 **Statement in a Press Release About Achieving Positive Adjusted**
12 **EBITDA for the Quarter Ending September 30, 2020.**

13 129. In or around November 2020, Ammo made a materially false and
14 misleading statement about its adjusted EBITDA, and Wiley substantially assisted
15 Ammo's misstatement.

16 130. Ammo reported an adjusted EBITDA figure, a non-GAAP
17 performance metric, in each of its Forms 10-K and 10-Q from July 2019 to
18 September 2022.

19 131. On August 25, 2020, Ammo announced that it expected to have
20 positive adjusted EBITDA for the first time in its history, a message it reiterated on
21 September 28, 2020, when the company stated in a press release, in part: "In
22 addition, we continue to expect that we will achieve positive adjusted EBITDA at
23 the end of our fiscal second quarter as we remain committed to prudently
24 managing expenses through restructuring efforts."

25 132. In late September and early October 2020, the investor-relations firm
26 Ammo used asked Wagenhals, Larson, and Wiley, among others, for "approximate
27 bottom line numbers (net income and adjusted EBITDA) to show we hit our
28 guidance of being adjusted EBITDA positive in fiscal Q2?" After Larson provided

1 sales figures, a member of the investor-relations firm followed up: “[E]veryone
2 knows your sales are doing well, but they want to see you achieve profitability in a
3 record demand environment. Given that we’ve reiterated that we are going to be
4 adjusted EBITDA positive in fiscal Q2 several times now (including the most
5 recent PR from 9/28), I’m assuming this still holds true? We’ll want to provide
6 this along with a net income number since you have to provide the nearest
7 comparable GAAP measure.” Although Larson replied that “We only have top
8 line revenue at this moment,” just four days later, Ammo issued another press
9 release stating: “We also remain on track to achieve positive adjusted EBITDA in
10 the fiscal second quarter as we maintain our focus on prudent cost management
11 while driving sales for our higher margin product offerings.” Wiley received these
12 communications.

13 133. On or about October 26, 2020, Wiley emailed In-House Counsel draft
14 financial statements showing negative adjusted EBITDA for the quarter ending
15 September 30, 2020, which was inconsistent with the three Ammo press releases
16 discussed above. In the calculation Wiley sent, an adjustment for the amount of
17 excise tax paid by Ammo (which is a tax levied on certain sales and eventually
18 remitted to the government from revenue) was not reflected in the calculation of
19 Ammo’s adjusted EBITDA, which was consistent with how Ammo had previously
20 reported this non-GAAP metric in its SEC filings. Wiley also emailed a draft
21 Form 10-Q for the previous quarter that contained the same calculation showing
22 negative adjusted EBITDA to Audit Firm #1.

23 134. Between on or about October 26, 2020, and November 5, 2020,
24 Larson and Wiley had one or more conversations concerning whether to change
25 the methodology by which Ammo calculated adjusted EBITDA from the
26 methodology used in prior financial reports.

27 135. After Audit Firm #1 provided “initial comments on the Q,” on
28 November 5, 2020, Wiley sent back to Audit Firm #1 a revised draft of the Form

1 10-Q that included a revised table where \$1,505,693 of excise taxes were added
2 back to Ammo's net loss as part of the adjusted EBITDA calculation. This caused
3 adjusted EBITDA to change from negative \$(629,240) to positive \$976,521.

4 136. On or about November 12, 2020, Ammo issued guidance that again
5 indicated that it would report positive adjusted EBITDA.

6 137. On or about November 13, 2020, Ammo issued its Form 10-Q with
7 the revised adjusted EBITDA calculation in which excise taxes were added back to
8 Ammo's net loss, resulting in a reported positive adjusted EBITDA. The Form 10-
9 Q added to the language that Ammo had used in prior filings when discussing
10 adjusted EBITDA: "and we have included [sic] adjustment for excise taxes."

11 138. On or about November 15, 2020, Larson sent a press release prepared
12 by himself and In-House Counsel to Wiley and wrote, "Rob please review and
13 make your changes then set it up to go out. But I want to talk to Fred first. So call
14 me at 7 am." Wiley thereafter sent that press release to the publisher.

15 139. On or about November 16, 2020, Ammo issued the press release that
16 stated: "We continue to make further progress with the manufacturing capabilities,
17 infrastructure and capacity improvements deployed in fiscal year 2020 and
18 2021. As a result, we achieved our first ever quarter of adjusted EBITDA
19 profitability during the second quarter." The press release did not disclose that
20 Ammo had changed its adjusted EBITDA calculation methodology.

21 140. The statements in the press release were false and misleading because
22 Ammo had not achieved positive adjusted EBITDA using the metrics that it had
23 previously employed for reporting this same financial figure and because the
24 necessary factor required to reach positive adjusted EBITDA was the change in
25 methodology, which was not disclosed in the press release.

26 141. The above false and misleading statement about Ammo achieving
27 positive adjusted EBITDA was material because the reasons Ammo achieved
28 positive financial results would be important to a reasonable investor.

1 147. Between at least June 2020 and November 2022, Wagenhals and
2 Wiley engaged in a scheme to defraud, and in one or more acts, practices, or
3 courses of business which operated as a fraud or deceit upon another person, to
4 conceal and obfuscate Larson's role as a *de facto* executive officer and member of
5 Ammo's management and his disciplinary history. In furtherance of this scheme,
6 Wagenhals and Wiley made the false and misleading statements about Larson's
7 role and responsibilities as set forth above, and also made repeated false or
8 misleading representations to Audit Firm #1 and Audit Firm #2 and generated and
9 distributed false and misleading documents, including the following:

10 (a) On or about August 13, 2020, Wagenhals falsely told Audit
11 Firm #1 that Larson had quit after an employee of the audit firm had informed
12 employees of Ammo that they would need to perform additional procedures based
13 on learning that Larson was still working at Ammo. Wagenhals indicated that such
14 an action should allow for Ammo's Form 10-K to be filed quickly: "Based on the
15 conversation that we just had – Chris [Larson] quit. That holding up this 10-K is
16 too important to the company and its shareholders. So we decided in the best
17 interest of the company that we part ways. So now there should be no reason why
18 this 10-K shouldn't be filed today as promised."

19 (b) On or about August 19, 2020, Wagenhals and Wiley signed a
20 management representation letter to Audit Firm #1 that, among other matters,
21 falsely stated "Chris Larsen [sic] is currently not employed by the Company and he
22 will not return as an employee to the Company." That same day, In-House
23 Counsel sent a copy of the false representation letter to Larson, at his Ammo email
24 address, and stated: "Set it up on our letterhead, signed and gave to Rob [Wiley] to
25 send to the a**holes," referring to Audit Firm #1.

26 (c) On or about September 11, 2020, Wiley texted In-House
27 Counsel about removing Larson from a list of persons working on a secondary
28 offering, which In-House Counsel suggested Wiley speak with Larson about.

1 Wiley confirmed he spoke with Larson and wrote: “Ya we talked and he thought I
2 should do that to save my ass but wanted to get another prospective [sic].” In-
3 House Counsel responded, in part: “and Monday the three of us should sit down
4 and figure out how to create a paper trail about his ‘role’ now so you and the
5 company have cover with Audit Firm #1 until they are fired.” Wiley responded:
6 “Completely agree....”

7 (d) In approximately October 2020, Wiley, Larson, and In-House
8 Counsel worked to create a bogus separation agreement to support Larson’s
9 purported departure from the company. On October 29, In-House Counsel sent an
10 email attaching both a purported separation agreement for Larson and an
11 employment agreement and wrote: “ROB [Wiley]- I need you to pull out the
12 [Audit Firm #1] communications so you can lock in the dates in the Sep
13 Agreement. Once we three meet, I will lock in the new Emp Agreement dates and
14 we can then deal with the one-on-one Rob/[Audit Firm #1] discussion as we will
15 have all the docs in order to support the process and decision to be addressed,
16 while covering the maintenance on payroll etc.”

17 (e) On or about November 13, 2020, Wagenhals and Wiley signed
18 a management representation letter on behalf of Ammo that falsely stated Larson
19 was “not employed by the Company and he will not return as an employee to the
20 Company,” in connection with Audit Firm #1’s review of Ammo’s consolidated
21 interim financial statements. Around that time, Wiley texted In-House Counsel:
22 “They had us rep CL again,” referring to the representation about Larson not being
23 employed. In-House Counsel replied to Wiley: “F*ck them. Get K filed and fire
24 their ass as soon as uplisting happens snd [sic] we will just have to deal with
25 fallout.” The reference to uplisting was to Ammo’s plan for its common stock to
26 trade on the Nasdaq Stock Exchange, which began the following month. Wiley
27 replied, “Agreed. They put me through hell today but we are filing right now.”
28

1 (f) In approximately November 2020, Wiley provided a false
2 representation to an employee of Audit Firm #1 who had questioned a transfer of
3 shares to Larson by falsely representing, in part, that “[t]he shares were accrued as
4 a result of the attached agreement,” and sent a signed version of the bogus
5 separation agreement Wiley, Larson, and In-House Counsel had created that
6 indicated Larson had been terminated on August 20, 2020.

7 (g) In approximately January 2021, Audit Firm #1 asked Wiley for
8 an October 16, 2020, agreement between Ammo and Vendor #1. Wiley did not
9 send the previously executed agreement, which Wiley had received when Ammo
10 sent the fully executed agreement to Company #1’s CEO. In that agreement,
11 Larson had signed on behalf of Ammo as “VP Finance.” Instead, Wiley sent Audit
12 Firm #1 a version that swapped out the signature page bearing Larson’s signature
13 and title for a signature page drawn from a different agreement.

14 (h) On or about February 12, 2021, Wagenhals and Wiley again
15 signed a management representation letter on behalf of Ammo that falsely
16 represented, among other matters, that Larson was “not employed by the Company
17 and he will not return as an employee to the Company.”

18 (i) In approximately April 2021, Wagenhals and Wiley told one or
19 more employees of Audit Firm #2 that Ammo had terminated Larson and rehired
20 Larson to an operational role, and stated that Larson no longer worked on the
21 financial functions of the business.

22 (j) Between 2021 and late-2022, Wagenhals and Wiley signed
23 management representation letters for each quarterly and annual period ended
24 March 31, 2021, to November 14, 2022, that falsely stated that “Larson, formerly
25 employed as the Vice President of Finance, was terminated and rehired in an
26 operational capacity,” and was “no longer involved in the financial function of the
27 Company.”
28

1 (k) On or about April 28, 2021, Wiley responded to a request from
2 Audit Firm #2 for an organizational chart by falsely stating: “I do not believe we
3 have an employee org. chart,” despite having been emailed employee organization
4 charts on or about March 23, 2021, that listed Larson on a page of “executives”
5 and depicted Larson as a high-ranking executive.

6 (l) In approximately May 2021, after Audit Firm #2 asked Wiley
7 for copies of Larson’s termination agreement and new employment agreement,
8 Wiley responded by sending Audit Firm #2 an incomplete set of agreements
9 between Larson and Ammo detailing Larson’s purported terminations and re-
10 hirings. Wiley further stated: “There was a gap from December to March in which
11 he [referring to Larson] still received compensation as Fred and the Company
12 requested his services from time to time and felt it was necessary to maintain the
13 relationship. I have requested his current Employment Agreement from HR and
14 will supplement with that document upon receipt.”

15 (m) On or about May 20, 2021, Wiley sent to Audit Firm #2 an
16 altered employment agreement for Larson that removed Larson’s actual title and
17 changed his supervisor from the CFO to the CEO, in order to avoid giving the
18 appearance that Larson was involved in Ammo’s financial functions. Larson had
19 sent Wiley an unsigned version of that agreement which had removed the Vice
20 President of Finance role that appeared in Larson’s earlier agreements.

21 (n) On or about September 13, 2021, Wagenhals authorized the
22 circulation of a proxy statement from the Ammo Board of Directors to
23 shareholders that provided a misleading statement about the executive officers of
24 Ammo by omitting Larson, his disciplinary history, and compensation.

25 (o) In approximately February 2022, after Audit Firm #2 asked
26 Wiley about a \$25 million construction contract between Ammo and the company
27 owned by Larson’s brother as part of Audit Firm #2’s related party audit
28

1 procedures, Wiley misleadingly stated: “This is a separate party from Chris
2 Larson.”

3 148. In light of all of the above-alleged facts, Wagenhals and Wiley knew
4 or were reckless in not knowing, and should have known, that their conduct was
5 deceptive and that it resulted in a material deception.

6 149. As alleged above, identifying the actual executive management of a
7 publicly traded company and their compensation and recent disciplinary history
8 would be important to a reasonable investor.

9 **B. Wiley Engaged in a Scheme to Artificially Manufacture and**
10 **Report Positive Adjusted EBITDA.**

11 150. In or about November 2020, Wiley engaged in a scheme to defraud
12 and in one or more acts, practices, or courses of business which operated as a fraud
13 or deceit upon another person, to falsely manufacture and report positive adjusted
14 EBITDA for Ammo’s quarter ended September 30, 2020. In furtherance of this
15 scheme, Wiley committed, among others, one or more of the actions set forth
16 above in paragraphs 129 through 144.

17 151. In light of the above-alleged facts, Wiley knew or was reckless in not
18 knowing, and should have known, that his conduct was deceptive and that it
19 resulted in a material deception.

20 152. As alleged above in paragraph 141, whether and how Ammo had in
21 fact achieved positive adjusted EBITDA was material because the reasons Ammo
22 achieved positive financial results would be important to a reasonable investor.

23 **C. Larson Engaged in a Kickback Scheme.**

24 153. Between approximately May 2021 and March 2024, including by
25 committing the conduct alleged and described above in paragraphs 54 through 59,
26 Larson engaged in a self-dealing kickback scheme to defraud Ammo and its
27 investors and engaged in one or more acts, practices, or courses of business which
28 operated as a fraud or deceit upon another person, by enriching himself at the

1 expense of Ammo and its investors, including by dissipating corporate revenues
2 and inflating expenses to fund a kickback arrangement and by entering into an
3 undisclosed contract with the Processing Company to pay one-half of Ammo's
4 credit-card processing fees to Larson.

5 154. From June 2022 through March 2024, the Processing Company paid
6 Thomas Lake approximately \$814,864.

7 155. Thomas Lake, an entity owned and controlled by Larson, would not
8 have received this money but for Larson's participation in the misconduct alleged
9 above.

10 156. In light of all of the above-alleged facts, Larson knew or was reckless
11 in not knowing, and should have known, that his conduct was deceptive and that it
12 resulted in a material deception.

13 157. The existence of the agreement between the Processing Company and
14 Thomas Lake and the amount of the payments from Thomas Lake to the
15 Processing Company was material because the existence of the agreement between
16 the Processing Company and Thomas Lake was a related party transaction that
17 should have been disclosed by Ammo and the payments to Thomas Lake resulted
18 in Ammo's expenses being unnecessarily inflated from June 2022 through March
19 2024.

20 **D. Larson Engaged in a Scheme to Improperly Capitalize Investor**
21 **Relations Costs.**

22 158. Between approximately January and August 2021, including by
23 committing the conduct alleged and described above in paragraphs 120 through
24 125, Larson engaged in a scheme to defraud and in one or more acts, practices, or
25 courses of business which operated as a fraud or deceit upon another person to
26 improperly reduce Ammo's reported investor relations expenses and thereby cause
27 Ammo to misrepresent its financial performance.

1 159. In order to supply phony paperwork meant to substantiate that the
2 expenses for Vendor #1 could be capitalized, Larson represented falsely to Wiley
3 that Vendor #1's services directly related to Ammo's Series A preferred stock
4 offering that closed in May 2021, rather than general investor relations services.
5 This was false as Vendor #1 did not perform any work directly related to that
6 securities offering. In addition, Larson arranged for Vendor #1 to send altered
7 invoices falsely stating that the firm provided services in connection with Ammo's
8 offering of preferred stock.

9 160. In order to provide the false appearance that expenses for Vendor #2
10 could be capitalized, Larson represented falsely to Wiley that Vendor #2's services
11 directly related to assisting Ammo's investment bankers in debt and equity raises.
12 Larson also sent Wiley a supposed agreement between Ammo and Vendor #2 that
13 falsely represented that company assisted Ammo's investment bankers in debt and
14 equity raises. This was false as Vendor #2 did not perform such work.

15 161. In light of all of the above-alleged facts, Larson knew or was reckless
16 in not knowing, and should have known, that his conduct was deceptive and that it
17 resulted in a material deception.

18 162. As alleged above in paragraph 125, the conduct to influence Ammo's
19 financial results, including its net losses, was material because accurate financial
20 results and figures, including revenues, expenses, losses, and gains, would be
21 important to a reasonable investor.

22 **IV. Wagenhals and Wiley Knowingly Lied to Auditors.**

23 163. Exchange Act Rule 13b2-2(a) [17 C.F.R. § 240.13b2-2(a)] provides,
24 in part, that no officer of an issuer shall directly or indirectly make or cause to be
25 made a materially false or misleading statement, or omit to state, or cause another
26 person to omit to state, any material fact necessary in order to make statements
27 made, in light of the circumstances under which such statements were made, not
28

1 misleading, to an accountant in connection with any audit, review or examination
2 of the financial statements of the issuer or preparation of SEC filings.

3 164. Between August 2020 and August 2022, Wagenhals and Wiley
4 knowingly and intentionally made or caused to be made one or more materially
5 false or misleading statements or omissions to accountants in connection with the
6 audit or review of financial statements or the preparation of SEC filings, including
7 those set forth below:

8 (a) On or about August 19, 2020, Wagenhals and Wiley signed a
9 management representation letter to Audit Firm #1 that, among other matters,
10 falsely stated that Larson was “not employed by the Company and he will not
11 return as an employee to the Company,” in connection with Audit Firm #1’s audit
12 of Ammo’s consolidated financial statements.

13 (b) On or about November 13, 2020, Wagenhals and Wiley signed
14 a management representation letter on behalf of Ammo that, among other matters,
15 falsely stated Larson was “not employed by the Company and he will not return as
16 an employee to the Company,” in connection with Audit Firm #1’s review of
17 Ammo’s consolidated interim financial statements.

18 (c) On or about November 18, 2020, Wiley sent Audit Firm #1
19 fabricated and misleading documents, including a fabricated separation agreement
20 for Larson, in connection with Audit Firm #1’s review of Ammo’s consolidated
21 interim financial statements.

22 (d) On or about February 12, 2021, Wagenhals and Wiley signed a
23 management representation letter on behalf of Ammo that, among other matters,
24 falsely stated Larson was “not employed by the Company and he will not return as
25 an employee to the Company,” in connection with Audit Firm #1’s review of
26 Ammo’s consolidated interim financial statements.

27 (e) On or about April 28, 2021, Wiley emailed one or more
28 employees of Audit Firm #2 that stated, in part: “I do not believe we have an

1 employee org. chart,” in connection with Audit Firm #2’s audit of Ammo’s
2 consolidated financial statements.

3 (f) On or about February 7, 2022, Wiley responded to Audit Firm
4 #2’s request for additional information pertaining to whether the Larson Building
5 transaction should be listed as a related party transaction by representing that
6 Larson Building was a “separate party” from Chris Larson, in connection with
7 Audit Firm #2’s review of Ammo’s consolidated interim financial statements.

8 (g) On or about each of June 29, 2021, August 16, 2021, November
9 15, 2021, February 14, 2022, June 29, 2022, and August 15, 2022, Wagenhals and
10 Wiley stated in management representation letters to Audit Firm #2 that Ammo’s
11 “[r]elated-party relationships or transactions, including sales, purchases, loans,
12 transfers, leasing arrangements, guarantees, and amounts receivable from or
13 payable to related parties” had been “properly accounted for and adequately
14 disclosed” in either the “consolidated financial statements,” or the “interim
15 consolidated financial information,” in connection with Audit Firm #2’s audits and
16 reviews of Ammo’s consolidated financial statements.

17 165. As detailed above, these statements were false and misleading because
18 Larson was employed by Ammo at the times the representations were made; the
19 Larson Building transaction was a related party transaction; Ammo had not
20 properly accounted for and adequately disclosed the related party transaction
21 involving Larson Building; and the payment of shares from Larson’s wife to
22 Vendor #1 and the repayment and issuance of shares to RW Cabo were related
23 party transactions.

24 166. Wagenhals and Wiley knew one or more of the foregoing were false
25 or misleading because, among other things, they worked with Larson, knew
26 Larson’s actual responsibilities and role at Ammo, interacted with Larson
27 repeatedly during the time of his employment including by exchanging messages
28 with him and meeting with him, participated in management functions of Ammo in

1 which Larson was involved, were aware of Larson's involvement in the Larson
2 Building transaction including that the builder of the manufacturing facility in
3 Wisconsin was owned by Larson's brother and that expenditure was a large
4 transaction and expense for Ammo, and were aware of the requirements to report
5 related party transactions, and because, Wiley specifically, exchanged messages
6 with other Ammo employees about a shared intent to mislead outside auditors and
7 knew about Larson's connection to the payment of shares from Larson's wife to
8 Vendor #1 and the repayment and issuance of shares to RW Cabo.

9 167. The statements were material because Audit Firm #1 had asked for
10 statements about Larson's employment to be included in its management
11 representation letters, learning that a company's executives had provided false or
12 misleading information to auditors would have changed if and how the audit firm
13 handled its audits or reviews of financial statements, the representations impacted
14 the timing and conditions of Ammo's filing of one or more required SEC reports,
15 the personnel of Audit Firm #1 and Audit Firm #2 would or should have taken
16 additional actions had contradictory information been provided, and the disclosure
17 of related party transactions or employment of an executive officer in violation of a
18 court order could have impacted the audit opinions or reviews of financial
19 statements offered by Audit Firm #1 and Audit Firm #2.

20 **V. Wagenhals and Wiley Made False Certifications of Annual and**
21 **Quarterly Reports.**

22 168. Exchange Act Rule 13a-14 [17 C.F.R. § 240.13a-14] requires the
23 principal executive and financial officers of an issuer to personally certify, in each
24 quarterly and annual report, including transition reports, filed or submitted by the
25 issuer under Section 13(a) of the Exchange Act, that the certifying officer has
26 reviewed the report and based on his or her knowledge, the report, *inter alia*, does
27 not contain any untrue statement of a material fact or omit to state a material fact,
28

1 and fairly present in all material respects the financial condition and operations of
2 the issuer.

3 169. On or about each of August 19, 2020, June 29, 2021, and June 29,
4 2022, Wagenhals and Wiley falsely certified one or more of Ammo's annual
5 reports on Form 10-K, which contained the false and misleading statements set
6 forth above. On or about July 31, 2023, Wiley falsely certified Ammo's annual
7 report Form 10-K/A, which contained the false and misleading statements set forth
8 above. On or about each of February 12, 2021, August 16, 2021, November 15,
9 2021, February 14, 2022, and August 15, 2022, Wagenhals and Wiley falsely
10 certified one or more of Ammo's quarterly reports Forms 10-Q, which contained
11 the false and misleading statements set forth above.

12 **VI. Wagenhals and Wiley Caused Ammo to Make and Keep False Books**
13 **and Records.**

14 170. Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)]
15 requires certain issuers, including Ammo, to make and keep books, records, and
16 accounts, which, in reasonable detail, accurately and fairly reflect the transactions
17 and dispositions of the assets of the issuer. Exchange Act Rule 13b2-1 [17 C.F.R.
18 § 240.13b2-1] provides that no person shall directly or indirectly, falsify or cause
19 to be falsified, any book, record or account subject to Section 13(b)(2)(A).

20 171. On or about each of June 29, 2021 and June 29, 2022, Ammo filed
21 Forms 10-K, and on or about each of February 12, 2021, August 16, 2021,
22 November 15, 2021, February 14, 2022, and August 15, 2022, Ammo filed Forms
23 10-Q, each of which constituted a book, record, or account, which were false
24 because they did not disclose the related party transaction with Larson Building.
25 In reviewing, signing, and certifying each such book, record, or account,
26 Wagenhals and Wiley, knowing that the transaction with Larson Building was a
27 related party transaction, caused Ammo's books, records, and accounts to be false.
28

172. On or about each of June 29, 2021, and June 14, 2023, Ammo filed Forms 10-K, each of which constituted a book, record, or account, and which were false because they misstated Ammo's net loss and Ammo's policy for accounting for stock compensation. In preparing, reviewing, signing, and certifying each such book, record, or account, Wiley, knowing that the stock-compensation expense was not in accordance with Ammo's publicly stated policy and GAAP and that Ammo's reported net losses were thus not accurate, caused Ammo's books, records, and accounts to be false.

VII. Wagenhals and Wiley Must Reimburse Ammo for Certain Compensation Received and Profits Realized from the Sale of Ammo Securities in the Twelve Months Following the Misstated Reports.

173. Under Section 304 of the Sarbanes-Oxley Act of 2002 [15 U.S.C. § 7243] ("SOX 304"), if an issuer was required to prepare an accounting restatement due to the material noncompliance of the issuer with any financial reporting requirement under the securities laws as a result of misconduct, the CEO and CFO of an issuer must reimburse that issuer for (1) any bonus or other incentive-based or equity-based compensation they received during the 12-month period following each noncompliant filing, and (2) any profits realized from the sale of securities of the issuer during such 12-month period.

174. Ammo was required to prepare accounting restatements due to its material noncompliance with the financial reporting requirements of the federal securities laws in its Forms 10-K filed on June 29, 2021, June 29, 2022, and June 14, 2023. Such restatements were required because of the misconduct set forth above, including Ammo's (1) failure to properly disclose related party transactions involving Larson, (2) miscalculation of stock-compensation expense, and (3) improper characterization of investor relations costs paid to Vendor #1 and Vendor #2, among other reasons.

175. On May 20, 2025, Ammo filed a Restatement of certain information contained in its previously issued financial statements included in its Forms 10-K filed on June 29, 2022, and June 14, 2023, as well as restated its opening balance sheet as of the beginning of FY 2022 for the cumulative effect of the errors in prior periods, including FY 2021.

176. Ammo paid Wagenhals at least the following approximate amounts:

Period	Wagenhals Compensation		
	June 29, 2021 to June 29, 2022	June, 29, 2022 to June 29, 2023	June 14, 2023 to June 14, 2024
Incentive-Based Compensation	\$572,463.32	\$478,635.57	
Bonuses			\$585,290.00
Equity-Based Compensation	\$257,400.00	\$715,200.00	\$1,005,200.00
Total	\$829,863.32	\$1,193,835.57	\$1,590,490.00

177. Wagenhals also sold or otherwise disposed of at least 530,000 shares of Ammo's common stock during the period from June 14, 2023, to June 14, 2024, for aggregate proceeds of at least \$1,105,891.44.

178. Wagenhals has not reimbursed Ammo for any portion of the bonuses, incentive-based compensation, equity-based compensation, or profits from his sales of Ammo securities that he received during the 12-month periods following Ammo's filing of each misstated Form 10-K.

179. Ammo paid Wiley at least the following approximate amounts:

Period	Wiley Compensation		
	June 29, 2021 to June 29, 2022	June, 29, 2022 to June 29, 2023	June 14, 2023 to June 14, 2024
Bonuses		\$129,000	
Equity-Based Compensation	\$636,250	\$298,000	\$168,500
Total	\$636,250	\$427,000	\$168,500

180. Wiley also sold or otherwise disposed of at least 120,827 shares of Ammo's common stock during the period from June 29, 2022 to June 29, 2023, and at least 6,999 shares of Ammo's common stock during the period June 14, 2023 to June 14, 2024.

181. Wiley has not reimbursed Ammo for any portion of the bonuses, incentive-based compensation, equity-based compensation, or profits from his sales of Ammo securities that he received during the 12-month periods following Ammo's filing of each misstated Form 10-K.

CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF

**Material Misstatements and Omissions: Section 10(b) of the Exchange Act
and Rule 10b-5(b) Thereunder
(Wagenhals and Wiley)**

182. The SEC realleges and incorporates by reference in this claim for relief the allegations set forth above.

183. Wagenhals and Wiley, directly or indirectly, acting with scienter, by use of the means or instrumentalities of interstate commerce, or of the mails, or of a facility of a national securities exchange, in connection with the purchase or sale of a security, made untrue statements of material facts or omitted material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of Section 10(b) of the Exchange Act and Rule 10b-5(b).

184. By reason of the foregoing, Wagenhals and Wiley, directly or indirectly, violated and, unless restrained and enjoined, will again violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(b) [17 C.F.R. § 240.10b-5(b)] thereunder.

SECOND CLAIM FOR RELIEF

**Aiding and Abetting Ammo's Violations of Section 10(b) of the Exchange Act
and Rules 10b-5(b)
(Wiley and Larson)**

185. The SEC realleges and incorporates by reference in this claim for relief the allegations set forth above.

186. Ammo, directly or indirectly, acting with scienter, by use of the means or instrumentalities of interstate commerce, or of the mails, or of a facility of a national securities exchange, in connection with the purchase or sale of a security made untrue statements of material facts or omitted material facts necessary in order to make the statements made, in the light of the circumstances under which

1 they were made, not misleading, in violation of Section 10(b) of the Exchange Act
2 and Rule 10b-5(b).

3 187. As a result of the conduct alleged herein, Wiley and Larson aided and
4 abetted Ammo's violations of Section 10(b) of the Exchange Act and Rule 10b-
5 5(b) by knowingly or recklessly providing substantial assistance to Ammo.

6 188. By reason of the foregoing, Wiley and Larson, directly or indirectly,
7 aided and abetted and, unless restrained and enjoined, will again aid and abet
8 violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule
9 10b-5(b) [17 C.F.C. § 240.10b-5(b)] thereunder.

10 **THIRD CLAIM FOR RELIEF**
11 **Fraudulent Conduct and Acts: Section 10(b) of the Exchange Act and Rules**
12 **10b-5(a) and (c) Thereunder**
(All Defendants)

13 189. The SEC realleges and incorporates by reference in this claim for
14 relief the allegations set forth above.

15 190. Wagenhals, Wiley, and Larson, directly or indirectly, acting with
16 scienter, by use of the means or instrumentalities or interstate commerce, or of the
17 mails, or of a facility of a national securities exchange, in connection with the
18 purchase or sale of a security (i) employed devices, schemes, or artifices to defraud
19 and (ii) engaged in acts, practices, or courses of business which operated or would
20 operate as a fraud or deceit upon another person.

21 191. By virtue of the foregoing, Wagenhals, Wiley, and Larson, directly or
22 indirectly, violated and, unless restrained and enjoined, will again violate Section
23 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rules 10b-5(a) and (c)
24 [17 C.F.C. § 240.10b-5(a) and (c)] thereunder.

FOURTH CLAIM FOR RELIEF**Fraudulent Conduct and Acts: Sections 17(a)(1) and (3) of the Securities Act
(All Defendants)**

192. The SEC realleges and incorporates by reference in this claim for relief the allegations set forth above.

193. Wagenhals, Wiley, and Larson, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, acting with the requisite state of mind, (i) employed devices, schemes, or artifices to defraud and (ii) engaged in transactions, practices, or a course of business which operated or would operate as a fraud or deceit upon purchasers in violation of Section 17(a)(1) and 17(a)(3) of the Securities Act.

194. By virtue of the foregoing, Wagenhals, Wiley, and Larson, directly or indirectly, violated and, unless restrained and enjoined, will again violate Section 17(a)(1) and (3) of the Securities Act [15 U.S.C. § 77q(a)(1) and (3)].

FIFTH CLAIM FOR RELIEF**Lying to Auditors: Rule 13b2-2 of the Exchange Act
(Wagenhals and Wiley)**

195. The SEC realleges and incorporates by reference in this claim for relief the allegations set forth above.

196. By reason of the conduct described above, Wagenhals and Wiley, while acting as officers of Ammo, knowingly (i) made or caused to be made material false or misleading statements to an accountant, or (ii) omitted to state, or caused another person to omit to state, material facts necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading, to an accountant in connection with (1) any audit, review or examination of the financial statements of Ammo required by the Exchange Act or rules thereunder; or (2) the preparation or filing of any document or report required

1 to be filed with the SEC pursuant to Section 13(b)(2) of the Exchange Act
2 [15 U.S.C. § 78m(b)(2)], or otherwise.

3 197. By reason of the foregoing, Wagenhals and Wiley, violated and,
4 unless restrained and enjoined, will again violate Exchange Act Rule 13b2-2
5 [17 C.F.R. § 240.13b2-2].

6 **SIXTH CLAIM FOR RELIEF**
7 **Falsified Books, Records, or Accounts: Rule 13b2-1 of the Exchange Act**
8 (Wagenhals and Wiley)

9 198. The SEC realleges and incorporates by reference in this claim for
10 relief the allegations set forth above.

11 199. Wagenhals and Wiley, directly or indirectly, falsified or caused to be
12 falsified one or more books, records or accounts of Ammo.

13 200. By reason of the foregoing, Wagenhals and Wiley violated and, unless
14 restrained and enjoined, will again violate Rule 13b2-1 of the Exchange Act
15 [17 C.F.R. § 240.13b2-1].

16 **SEVENTH CLAIM FOR RELIEF**
17 **Certification of Filings: Rule 13a-14 of the Exchange Act**
18 (Wagenhals and Wiley)

19 201. The SEC realleges and incorporates by reference in this claim for
20 relief the allegations set forth above.

21 202. Wagenhals, as the Chief Executive Officer of Ammo, and Wiley, as
22 the Chief Financial Officer of Ammo, falsely certified (i) that there were no untrue
23 statements or omissions of material facts necessary to make statements not
24 misleading in light of the circumstances in which they were made in Ammo's
25 periodic reports filed with the SEC; and (ii) that those reports fairly presented in all
26 material respects the financial condition and results of the operations of Ammo.

27 203. By reason of the foregoing, Wagenhals and Wiley violated and, unless
28 restrained and enjoined, will again violate Rule 13a-14 [17 C.F.R. §§ 240.13a-14].

EIGHTH CLAIM FOR RELIEF
Clawback: Section 304 of the Sarbanes-Oxley Act
(Wagenhals and Wiley)

204. The SEC realleges and incorporates by reference in this claim for relief the allegations set forth above.

205. Wagenhals and Wiley received bonuses, other incentive-based or equity-based compensation, or profits from the sale of Ammo securities during the 12-month periods following the first public issuance or filing with the SEC of financial documents embodying financial reporting requirements for which Ammo was required to prepare accounting restatements due to Ammo's material noncompliance resulting from misconduct.

206. Wagenhals and Wiley received or obtained, during the statutory time periods established by SOX 304, bonuses, incentive, and/or equity-based compensation which each failed to reimburse to Ammo.

207. By reason of the foregoing, Wagenhals and Wiley are subject to the requirements of Sarbanes-Oxley Act Section 304 [15 U.S.C. § 7243].

PRAYER FOR RELIEF

WHEREFORE, the SEC seeks the following relief:

I.

Find that the Defendants committed the violations respectively alleged against each Defendant in this Complaint;

II.

Enter an injunction, in a form consistent with Rule 65 of the Federal Rules of Civil Procedure, permanently restraining and enjoining Defendants and their agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with them, who receive actual notice of the Final Judgment by personal service or otherwise, and each of them, from engaging in transactions, acts, practices, and courses of business described herein, and from

1 engaging in conduct of similar purport and object in violation of the laws and rules
2 they are respectively alleged to have violated in this Complaint;

3 **III.**

4 Enter an injunction, in a form consistent with Rule 65(d) of the Federal
5 Rules of Civil Procedure, permanently restraining and enjoining Defendant Wiley
6 from directly or indirectly acting in an accounting or financial reporting role at a
7 public company in connection with the preparation of financial statements filed
8 with the SEC, providing substantial assistance to a public company in the
9 preparation of financial statements filed with the SEC, or acting as an auditor on a
10 public company audit;

11 **IV.**

12 Pursuant to Sections 21(d)(5) and 21(d)(7) of the Exchange Act
13 [15 U.S.C. §§ 78u(d)(5) and 78u(d)(7)], order Defendant Larson to disgorge all ill-
14 gotten gains, together with pre-judgment interest, derived from the activities set
15 forth in this Complaint;

16 **V.**

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

20 **VI.**

21 Issue an order, pursuant to the Court's equitable powers, Section 20(e) of the
22 Securities Act [15 U.S.C. § 77t(e)], and Section 21(d)(2) of the Exchange Act
23 [15 U.S.C. § 78u(d)(2)], barring each Defendant from acting as an officer or
24 director of any issuer that has a class of securities registered pursuant to Section 12
25 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to
26 Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

VII.

Order that Defendants Wagenhals and Wiley forfeit certain bonuses and profits and reimburse Ammo as required by Section 304 of the Sarbanes-Oxley Act [15 U.S.C. § 7243].

VIII.

Grant such other and further relief as this Court may deem just and proper.

JURY DEMAND

The SEC demands a trial by jury on all claims so triable.

Dated: December 15, 2025

Respectfully submitted,

By: /s/ James P. McDonald

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Zachary T. Carlyle

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