

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10377 / June 29, 2017

SECURITIES EXCHANGE ACT OF 1934
Release No. 81046 / June 29, 2017

ADMINISTRATIVE PROCEEDING
File No. 3- 18050

In the Matter of

MATTHEW L. EGNA

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS,
PURSUANT TO SECTION 8A OF THE
SECURITIES ACT OF 1933 AND SECTIONS
15(b) AND 21C OF THE SECURITIES
EXCHANGE ACT OF 1934, MAKING
FINDINGS, AND IMPOSING REMEDIAL
SANCTIONS AND A CEASE-AND-DESIST
ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Matthew L. Egna (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b) and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

Summary

1. Respondent was the sole officer, director, and majority shareholder of Changing Technologies, Inc. ("Changing Technologies"), a Florida corporation, until approximately June 2, 2014. Respondent, 39 years old, is a resident of Estero, Florida. Respondent participated in an offering of the stock of Changing Technologies, which was a penny stock.

Other Relevant Entities and Persons

2. Changing Technologies, incorporated in Florida on June 17, 2013, registered an offering of 3,000,000 shares of common stock pursuant to a registration statement effective as of October 23, 2013. Changing Technologies' stated principal place of business was in Estero, Florida. On June 2, 2014, Changing Technologies underwent a change of control pursuant to a stock purchase agreement. Prior to that change of control, Changing Technologies had at least one undisclosed parent, promoter, and control person ("undisclosed control person").

Background

3. The undisclosed control person approached Respondent to be the sole officer and director of a company whose sole purpose was to be sold as a public vehicle. This undisclosed control person told Respondent that Respondent would be the sole officer and director of the company in name only, and would be paid a flat fee upon the sale of the company. That company was soon incorporated as Changing Technologies on June 17, 2013.

4. On July 29, 2013, Changing Technologies filed a Form S-1 registration statement seeking to register the offer and sale of 3,000,000 common shares in a \$30,000 public offering, and amended its statement on September 12, 2013 and October 3, 2013 (together, the "Registration Statement"). The Registration Statement became effective as of October 23, 2013.

5. According to the Registration Statement and Changing Technologies' other filings with the Commission, Respondent was the President, Secretary, Treasurer, Sole Director, Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer, majority shareholder, and sole member of management of Changing Technologies.

6. The Registration Statement and Changing Technologies' other filings with the Commission materially misrepresented that Respondent had capitalized Changing Technologies and controlled, and would continue to control, Changing Technologies. Respondent knew at all material

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

times that, to the contrary, Changing Technologies was capitalized, operated and otherwise controlled by the undisclosed control person, who was not disclosed in any of Changing Technologies' filings with the Commission.

7. The Registration Statement and Changing Technologies' other filings with the Commission materially misrepresented that Changing Technologies' business plan was to "design, develop, market and sell applications for mobile devices." Respondent took no actions toward any such business plan for Changing Technologies. Respondent knew at all material times that Changing Technologies had no purpose other than to engage in a merger or acquisition with an unidentified entity. Therefore, Changing Technologies was an undisclosed "blank check company" as defined in Rule 419 under the Securities Act.

8. Respondent signed documents in furtherance of Changing Technologies' sole purpose as a public vehicle for merger or acquisition, including board resolutions, an affidavit, management representation letters to auditors, and a securities purchase agreement. These documents contained false statements related to the issuance and sale of Changing Technologies' shares, the accuracy of Changing Technologies' disclosures, the nature and pursuit of Changing Technologies' purported business plan, and the existence and nature of Changing Technologies' disclosure controls and procedures.

9. Respondent took no actions toward devising, designing, maintaining, or evaluating internal accounting controls or disclosure controls and procedures as defined in Rule 15d-15(e) under the Exchange Act ("disclosure controls and procedures") for Changing Technologies.

10. Changing Technologies filed Forms 10-Q on November 7, 2013, January 1, 2014, and April 23, 2014. Respondent received drafts of at least one of these periodic reports but failed to sign these periodic reports and the accompanying certifications. These periodic reports and certifications contained material misrepresentations and omissions pertaining to Changing Technologies' business plan and Respondent's involvement in Changing Technologies, including but not limited to Respondent's purported design, establishment, evaluation, and maintenance of disclosure controls and procedures.

11. Respondent took these various actions at the direction of Changing Technologies' undisclosed control person. Respondent received \$10,000 upon the sale of Changing Technologies as the flat fee agreed upon with the undisclosed control person that had no correlation to Respondent's purported ownership of Changing Technologies shares.

12. As a result of the conduct described above, Respondent willfully violated Section 13(b)(5) of the Exchange Act, which prohibits a person from knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record or account described in Section 13(b)(2) of the Exchange Act.

13. As a result of the conduct described above, Respondent willfully violated Rule 13b2-1 under the Exchange Act, which prohibits a person from directly or indirectly falsifying or

causing to be falsified any book, record, or account subject to Section 13(b)(2)(A) of the Exchange Act.

14. As a result of the conduct described above, Respondent willfully violated Rule 13b2-2 under the Exchange Act, which prohibits an officer or director of an issuer to make or cause to be made, or omit or cause another person to omit to state, a materially false or misleading statement to an accountant in connection with the preparation or filing of any document or report required to be filed with the Commission.

15. As a result of the conduct described above, Respondent willfully violated Rule 15d-14 under the Exchange Act, which requires that the principal executive and principal financial officers of an issuer that files a report pursuant to Section 15(d) of the Exchange Act sign a certification that, among other things and based on their knowledge, the periodic report filed with the Commission does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.

16. As a result of the conduct described above, Respondent willfully violated Rule 15d-15 under the Exchange Act, which requires the management of an issuer that files reports pursuant to Section 15(d) of the Exchange Act to evaluate the effectiveness of the issuer's disclosure controls and procedures.

17. As a result of the conduct described above, Respondent willfully aided and abetted and caused violations by the undisclosed control person of Section 17(a) of the Securities Act, which prohibits fraudulent conduct in the offer or sale of securities.

18. As a result of the conduct described above, Respondent willfully aided and abetted and caused violations by the undisclosed control person of Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

19. As a result of the conduct described above, Respondent willfully aided and abetted and caused violations by Changing Technologies of Section 13(b)(2)(A) of the Exchange Act, which requires that an issuer which is required to file reports pursuant to Section 15(d) of the Exchange Act make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

20. As a result of the conduct described above, Respondent willfully aided and abetted and caused violations by Changing Technologies of Section 13(b)(2)(B) of the Exchange Act, which requires that an issuer which is required to file reports pursuant to Section 15(d) of the Exchange Act devise and maintain a system of internal accounting controls.

21. As a result of the conduct described above, Respondent willfully aided and abetted and caused violations by Changing Technologies of Section 15(d) of the Exchange Act, Rules 12b-11, 12b-20, 15d-13, and 15d-14 thereunder and Rule 302 of Regulation S-T, which require that an

issuer which has filed a registration statement which has become effective pursuant to the Securities Act file periodic information, documents, and reports as required pursuant to Section 13 of the Exchange Act, including quarterly reports on Form 10-Q, and that such reports be signed, contain such material information as may be necessary to make the required statements in light of the circumstances under which they are made not misleading, and include certifications signed by the issuer's principal executive and principal financial officers.

22. As a result of the conduct described above, Respondent willfully aided and abetted and caused violations by Changing Technologies of Rule 15d-15 under the Exchange Act, which requires an issuer that files reports pursuant to Section 15(d) of the Exchange Act to maintain disclosure controls and procedures.

Undertaking

23. Respondent has undertaken not to act as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act. In determining whether to accept the Offer, the Commission has considered this undertaking.

IV.

In view of the foregoing, the Commission deems it appropriate, and in the public interest, to impose the sanctions agreed to in Respondent Eгна's Offer.

Accordingly, pursuant to Section 8A of the Securities Act and Sections 15(b) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent Eгна cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act and Sections 10(b), 13(b)(2)(A), 13(b)(2)(B), 13(b)(5) and 15(d) of the Exchange Act and Rules 10b-5, 12b-11, 12b-20, 13b2-1, 13b2-2, 15d-13, 15d-14 and 15d-15 thereunder, and Rule 302 of Regulation S-T.

B. Respondent Eгна be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

C. Respondent shall pay disgorgement of \$10,000.00, prejudgment interest of \$927.92, and civil penalties of \$10,000.00 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments: \$7,000 within 10 days of the date of this Order, \$4,642.64 within 125 days of the date of this Order, \$4,642.64 within 245 days of the date of this Order, and \$4,642.64 within 365 days of the date of this Order. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of disgorgement, prejudgment interest, and civil penalties, plus any additional interest accrued pursuant to SEC Rule

of Practice 600 and pursuant to 31 U.S.C. 3717, shall be due and payable immediately, without further application.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Matthew L. Egna as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Glenn S. Gordon, Division of Enforcement, Securities and Exchange Commission, Miami Regional Office, 801 Brickell Avenue, Suite 1800, Miami, Florida 33131.

D. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other

amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary