

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

v.

JOHN J. BRAVATA, RICHARD J.
TRABULSY, ANTONIO M. BRAVATA,
BBC EQUITIES, LLC and
BRAVATA FINANCIAL GROUP, LLC,

CIVIL ACTION No.

HON.

Defendants,

JURY TRIAL DEMANDED

and

SHARI A. BRAVATA,

Relief Defendant.

COMPLAINT

Plaintiff United States Securities and Exchange Commission (“Commission”) alleges as follows:

SUMMARY

1. The Commission brings this action to shut down an ongoing offering fraud and Ponzi scheme involving \$50 million and at least 440 investors. The fraud is being perpetrated by Defendants John J. Bravata (“John Bravata”), Richard J. Trabulsy (“Trabulsy”), two of their companies – Defendants BBC Equities, LLC (“BBC Equities”) and Bravata Financial Group,

LLC (“Bravata Financial”) – assisted by Defendant Antonio M. Bravata (“Antonio Bravata”). (John Bravata, Trabulsy, BBC Equities, and Bravata Financial are collectively referred to herein as the “Fraud Defendants.” The Fraud Defendants and Antonio Bravata are collectively referred to as “Defendants”)

2. The Defendants characterize BBC Equities to prospective investors as a real estate investment fund, and as a safe investment vehicle with annual returns of 8% to 12%. However, BBC Equities is far from a safe investment. Unbeknownst to the investors, their proceeds have been used to finance Defendants’ and Relief Defendant Shari Bravata’s expensive lifestyles, paying for luxury homes, watercraft, jewelry, gambling, exotic vacations, and expensive cars. Indeed, John Bravata used money from the first two investors to buy himself a \$90,268 Ferrari. In total, John Bravata and Trabulsy spent at least \$7 million of the investors’ money for their own benefit, and for the benefit of John Bravata’s wife, Shari A. Bravata, and son, Antonio Bravata.

3. The Fraud Defendants have lied to prospective investors about the use of investor funds; the risks associated with the investment; the purported compensation, commission, and finder’s fees paid to them and others; and the true financial condition of BBC Equities.

4. To keep their scheme afloat, the Fraud Defendants have spent an additional \$11.3 million of investor funds perpetrating a Ponzi scheme. They have used new investment proceeds to make the quarterly payments to earlier investors, among other payments. They have also spent \$14 million of investment proceeds soliciting and raising money from new investors to fuel the scheme.

5. Defendants' lavish spending and the cost of propping up their Ponzi scheme left BBC Equities with little to invest. Of the more than \$50 million in investment proceeds, no more than \$21 million remained for BBC Equities to use acquiring real estate properties. Worse, those properties are highly leveraged, with mortgages and other liabilities exceeding \$128 million.

6. Defendants' malfeasance has rendered BBC Equities financially insolvent. Its monthly expenses exceed its revenues by a ratio of more than 10-to-1. To avoid the collapse of their scheme, Defendants are apparently continuing to actively solicit new investors and fresh investment proceeds.

7. The Commission brings this lawsuit to put an immediate halt to the Defendants' ongoing misconduct, to prevent further harm to investors, to hold Defendants accountable for their flagrant and repeated violations of the federal securities laws, and to disgorge ill-gotten gains from Defendants and Shari Bravata.

DEFENDANTS

8. **John J. Bravata**, age 41, is a resident of Brighton, Michigan. He is a former police officer and a manager, co-founder, and the Chairman of BBC Equities and Bravata Financial. He is not registered with the Commission as a broker-dealer or as being associated with a broker-dealer firm that is registered with the Commission.

9. **Richard J. Trabulsy**, age 26, is a resident of Northville, Michigan. He is a manager, co-founder, and the Vice Chairman of BBC Equities and Bravata Financial. Trabulsy is not registered with the Commission as a broker-dealer or as being associated with a broker-dealer firm that is registered with the Commission.

10. **BBC Equities, LLC**, is a Michigan limited liability company formed in May 2006 with its principal place of business in Southfield, Michigan. Defendants characterize BBC Equities as a real estate investment fund. John Bravata chose the name BBC Equities to stand for “Billionaire Boys Club.” Defendants tell investors that investment proceeds are used to buy various forms of real estate. From at least May 2006 through the present, Defendants have raised at least \$50 million from at least 440 investors by selling membership interests in BBC Equities. Certain BBC Equities offering materials, including private placement memoranda (“PPMs”), describe the membership interests as securities. BBC Equities has never been registered with the Commission as a broker-dealer. BBC Equities’ securities are not registered with the Commission, nor were its offerings.

11. **Bravata Financial Group, LLC**, is a Michigan limited liability company formed in January 2003, with its principal place of business in Southfield, Michigan, and with five other offices in Michigan, Ohio, and Kentucky. Bravata Financial is owned by John Bravata and Trabulsy. Bravata Financial purports to be a financial and estate planning firm that advises its clients regarding the purchase of securities, including BBC Equities securities, insurance, and annuities. Bravata Financial has never been registered with the Commission as a broker-dealer. Throughout the offering, John Bravata and Trabulsy owned and controlled BBC Equities and Bravata Financial. They control BBC Equities and Bravata Financial’s bank accounts, books and records; they control the representations made and the flow of information to investors; and they control the use of investor proceeds.

12. **Antonio M. Bravata**, age 21, is a resident of Brighton, Michigan and is John Bravata’s son. He is not registered with the Commission as a broker-dealer or as being

associated with a broker-dealer firm that is registered with the Commission. Despite not being registered or licensed, Antonio Bravata worked for BBC Equities and Bravata Financial as a sales agent. More than \$444,384 of BBC Equities investor funds have been transferred to or spent for his benefit.

RELIEF DEFENDANT

13. **Shari A. Bravata**, age 43, is a resident of Brighton, Michigan and is John Bravata's wife. More than \$1,872,000 of BBC Equities investor funds have been transferred to or spent for her benefit.

JURISDICTION

14. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Sections 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(e) and 78aa]. Venue is proper in this Court pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. §78aa].

15. The acts, transactions, practices, and courses of business constituting the violations alleged herein occurred within the jurisdiction of the United States District Court for the Eastern District of Michigan and elsewhere.

16. Defendants, directly and indirectly, have made, and are making, use of the means and instrumentalities of interstate commerce, the means and instruments of transportation and communication in interstate commerce, and the mails, in connection with the acts, transactions, practices, and courses of business alleged herein.

FACTS

A Fraud from the Start

17. In May and June 2006, John Bravata and Trabulsy raised \$609,985 from BBC Equities' first two investors. John Bravata used \$90,268 of those investment proceeds to buy himself a Ferrari, a purchase made possible only through the unwitting generosity of these two investors. Trabulsy, for his part, paid himself a handsome 21% "commission" on the second investor's \$210,000 investment.

18. John Bravata, Trabulsy, and a small number of BBC Equities and Bravata Financial employees started the scheme by orally soliciting 15 family and friends, from whom Defendants raised at least \$3.27 million. None of these initial investors received PPMs before they invested. Defendants assured these investors that their investment funds would be spent on real estate, and they that could expect annual returns of 10% or 12%.

The "Free Lunch" Seminars

19. Next, Defendants implemented "free lunch" seminars in an effort to target wealthy senior citizens. They mailed fliers for the seminars to approximately 5,000 potential investors per location. Defendants conducted approximately 16 seminars per week, with approximately 15 to 20 potential investors attending each seminar. After the seminar, BBC Equities or Bravata Financial contacted attendees who expressed interest in investing. Some of these prospective investors received additional offering materials, including the PPMs described below.

20. The presenters at the seminars, including John Bravata and his son Antonio, used a general script and a PowerPoint presentation. They told attendees that BBC Equities' real

estate investment program provided better and safer returns than other investment options. In the earlier seminars, they boasted of guaranteed annual returns of 12%. In later seminars, they lowered the annual returns to 8%, responding to feedback from earlier participants that 12% seemed “too good to be true.”

21. At the seminars, Defendants told investors, among other things, that they could use their Individual Retirement Accounts (“IRA”) to fund their BBC Equities investments. The attendees apparently took note, as more than half of the investment proceeds BBC Equities ultimately raised were conversions from investors’ IRAs.

22. John Bravata, Trabulsy, and the other presenters never told seminar attendees that large sums of their investments would be used to pay John Bravata or Trabulsy’s personal expenses; that the attendees’ investment proceeds would be used in Ponzi fashion to pay the interest or dividend payments of earlier investors; that a significant portion of their investment proceeds would be used to fund the solicitation of additional investors; or that the investors’ returns were entirely dependant on Defendants’ soliciting new investors to finance such distributions.

Private Placement Memoranda: Perpetuation of the Fraud

23. BBC Equities distributed two private placement memoranda to certain prospective investors. However, at least 150 investors never received any PPM before investing.

24. BBC Equities represents in the PPMs that it uses investor funds to purchase commercial, industrial, retail, multi-family and single-family real estate, vacation properties, vacant parcels and real estate development and construction. In truth, less than 40% of investment proceeds were invested, in real estate or otherwise. Most of the remaining proceeds

were misappropriated by the Fraud Defendants for personal uses, were used to pay earlier investors, or were used to solicit fresh investment proceeds in order to perpetuate Defendants' scheme.

25. **The First PPM.** From February 2007 through April 2008, Defendants provided certain investors with a PPM dated February 6, 2007 (the "First PPM"). The PPM offered Class B and Class C membership interests in BBC Equities, which it described as securities. The First PPM offered Class B membership interests in BBC Equities, which were not entitled to fixed annual distributions, but which were entitled to share *pro rata* with the holders of the Class A interests in profit distributions if and when declared by John Bravata and Trabulsy. The First PPM also offered Class C member interests, which yielded annual dividends of 8%, 10%, or 12%, redeemable on December 31, 2007, December 31, 2009, and December 31, 2011, respectively. During this period, Defendants raised approximately \$21.2 million from at least 136 investors.

26. The First PPM repeated the misrepresentation that investor proceeds would be used to acquire real estate. In truth, well less than half of the proceeds were used for such purposes. Moreover, the First PPM misrepresented that neither John Bravata nor Trabulsy received a salary, fee or any other compensation from BBC Equities. The First PPM capped offering expenses and organizational costs associated with the offering, which included commissions and finder's fees, at \$800,000. In fact, throughout this period, John Bravata and Trabulsy were extracting large sums of investor money to support their lavish lifestyles and to perpetuate their scheme.

27. **The Second PPM.** From April 2008 through the present, Defendants provided certain investors with a PPM dated April 17, 2008 (the “Second PPM”). The offering for the Second PPM continues through April 17, 2010, pursuant to its terms. It offers Class D membership interest in BBC Equities, which it describes as securities, yielding 8% annual priority distributions. From April 2008 through the present, Defendants have raised approximately \$28.4 million from at least 369 investors. Their sales efforts apparently remain ongoing.

28. Beyond the Fraud Defendants’ overarching misrepresentation in both PPMs that the investment proceeds are used to acquire real estate, the Second PPM includes other specific misrepresentations about the use of such proceeds. In the Second PPM, BBC Equities represents that proceeds of the offering remaining after distributions to investors are initially held in reserve for operations and other investment activities; that until the proceeds of the Second PPM are fully invested or used in connection with BBC Equities operations, they are deposited in income producing accounts and/or invested in a manner intended to produce a return for BBC Equities; and that although John Bravata and Trabulsy historically received an 8% finder’s fee for each investment they sold to BBC Equities investors, they did not receive finder’s fees for the Second PPM. None of these representations were true. In fact, BBC Equities desperately needed the investor proceeds from the Second PPM for the purpose of making good on their promised returns to earlier investors. Further, while the Second PPM noted that John Bravata and Trabulsy received salaries, it never discloses their misappropriation of exorbitant investor proceeds.

29. While both PPMs state that there is a risk that investor funds will need to be used to make the annual dividend payments to other investors – as opposed to payments being made out of BBC Equities’ operating profits – such disclosures are at best half truths. In truth, this was not a risk; it was a certainty. Given BBC Equity’s dire financial straits, the only way it could hope to meet its obligations to existing investors was to siphon the proceeds of new investors to pay earlier investors. In this regard, BBC Equities never disclosed to new investors that their quarterly distributions depended entirely on Defendants’ solicitation of future investors to finance such distributions.

30. The Second PPM also includes misrepresentations about BBC Equities’ assets and liabilities. In the Second PPM, BBC Equities claims that in addition to the eight properties originally contributed to BBC Equities by John Bravata and Trabulsky, BBC Equities has since acquired 28 additional real estate properties cumulatively valued at approximately \$43 million, with only \$34 million in mortgage debt; and that, as of February 28, 2008, BBC Equities had a Net Asset Value of \$11,294,718, with total assets of \$46,670,615 and total liabilities as \$35,375,897. These misrepresentations grossly overvalued BBC Equities’ assets and undervalued its debt. In fact, according to the Fraud Defendants’ own outside auditor, as of December 31, 2007, BBC Equities had total assets of \$40,603,738 and total liabilities of \$46,453,032.

The Fraud Defendants’ Misrepresentations on the Internet, in Advertisements, and in General Solicitations

31. The Fraud Defendants solicited investors through BBC Equities and Bravata Financial’s websites and in paid advertisements. BBC Equities’ website, launched in November

2008, included a “Fund Facts” page claiming that BBC Equities used investor proceeds to purchase real estate, such as commercial offices, shopping centers, lifestyle malls, 150+ unit complexes, mezzanine loans, etc. Other versions of the “Fund Facts” page claimed that BBC Equities had raised over \$80 million since May 1, 2006, and that the value of BBC Equities’ current real estate portfolio exceeded \$400 million. In fact, by then BBC Equities had yet to raise so much as \$50 million. Moreover, BBC Equities’ real estate portfolio was worth hundreds of millions of dollars less than BBC Equities claimed. Defendants distributed the “Fund Facts” page to investors through the mails and at the free lunch seminars.

32. BBC Equities and Bravata Financial’s websites included an audio interview of John Bravata, during which the interviewer erroneously states that BBC Equities had raised over \$150 million in less than a year. Instead of correcting the inaccuracy, however, John Bravata instead volunteers additional misinformation, claiming that BBC Equities had “done \$400 million in the last 24 months.” In a February 2009 television interview, John Bravata similarly claims that BBC Equities has raised \$1 billion from investors since November 2008. In truth, by then BBC Equities was months away from even \$50 million in investor proceeds.

33. BBC Equities’ website included a profile of John Bravata falsely stating that he had published several books. If the profile is to be believed, Bravata literally wrote the book on the “*Stealing of Wealth in America.*”

34. In December 2008, the Fraud Defendants placed a paid advertisement in *Forbes* Magazine, which they also posted on BBC Equities’ website and mailed to investors. The *Forbes* advertisement stated that John Bravata’s net worth exceeded \$54 million and, with the expectation of BBC Equities going public, was on track to reach \$250 million. In fact, his true

net worth never exceeded at most a few million dollars. In the *Forbes* advertisement, John Bravata also stated that Bravata Financial had 1,200 wealth advisers across the country and was on pace to be close to 10,000 wealth advisers within a year. This too was false. Bravata Financial never had more than approximately 50 employees.

35. In the *Forbes* advertisement, John Bravata proclaims BBC Equities' motto as: "Safety first, returns second." Both in that advertisement and in a subsequent television interview, John Bravata claims that he only gets paid if BBC Equities earns a profit, and if the investors make money.

Defendants' Misuse and Misappropriation of Investor Funds

36. Precisely the opposite is true. While John Bravata and Trabulsky have enriched themselves and the Bravata family handsomely, they have done so to the detriment and at the expense of BBC Equities' investors. The Fraud Defendants have misappropriated at least \$7.2 million for their personal use, and that of Shari Bravata and Antonio Bravata – even though BBC Equities has never been profitable.

37. **John Bravata's Misappropriation of Investors' Proceeds.** John Bravata has used the money that he misappropriated from the BBC Equities' investors to, among other things: (a) purchase a \$90,268 Ferrari on June 15, 2006; (b) cause BBC Equities to spend at least \$936,665 on the rent and mortgage payments for John and Shari Bravata's \$6 million vacation home, which the First PPM identified as one of BBC Equities' investment properties; (c) cause BBC Equities to spend \$762,586 towards building a new luxury residence for John and Shari Bravata; (d) buy an \$84,902.50 Maserati luxury car for Shari Bravata; (e) buy at least \$28,000 and \$59,000 in jewelry, respectively, for himself and Shari Bravata; (f) pay a \$46,566 down

payment on a \$500,000 catamaran, along with Trabulsy; (g) purchase a \$50,000 pleasure boat; (h) spend at least \$27,500, exclusive of airfare, on hunting vacations in Russia and Canada; (i) make a total of \$35,144 in lease payments on a 2007 Cadillac Escalade that John Bravata acquired from Trabulsy in August 2007; (j) make the monthly loan payments on a \$52,335 2006 Corvette that John Bravata acquired from Trabulsy in September 2007; and (k) purchase a \$10,000 used Ferrari.

38. John Bravata and Shari Bravata also have made over \$315,000 in purchases for their own benefit using BBC Equities' corporate credit card. John Bravata charged BBC Equities' credit card for: (a) over \$115,000 in artwork; (b) \$47,253 for an item categorized as "shipboard charges"; (c) \$29,500 on automotive improvements from a sports car restoration facility; (d) \$26,670 for medical treatments at an "anti-aging" facility; and (e) \$4,900 for jewelry. In addition to these charges, Shari Bravata has charged BBC Equities' credit cards more than \$28,883 for personal expenditures such as travel, clothing, and dining. The Bravatas have yet to reimburse BBC Equities or its investors for any of these charges.

39. In total, throughout the BBC Equities' offering, John Bravata and Shari Bravata have used more than \$4.68 million of investor funds for their own benefit.

40. It is only because John Bravata misappropriated investor proceeds that the Bravatas had sufficient funds to make these purchases and acquisitions.

41. **Trabulsy's Misappropriation of Investors' Proceeds.** Trabulsy has similarly misappropriated millions of dollars of investor proceeds from BBC Equities. Among other things, Trabulsy has used such funds to: (a) withdraw \$297,000 in cash; (b) pay over \$200,000 in personal expenditures through a BBC Equities credit card, including charging at least \$80,000

for trips to Las Vegas and casinos in Detroit, and charging \$19,600 for jewelry; (c) wire \$90,000 to the Wynn Casino in Las Vegas; (d) pay over \$91,000 in rent and mortgage payments on his \$1.17 million personal residence; (e) pay \$36,503 in lease payments on a Mercedes Benz S550 luxury car; (f) make \$22,558 in monthly payments on the Escalade and Corvette described above, before he transferred the vehicles to John Bravata; (g) make the lease payments on a 2007 GMC Denali luxury SUV; and (h) purchase, along with John Bravata, the \$500,000 catamaran.

42. It is only because Trabulsy has misappropriated investor proceeds that he has had sufficient funds to make these purchases and acquisitions.

43. **Antonio Bravata's Use of Investors' Proceeds.** Throughout the BBC Equities' offering, Antonio Bravata has used more than \$444,384 in investor funds for his own benefit, including to (a) make a \$22,000 down payment and subsequent \$2,193.33 monthly land sale contract payments on a \$398,000 house; (b) make a \$30,000 down payment and subsequent \$2,700 monthly mortgage payments on his current personal residence; (c) make a \$28,744 down payment on an \$119,900 Ferrari; (d) buy a Nissan SUV for \$24,726.16; (e) make a \$5,400 down payment and subsequent \$819.97 monthly payments on a \$42,887 Corvette (that Antonio Bravata subsequently sold before purchasing the aforementioned Ferrari); (f) buy a Honda sport motorcycle for \$6,974.73; and (g) make a \$12,000 down payment and subsequent monthly payments for a \$42,000 Hummer SUV.

44. It is only because of the misappropriation of investor proceeds that Antonio Bravata has been able to make the aforementioned purchases and acquisitions.

The Fraud Defendants Use BBC Equities Investment Proceeds to Pay Transaction-Based Compensation for the Purpose of Soliciting New Investors

45. Investors unknowingly paid millions of dollars of additional investment proceeds to perpetuate the Fraud Defendants' Ponzi scheme. BBC Equities paid over \$2.1 million in purported "commissions" or "finder's fees" to its sales agents, including payments to John Bravata, Trabulsy, and Antonio Bravata, for soliciting investments. Bravata Financial's unregistered brokers and sales agents had monthly BBC Equities sales quotas, and were additionally paid commissions for sales of BBC Equities securities in excess of those quotas. After June 2008, BBC Equities paid Bravata Financial \$7.22 million as reimbursement for employee compensation, \$1.6 million of which John Bravata and Trabulsy kicked back to their personal bank accounts. Defendants never told investors about such exorbitant marketing expenses.

46. BBC Equities' investors also paid \$5.3 million to "BBC Management, Inc.," an entity that John Bravata and Trabulsy created to manage BBC Equities' real estate portfolio and to support its solicitation of new investors.

The Only Way for Defendants to Avert BBC Equities' Collapse Is to Immediately Solicit Millions of Dollars in Fresh Investor Proceed

47. As a result of the Fraud Defendants' misappropriation of investor proceeds, no more than \$20.7 million of the more than \$50 million BBC Equities raised has been spent acquiring real estate. Even that modest real estate portfolio is leveraged with debilitating debt, amounting to over \$128 million in mortgages and other liabilities.

48. According to its own financial statements, as of December 31, 2008, BBC Equities had a negative net worth, with purported assets of \$146,493,312 and liabilities of

\$158,005,354. Its operating expenses for 2008 were a staggering \$3,896,245. For the first five months of 2009, BBC Equities' real estate operations generated revenues of only \$552,219, with expenses of nearly \$6 million.

49. In short, the Fraud Defendants have run BBC Equities into the ground. Their malfeasance has rendered it financially insolvent.

50. On March 30, 2009, the Michigan Office of Financial and Insurance Regulation ("MOFIR") issued an order requiring BBC Equities and Bravata Financial to cease-and-desist from offering unregistered securities or acting as broker-dealers in the state of Michigan (the "MOFIR Order").

51. In blatant violation of the MOFIR Order, after its issuance John Bravata instructed unregistered brokers from at least one Bravata Financial branch office to continue accepting proceeds from Michigan investors. On information and belief, he directed his employees to have potential investors leave the date blank on certain BBC Equities offering materials, thereby enabling such materials to be backdated.

52. Since the MOFIR Order, BBC Equities' decline has continued. As of June 10, 2009, BBC Equities only had \$131,316 in available cash. On June 12, 2009, BBC Equities' general counsel resigned from the company. On July 8, 2009, the United States District Court, Northern District of Ohio, entered a \$4.18 million judgment against BBC Equities and Trabulsky, jointly and severally, as guarantors of a defaulted promissory note relating to one of BBC Equities' purported investment properties. Neither Trabulsky nor BBC Equities has the means to repay this note. On July 16, 2009, the plaintiff bank in the above-referenced lawsuit filed an

action in this Court alleging that John Bravata is also liable as a guarantor on the same defaulted promissory note. John Bravata is financially unable to repay the note.

53. Further, BBC Equities owes its investors more than \$1 million in quarterly dividends, money it does not have.

54. In a desperate attempt to raise cash, BBC Equities has put some of its more valuable properties on the market, further diminishing any hope of future profitability.

55. John Bravata and Trabulsy have apparently hatched a plan to salvage and perpetuate their Ponzi scheme. In furtherance of their plan, they recently formed a new related company referred to as either BBC Capital, LLC (“BBC Capital”) or Phoenix Venture Capital, LLC (“Phoenix”). Their plan appears to involve this new company assuming ownership of Bravata Financial and other related entities. In a February 2009 television interview, John Bravata described BBC Capital as a venture capital fund and holding company for BBC Equities and Bravata Financial. In late June or early July, 2009, Trabulsy gave a radio interview promoting Phoenix. John Bravata and Trabulsy have stated that they intend to use BBC Capital or Phoenix to start a new offering to investors through a forthcoming private placement.

COUNT I

VIOLATIONS OF SECTION 5(a) AND (c) OF THE SECURITIES ACT [15 U.S.C. §§ 77e(a) and (c)]

(Regarding Defendants John J. Bravata, Richard J. Trabulsy, Antonio M. Bravata, BBC Equities, LLC, and Bravata Financial Group, LLC)

56. Paragraphs 1 through 55 above are realleged and incorporated herein by reference.

57. By their conduct, Defendants directly or indirectly: (i) made use of means or instruments of transportation or communication in interstate commerce or of the mails to sell, through the use or medium of a prospectus or otherwise, securities as to which no registration statement was in effect; (ii) for the purpose of sale or delivery after sale, carried or caused to be carried through the mails or in interstate commerce, by any means or instruments of transportation, securities as to which no registration statement was in effect; and (iii) made use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy, through the use or medium of a prospectus or otherwise, securities as to which no registration statement had been filed.

58. No valid registration statement was filed or was in effect with the Commission in connection with Defendants' offer and sale of securities of BBC Equities.

59. By reason of the foregoing, Defendants have violated Sections 5(a) and (c) of the Securities Act [15 U.S.C. § 77e(a) and (c)].

COUNT II

VIOLATIONS OF SECTION 17(a)(1) OF THE SECURITIES ACT [15 U.S.C. § 77q(a)(1)]

**(Regarding Defendants John J. Bravata, Richard J. Trabulsy,
BBC Equities, LLC, and Bravata Financial Group, LLC)**

60. Paragraphs 1 through 55 above are realleged and incorporated herein by reference.

61. By their conduct, these defendants, in the offer or sale of BBC Equities' securities, by the use of any means or instruments of transportation or communication in

interstate commerce and by the use of the mails, directly or indirectly, have employed devices, schemes or artifices to defraud.

62. These defendants acted with scienter.

63. By reason of the foregoing, these defendants violated Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

COUNT III

VIOLATIONS OF SECTIONS 17(a)(2) AND 17(a)(3) OF THE SECURITIES ACT [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)]

**(Regarding Defendants John J. Bravata, Richard J. Trabulsy,
BBC Equities, LLC, and Bravata Financial Group, LLC)**

64. Paragraphs 1 through 55 above are realleged and incorporated herein by reference.

65. By their conduct, these defendants, in the offer or sale of BBC Equities' securities, by the use of any means or instruments of transportation and communication in interstate commerce and by the use of the mails, directly or indirectly, have obtained money or property by means of untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or have engaged in transactions, practices or courses of business that have been operating as a fraud or deceit upon purchasers of BBC Equities' securities.

66. By reason of the foregoing, these defendants violated Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

COUNT IV

**VIOLATIONS OF SECTION 10(b) OF THE EXCHANGE ACT
[15 U.S.C. §78j(b)] AND RULE 10b-5 THEREUNDER
[17 C.F.R. § 240.10b-5]**

**(Regarding Defendants John J. Bravata, Richard J. Trabulsy,
BBC Equities, LLC, and Bravata Financial Group, LLC)**

67. Paragraphs 1 through 55 above are realleged and incorporated herein by reference.

68. By their conduct, these defendants, in connection with the purchase or sale of BBC Equities' securities, by the use of any means or instrumentalities of interstate commerce or by the use of the mails, directly or indirectly: (a) employed a device, scheme or artifice to defraud; (b) made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaged in an act, practice, or course of business that has been or is operating as a fraud or deceit upon other persons, including purchasers and sellers of such securities.

69. These defendants acted with scienter.

70. By reason of the foregoing, these defendants have violated Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §240.10b-5].

COUNT V

**VIOLATIONS OF SECTION 15(a) OF THE EXCHANGE ACT
[15 U.S.C. § 77o(a)]**

**(Regarding Defendants John J. Bravata, Richard J. Trabulsy,
Antonio M. Bravata, and Bravata Financial Group, LLC)**

71. Paragraphs 1 through 55 above are realleged and incorporated herein by reference.

72. By the conduct described above, these defendants, directly or indirectly, singularly or in concert, made use of the mails or the means or instrumentalities of interstate commerce to effect transactions in, or to induce or attempt to induce, the purchase or sale of securities, without registering with the Commission as a broker or dealer.

73. The BBC Equities membership interests sold by John Bravata, Trabulsy, Antonio Bravata and Bravata Financial are securities as that term is defined in Section 2(a)(1) of the Securities Act and Section 3(a)(10) of the Exchange Act [15 U.S.C. §§ 77b(a)(1) and 78(b)(10)].

74. By engaging in the conduct described in above, these defendants violated Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

COUNT VI

EQUITABLE RELIEF AS TO RELIEF DEFENDANT SHARI BRAVATA

75. Paragraphs 1 through 55 above are realleged and incorporated herein by reference.

76. Altogether, the Fraud Defendants received over \$50 million in ill-gotten funds through their illegal offering of securities.

77. The Fraud Defendants used at least \$1,872,000 of BBC Equities investor funds to acquire the assets described above for Shari Bravata's benefit.

78. Shari Bravata currently possesses or controls investor funds and assets purchased with investor funds.

79. The offering proceeds that Shari Bravata received from the Fraud Defendants and currently possesses or controls constitute ill-gotten gains.

80. Shari Bravata has no legitimate claim to the ill-gotten funds that she received from the Fraud Defendants or to any assets that she acquired or that the Fraud Defendants acquired for her with those ill-gotten funds.

RELIEF REQUESTED

WHEREFORE, the Commission requests that the Court:

I.

Find that Defendants John J. Bravata, Richard J. Trabulsy, Antonio M. Bravata, BBC Equities, LLC, and Bravata Financial Group, LLC committed the violations alleged herein, and find that as a result of these violations, Defendants and Shari Bravata received ill-gotten gains.

II.

Issue an Order of Permanent Injunction, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, restraining and enjoining:

- A. Defendants John J. Bravata, Richard J. Trabulsy, Antonio M. Bravata, BBC Equities, LLC, and Bravata Financial Group, LLC, their officers, agents, servants, employees, attorneys, and all person in active concert or participation with them, and each of them, from violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and (c)];

- B. Defendants John J. Bravata, Richard J. Trabulsy, BBC Equities, LLC, and Bravata Financial Group, LLC, their officers, agents, servants, employees, attorneys, and all person in active concert or participation with them, and each of them, from violating Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77(e)(a), (c); 15 U.S.C. § 77q(a)(1), (a)(2), (a)(3)];
- C. Defendants John J. Bravata, Richard J. Trabulsy, BBC Equities, LLC, and Bravata Financial Group, LLC, their officers, agents, servants, employees, attorneys, and all person in active concert or participation with them, and each of them, from violating Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. 240.10b-5]; and
- D. Defendants John J. Bravata, Richard J. Trabulsy, Antonio M. Bravata, and Bravata Financial Group, LLC, their officers, agents, servants, employees, attorneys, and all person in active concert or participation with them, and each of them, from violating Section 15(a) of the Exchange Act [15 U.S.C. § 77o(a)].

III.

Order Defendants John J. Bravata, Richard J. Trabulsy, Antonio M. Bravata, BBC Equities, LLC, and Bravata Financial Group, LLC and Relief Defendant Shari A. Bravata to disgorge their ill-gotten gains, derived directly or indirectly from the misconduct alleged, together with prejudgment interest thereon.

IV.

Order Defendants John J. Bravata, Richard J. Trabulsy, and Antonio M. Bravata to pay the Commission civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)].

V.

Retain jurisdiction of this action in order to implement and carry out the terms of all orders and decrees that may be entered or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

VI.

Grant such other and further relief as the Court deems just and appropriate.

JURY TRIAL DEMAND

The Commission requests a trial by jury.

Respectfully submitted,

**UNITED STATES SECURITIES AND
EXCHANGE COMMISSION**

/s Benjamin J. Hanauer

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s/ with consent of Michael J. Riordan

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Dated: July 26, 2009