

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
PLANO DIVISION**

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<b>SECURITIES AND EXCHANGE COMMISSION,</b>	)	
	)	
<b>PLAINTIFF,</b>	)	<b>COMPLAINT</b>
	)	
<b>v.</b>	)	Civil No. _____
<b>JODY DUNN,</b>	)	
	)	
<b>DEFENDANT.</b>	)	

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Plaintiff, Securities and Exchange Commission (the “Commission”), for its Complaint against the Defendant Jody Dunn alleges as follows:

**INTRODUCTION**

1. This matter involves material misrepresentations, misappropriation of investor funds, and the fraudulent, unregistered offer and sale of securities by Jody Dunn (“Dunn”).
2. Dunn raised more than \$3.45 million from investors for Imperia Invest IBC (“Imperia”).
3. Imperia raised in excess of \$7 million, \$4 million of which was collected primarily from deaf investors in the United States.
4. Approximately 7,133 deaf investors sent money to Dunn, who represented that he would invest in Imperia on their behalf. Dunn did not disclose to investors that he would misappropriate a portion of their funds to pay his mortgage, make car payments, pay for car insurance and a variety of other personal expenses.

5. Dunn received more than \$3.45 million in investor money. Dunn misappropriated at least \$353,068, more than ten percent of the total he collected, for his personal use before sending the remaining amount to Imperia's offshore bank accounts.

### **JURISDICTION AND VENUE**

6. This Court has subject matter jurisdiction by authority of Sections 20 and 22 of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. §§ 77t and 77v] and Sections 21 and Section 27 of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §§ 78u and 78aa].

7. Defendant, directly and indirectly, singly and in concert, has made use of the means and instrumentalities of interstate commerce and the mails in connection with the transactions, acts and courses of business alleged herein, certain of which have occurred within the Eastern District of Texas.

8. Venue for this action is proper in the Eastern District of Texas under Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and under Section 27 of the Exchange Act [15 U.S.C. § 78aa] because certain of the transactions, acts, practices and courses of business alleged in this Complaint took place in this district and because the defendant resides in and transacts business in this district.

9. Defendant, unless restrained and enjoined by this Court, will continue to engage in the transactions, acts, practices and courses of business alleged herein and in transactions, acts, practices and courses of business of similar purport and object.

10. Defendant's conduct took place in connection with the offer, purchase and/or sale of Imperia securities.

## DEFENDANT

11. Jody Myung Dunn (“Dunn”), age 43, of Corinth, Texas is currently unemployed and receives social security disability insurance as a result of being deaf. Dunn holds a Bachelor’s degree in emergency administrative planning. From August 2007 through July 2010, Dunn’s primary source of income came from Imperia.

## RELATED PARTIES

12. Imperia Invest IBC (“Imperia”) is an internet-based entity that claimed, until late 2009, to be located in the Bahamas. According to the Securities Commission of the Bahamas (“SCB”), the address listed by Imperia was fictitious, and, on April 20, 2009, the SCB issued a Public Notice stating that Imperia has never been licensed as a business in the Bahamas. Subsequently, Imperia claimed to be located in Vanuatu. Based on information the staff obtained from local Vanuatu law enforcement, Imperia was not registered to do business in Vanuatu and the address listed on its website was fictitious. Neither Imperia nor its securities were registered with the Commission. Imperia was not licensed or registered with any state or self-regulatory organization. On October 6, 2010, the Commission filed a Complaint in United States District Court for the District of Utah alleging that Imperia violated Sections 5(a), 5(c) and 17(a) of the Securities Act, and Sections 10(b) and 15(a) of the Exchange Act. The court granted an asset freeze and temporary restraining order. On February 14, 2011, a final judgment by default was entered against Imperia.

13. Global Wealth Lifepath (“GWL”) is a Nevada corporation created by Dunn on May 8, 2009. Dunn used GWL to open a bank account into which Imperia investor funds were deposited and from which the funds were wired to Imperia.

14. Dunn World Investments (“DWI”) is an entity created by Dunn which does not appear to be incorporated in the United States. DWI was used by Dunn to open a bank account into which Imperia investors deposited funds.

### **BACKGROUND**

15. Imperia purported to invest in Traded Endowment Policies (“TEP”), the British term for viatical settlements, and claimed to pay guaranteed returns of 1.2% per day. A TEP or viatical settlement involves the sale of an insurance policy by the policy owner before the policy matures. The policies are sold at a discount from face value in an amount in excess of the current cash surrender value. At the time the policies are sold, all beneficial rights and obligations on the policy transfer to the new owner.

16. The TEP investments offered by Imperia were investment contracts. Investors were promised a return in exchange for their investment in Imperia. Investors were required to invest at least \$50. Investors transferred their funds into a pooled account.

17. The initial \$50 investment purportedly allowed the customer to obtain an \$80,000 loan from an unnamed foreign bank which would be used to purchase a TEP. Imperia then claimed to trade the TEPs and pay a guaranteed return of 1.2% per day, thereby generating a profit for investors.

18. Investors expected their returns to derive from Imperia’s efforts, had no role in any investment decisions and provided nothing besides their money. Investors essentially paid money to join a trading program where they understood TEPs were being traded and generating a 1.2% profit per day.

19. Imperia also required that investors purchase a Visa debit card to access their investment proceeds. Imperia charged customers a fee to purchase the Visa debit card ranging

from \$145 to \$450. Visa had not authorized Imperia to use its name or trademarks and sent Imperia a cease-and-desist letter instructing it to halt unauthorized use of the Visa name and logo.

20. From at least August 2007 to July 2010, Dunn, who is deaf, solicited investments for Imperia. Dunn's investors transferred funds to Dunn via money order. Dunn cashed the money orders, deposited the funds into accounts he controlled, and then forwarded a portion of the funds to Imperia. Dunn initially sent funds to the Paypal-like accounts in Costa Rica, Panama and the British Virgin Islands, but later wired money directly to bank accounts in various other countries.

21. Approximately 7,133 deaf investors sent money to Dunn, who represented that he would invest in Imperia on their behalf.

22. Dunn did not disclose to investors that he would misappropriate a portion of their funds to pay his mortgage, make car payments, pay for car insurance and pay for a variety of other personal expenses.

23. Dunn received more than \$3.45 million dollars in investor money. Dunn misappropriated at least \$353,068, over ten percent of the funds collected, for his personal use before sending the remaining amount to Imperia's offshore bank accounts.

24. No money has been invested, no TEP's were purchased and no investor received any return. Even after the Commission filed an action against Imperia, Dunn continued to reassure investors that Imperia was legitimate and they would be paid.

#### **Dunn's Misrepresentations**

25. Dunn represented to investors that he would help them invest with Imperia to purchase TEPs. No investor funds were used to purchase TEPs.

26. Dunn represented to investors that he had met and knew the individuals behind Imperia. In fact, Dunn had never met anyone affiliated with Imperia.

27. Further, although Dunn disclosed that he charged a fee for each transaction he handled, he was not able to provide any accurate analysis of how he calculated his fees or profits, he did not disclose to investors that the fee was over 10 percent of the funds collected, and he failed to disclose that he used investor funds to make his mortgage and car payments, pay for car insurance and numerous other personal expenses such as restaurant, grocery and ATM withdrawal expenses.

28. In a typical month, Dunn solicited investor funds for either TEP purchases or Visa debit card purchases and deposited the funds into his GWL or DWI bank account. Dunn paid his personal expenses directly from the GWL and DWI bank accounts in addition to transferring investor funds into his personal bank accounts.

29. Dunn claims he sent any remaining funds to Imperia. Dunn did not maintain any accounting records to show how he was compensated, what money was collected in fees, or any documents showing commissions he paid himself.

30. Dunn did not disclose to investors the precise nature of the fees he would charge and Dunn was not able to provide any accurate analysis of how he calculated his fees or profits.

31. Dunn's misrepresentations were material to a reasonable investor.

**Dunn Did Not Conduct Any Due Diligence on Imperia**

32. Dunn did not conduct even a minimum amount of due diligence concerning Imperia prior to soliciting investors.

33. Dunn testified his only due diligence consisted of reading the Imperia website, attempting to verify Imperia's URL address, and reviewing the information Imperia posted on its own website regarding its website host.

34. Dunn testified that Imperia was a "secretive company" and that despite the fact that he could not find a physical address for Imperia, he invested anyway.

35. Dunn did not attempt to verify whether Imperia was actually investing in TEPs, if Imperia was licensed to sell securities in any state, if any registration statements relating to the offers or sales of Imperia securities were filed with the Commission or whether Imperia was registered with the Commission in any capacity.

#### **Dunn Ignored Red Flags**

36. Imperia told investors their investments would generate highly unrealistic guaranteed returns of 1.2% per day. Imperia's website, which was available to the general public, showed a \$50 dollar investment yielding a \$134,000 return in a six month period.

37. One investor who invested \$150 produced account statements from Imperia showing his Imperia account with a value of \$36,610,755.20 within a two-year time frame. Another individual who invested \$500 in July 2007 produced an account statement from Imperia showing an account valuation of \$43,907,652.20 as of May 2010.

38. Dunn testified that Imperia owed him an aggregate of approximately \$163 million for commissions and the performance of his own TEP investment. Dunn invested \$1,100 into Imperia.

39. Dunn testified that Imperia frequently "misplaced" money that Dunn wired on behalf of other investors and did not account properly for investor money. Dunn learned this

through his observation that frequently funds were not correctly recorded as having been deposited into investor accounts.

40. Despite this knowledge, Dunn continued to blindly send investor funds to Imperia without disclosing to investors that Imperia had either not credited their accounts or lost their funds. Dunn also wired investor funds to foreign accounts in Cyprus and New Zealand having no apparent or obvious link to Imperia.

**FIRST CAUSE OF ACTION  
EMPLOYMENT OF A DEVICE, SCHEME OR ARTIFICE TO DEFRAUD  
Violation of Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)]**

41. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 40, above.

42. The Defendant, by engaging in conduct described above, directly or indirectly, in the offer or sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, with scienter, employed devices, schemes, or artifices to defraud.

43. By reason of the foregoing, the Defendant, directly or indirectly, violated, and unless restrained and enjoined by this Court, will continue to violate Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

**SECOND CAUSE OF ACTION  
FRAUD IN THE OFFER AND SALE OF SECURITIES  
Violations of Section 17(a)(2) and (3) of the Securities Act  
[15 U.S.C. § 77q(a)(2) and (3)]**

44. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 40, above.

45. The Defendant, by engaging in the conduct described above, directly and indirectly, in the offer and sale of securities, by the use of the means or instruments of



transportation or communication in interstate commerce or by use of the mails, obtained money or property by means of untrue statements of material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and engaged in transactions, practices, or courses of business which operate or would operate as a fraud or deceit upon the purchaser.

46. By reason of the foregoing, the Defendant, directly or indirectly, violated, and unless restrained and enjoined will continue to violate, Section 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

**THIRD CAUSE OF ACTION  
FRAUD IN CONNECTION WITH THE PURCHASE AND  
SALE OF SECURITIES  
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]**

47. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 40, above.

48. The Defendant, by engaging in the conduct described above, directly or indirectly, by the use of means or instrumentalities of interstate commerce or use of the mails, in connection with the purchase or sale of securities, with scienter, (1) employed devices, schemes, or artifices to defraud; (2) made untrue statements of material fact or omitted to state a material fact necessary in order to make statements made, in light of the circumstances under which they were made not misleading; or (3) engaged in acts, practices, or courses of business that operated or would operate as a fraud and deceit upon other persons.

49. By reason of the foregoing, the Defendant, violated, and unless restrained and enjoined will continue to violate 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].

**FOURTH CAUSE OF ACTION**  
**UNREGISTERED OFFER AND SALE OF SECURITIES**  
**Violation of Sections 5(a) and (c) of the Securities Act [15 U.S.C. § 77e(a) and (c)]**

50. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 40, above.

51. The Defendant, by engaging in the conduct described above, directly or indirectly, through use of the means or instruments of transportation or communication in interstate commerce or the mails, offered to sell or sold securities or, directly or indirectly, or carried such securities through the mails or in interstate commerce, for the purpose of sale or delivery after sale.

52. No registration statement has been filed with the Commission or has been in effect with respect to these securities.

53. By reason of the foregoing, the Defendant, directly or indirectly violated, and unless enjoined will continue to violate Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

**FIFTH CAUSE OF ACTION**  
**OFFER AND SALE OF SECURITIES BY AN**  
**UNREGISTERED BROKER OR DEALER**  
**Violation of Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)]**

54. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 40, above.

55. The Defendant, directly or indirectly, 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 and sale of, securities without being registered as a broker or dealer with the Commission or associated with a broker-dealer registered with the Commission.

56. By reason of the foregoing, the Defendant violated, and unless restrained and enjoined will continue to violate, Section 15(a) of the Exchange Act [15 U.S.C. 78o(a)].

## **RELIEF REQUESTED**

WHEREFORE, the Commission respectfully requests that this Court:

### **I**

Issue findings of fact and conclusions of law that the Defendant committed the violations charged herein.

### **II**

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure an order to permanently enjoin, the Defendant, and his officers agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from engaging in transactions, acts, practices, and courses of business described herein, and from engaging in conduct of similar purport and object in violation of Sections 17(a) of the Securities Act, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

### **III**

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure an order to permanently enjoin, the Defendant, and his officers agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from engaging in transactions, acts, practices, and courses of business described herein, and from engaging in conduct of similar purport and object in violation of Sections 5(a) and 5(c) of the Securities Act.

**IV**

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure an order to permanently enjoin, the Defendant, and his officers agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from engaging in transactions, acts, practices, and courses of business described herein, and from engaging in conduct of similar purport and object in violation of Section 15(a) of the Exchange Act.

**V**

Enter an order directing Defendant, to pay civil money penalties pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act.

**VI**

Enter an order directing the Defendant to disgorge all ill-gotten gains received during the period of violative conduct and pay prejudgment interest on such ill-gotten gains.

**VII**

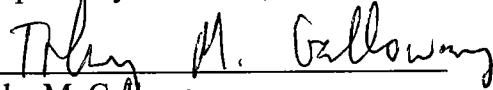
Grant such further equitable relief as this Court deems just, appropriate and necessary.

**VIII**

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure 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.

Dated this 8th day of September, 2011.

Respectfully submitted,



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