

**U.S. SECURITIES AND EXCHANGE COMMISSION**

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**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

**U.S. SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**v.**

**SECURE CAPITAL FUNDING  
CORPORATION,**

125 Half Mile Road, Suite 200  
Red Bank, New Jersey 07701-6749,

**BETRAM AUGUSTUS HILL,**

5 Shallows Brook Road  
Morganville, New Jersey 07751-4649

**PP&M TRADE PARTNERS,**

The West Ayers Building  
530 East Lexington Avenue, Suite #135  
Elkhart, Indiana 46516

**and**

**KIAVANNI PRINGLE,**

33 West Ayer  
Methuen, MA 01844-5510.

**Defendants.**

CIVIL ACTION NO. \_\_\_\_\_

**COMPLAINT**

Plaintiff, U.S. Securities and Exchange Commission alleges as follows against the above-named Defendants:

### **SUMMARY**

1. This case concerns securities fraud being perpetrated by Defendants using the Internet and other facilities of interstate commerce to ensnare unsuspecting investors in a scheme to sell fictitious securities based on promises of high returns with no risk. Defendants have offered and sold supposedly risk-free Swiss debentures that would return gains of 10-100% per month and allow the investor to borrow against his or her account to invest in other supposedly high-yield securities offerings. In reality, the securities being sold are fictitious and nearly \$3 million of investor funds have been spirited to accounts in the Republic of Latvia and Jamaica without investors' knowledge or permission. By their conduct, Defendants are in violation of Section 5(a) and (c) and 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77e(a) and 77(a) and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b) and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. Unless enjoined, Defendants will continue to transfer investor monies out of the country and to ensnare additional investors.

### **JURISDICTION AND VENUE**

2. The Commission brings this action pursuant to Sections 20(b) and 22(a) of the Securities Act [15 U.S.C. 77t(b) and 77v(a)] and Sections 21(d) and (e) and 27 of the Exchange Act [15 U.S.C. 78u(d), (e) and 78aa]. The Commission alleges that Defendants, directly and indirectly, made use of the mails, the means and instruments of transportation and communication in interstate commerce, and the means and instrumentalities of interstate

commerce in connection with the transactions, acts and practices and courses of conduct alleged in this Complaint.

3. Venue is proper in this District 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]. Defendants are found, are inhabitants of or transact business in this District, and certain acts and transactions constituting violations of the federal securities laws occurred in this District. Secure Capital Funding Corporation (“SCF”) is a Delaware corporation whose sole officer and director is defendant Bertram Augustus Hill.

#### **DEFENDANTS**

4. SCF purports to be a subsidiary of a company known as “ST Underwriters.” ST Underwriters holds itself out as a private banking group operating out of the Republic of Panama and as a subsidiary of a company known as “Secure Trust.” Secure Trust purports to be a business operating in Switzerland but is not authorized by the Swiss Financial Markets Supervisory Authority (“FINMA”) to do financial business in Switzerland. As a result, Secure Trust is on FINMA’s published “black list.”

5. Bertram Augustus Hill (“Hill”) resides in Red Bank, New Jersey. Hill has been charged by Jamaican authorities with criminally defrauding Jamaican investors of approximately \$326 million in a Ponzi scheme fraud that is unrelated to the fraud the Commission alleges in this case. Hill is expected to stand trial in Jamaica sometime in 2011. According to the Financial Industry Regulatory Authority (“FINRA”), Hill was a registered representative from 1997-2001 and was a member of FINRA. During that time, Hill was the subject of at least three customer complaints. FINRA suspended Hill’s registration in 2002 and levied a \$5,000 fine which Hill never paid.

6. PP&M Trade Partners (“PP&M”) is a company that holds itself out as a “general partnership” but that is controlled by defendant Kiavanni Pringle. PP&M hold itself out as being located in Elkart Indiana. In actuality, PP&M operates out of Mr. Pringle’s home in Methuen, Massachusetts. PP&M has no employees or operations in Elkhart, Indiana. PP&M’s only facility in Elkhart, Indiana is a warehouse where another business with which Mr. Pringle was previously associated stores televisions and other merchandise. PP&M’s website asserts that PP&M has been providing wealth management services since 2000. In actuality, PP&M had no clients prior to November 2010.

7. Kiavanni Pringle is a Massachusetts resident. Pringle directed investors to remit monies to an account maintained by defendant SCF in New Jersey.

## **FACTS**

### **Defendants’ Offer and Sale of Fictitious Securities to Investors**

8. Beginning in December 2010, SCF has offered securities in the form of investment contracts that purport to provide margin brokerage accounts or highly leveraged lines of credit. Hill and SCF have used promoters, multiple websites and offering materials to induce investors to purchase what these defendants represented were risk-free “private placement debentures” issued or to be issued by or through Secure Trust in Switzerland. Hill and SCF also represented to investors that the debentures could be pledged to establish margin brokerage accounts with Secured Trust that could be leveraged up to 100 times the face value of the debentures. Hill and SCF, either directly or through promoters and introducing brokers, represented to investors that investment returns would be 10-100% monthly. According to some investors, SCF charges them

\$2,000 every “45 to 60 days” to facilitate the leveraged credit line. According to Hill’s attorney, Hill receives 20% of the originating fees from investors he brings into Secure Trust. After he receives his 20%, Hill is said to transmit the remaining investor funds to ST Underwriters.

9. Hill induced a boarding school for boys in Brandon, Florida to pay \$50,000 to establish a highly leveraged margin account with Secured Trust in December 2010. According to school representatives, Hill stated that SCF would charge the school a maintenance fee of \$2,000 every 45 to 60 days. In interstate telephone calls and in email messages, Hill represented to the school’s operators that they would be able to access the account to make securities trades directly. The school received access to a Web site that purported to show activity in the margin account, including a purported “balance” of almost \$5 million available to make trades on margin. The school has never received any account statements. The school has never received any monthly payments or earnings on the purported debentures upon which the margin account was supposed to have been established.

10. Pringle and PP&M have used a similar model to raise money for SCF in exchange for a fee of 3% of all “assets under management.” The offering presented to investors by Pringle and PP&M, unlike the offering presented to investors by SCF and Hill, asserts that Pringle would professionally select the securities to be purchased from the margin brokerage accounts that were supposed to be established for the investor based upon the investor’s purchase of Swiss debentures. In contrast, the offering presented to investors by SCF and Hill represented that investors would make their own trading decisions.

11. Pringle and PP&M advertised on multiple, detailed websites and through word of mouth, to engage retail brokers to find investors that Pringle and PPM could contact and induce

to buy securities. In exchange for the services of retail brokers, Pringle and PPM offered to pay “commissions” of up to 4% of investor gains.

12. For example, Pringle and PP&M used a retail broker to locate a retired school teacher who lives in Anaheim, California. The retiree is not an “accredited investor” within the meaning of regulations promulgated by the Commission that exempt offerings of securities from registration requirements, as he has an annual income of less than \$200,000 and a net worth of less than \$1 million. Nonetheless, the retiree was instructed to wire \$50,000 to a bank account controlled by SCF. The retiree was told that the fund would be used to purchase “non-depleting” “risk free” Swiss debentures. He was further told the debentures would secure a \$5 million credit line that Defendants would manage for his benefit. Pringle and PP&M told the retiree that he would receive 10 to 100% monthly returns, and that there was no risk to his initial \$50,000 investment. The retiree was provided with login information and a username for a website that purported to provide account access. The retiree has never received any account statements, trade confirmations or other documentation. The retiree has also never received any monthly payments or earnings on the purported debentures upon which the margin account was supposed to have been established.

13. On information and belief, the debentures offered and sold to investors by defendants did not exist at all or existed in name only. On further information and belief, the margin brokerage accounts and “insured” credit lines promised to investors by defendants did not exist at all or existed in name only.

14. All told, approximately \$3.6 million has been raised by SCF, directly and through promoters and brokers, through this offering. At least, \$425,000 has been raised from investors residing in the United States. The largest investment by a single investor residing in the United

States has been approximately \$250,000. Foreign investors have also been ensnared in Defendants' scheme. One individual believed to be residing in the United Kingdom invested over \$1.3 million. Another individual residing in Switzerland invested over \$1.5 million. On information and belief, none of the investors has received any of the promised monthly returns. In addition, the on-line account access of at least one investor has been inaccessible since the beginning of February, 2011.

#### **Unregistered Sales to Non-Accredited Investors**

15. None of the offerings and sales of purported Swiss debentures made by Defendants beginning in December 2010 have been registered with the Commission by an issuer in accordance with the federal securities laws. At least some of the sales made by Defendants have been made to persons who did not qualify as "accredited investors" so as to exempt Defendants from the obligation to register the securities offerings and make required disclosures. None of the Defendants ever sought or obtained an exemption from the registration requirements.

#### **Materially False Statements and Omissions**

16. In offering and selling purported Swiss debentures to investors, Defendants made materially false statements and omitted material information. For example, Hill and SCF led the boarding school in Florida to believe that its investment secured a legitimate highly leveraged credit line that would enable the investor to trade up to 100 times the nominal value of its initial \$50,000 investment. Pringle and PP&M made the same representations to the retired school teacher in California and also represented that Pringle would professionally select trades to be made from the supposed "insured" margin account. Defendants did not disclose that neither the debentures nor the margin accounts existed as legitimate investment vehicles. Defendants did

not disclose that investors' money would be transferred to accounts in Latvia and Jamaica. Defendants did not disclose the true identities of either SCF or PP&M. In fact, certain investors brought to Secure Trust through PP&M were never even told of SCF's or Hill's existence.

17. Hill and SCF knew or should have known that neither the debentures nor the margin accounts they were offering and selling to investors existed as legitimate investment vehicles. Hill intentionally caused investors' money to be transferred to accounts in Latvia without the knowledge or consent of the investors.

18. Pringle and PP&M knew or should have known that neither the debentures nor the margin accounts they were offering and selling to investors existed as legitimate investment vehicles.

#### **Domestic Bank Accounts Used to Receive and Transmit Investor Funds**

19. Monies that Defendants received from investors residing in the United States were routed to a bank account maintained with JP Morgan Chase at a branch located in Colts Neck, New Jersey. Hill was the sole authorized signatory on this account. The account is identified as Account No. xxxxx6052.

20. Though initially sent to Account No. xxxxx6052, funds Defendants received from investors appear to have been distributed to JP Morgan Chase Account No. xxxxx2665 in the name of Doxa Management Group, LLC ("Doxa"). Hill is the sole authorized signatory on the Doxa account.

21. In addition to accounts maintained with JP Morgan Chase, funds Defendants received from investors may have been distributed to a corporate brokerage account in the name of SCF with Merrill Lynch, Account No. xxx-04099. Hill is the sole authorized signatory on this account.

### **Transfer of Investor Funds to Latvia**

22. Between December 2010 and January 31, 2011, Hill caused to be transferred from JP Morgan Chase Account No. xxxxx6052 approximately \$2.4 million dollars to accounts in Latvia. None of the funds received by Defendants from investors appear ever to have been transferred to Switzerland to purchase the debentures that Defendants claimed to be selling or to establish actual "insured" margin brokerage accounts.

23. As of approximately 10:30 am on February 17, 2011, JP Morgan Chase Account No. xxxxx6052, in the name of SCF, had a balance of approximately \$140,000. As of the same time and date, JP Morgan Account No. xxxxx2665, in the name of Doxa, had a balance of approximately \$28,000.

24. As of approximately 4:30 pm on February 17, 2011, Merrill Lynch Account No. xxx-04099, in the name of SCF, had a balance of approximately \$500,000.

### **FIRST CLAIM**

#### **Fraud in the Purchase and Sale of Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder**

#### **(All Defendants)**

25. Plaintiff repeats and realleges Paragraphs 1 through 24 above.

26. By engaging in the conduct described above, each of the Defendants, directly or indirectly, acting knowingly or recklessly, in connection with the purchase and sale of securities, by the use of the means and instrumentalities of interstate commerce, or of the mails: (a) have employed or are employing devices, schemes or artifices to defraud; (b) have made or are making untrue statements of material fact or have omitted or are omitting to state material facts necessary to make the statements made, in light of the circumstances under which they were

made, not misleading; and (c) have engaged or are engaging in acts, practices or courses of conduct which operate as a fraud or deceit upon certain persons.

27. By engaging in the conduct described above, Defendants violated and, unless 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].

### **SECOND CLAIM**

#### **Fraud in the Offer and Sale of Securities in Violation of Section 17(a) of the Securities Act (All Defendants)**

28. Plaintiff repeats and realleges Paragraphs 1 through 27 above.

29. By engaging in the conduct described above, each of the Defendants directly or indirectly, in the offer or sale of securities by the use of the means and instrumentalities of interstate commerce, or of the mails, acting knowingly or recklessly, (a) have employed or are employing devices to defraud, (b) have obtained or are obtaining money or property by means of untrue statements of material fact or omissions to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) have engaged or are engaging in acts, practices or courses of conduct which operate as a fraud or deceit upon certain persons.

30. By engaging in the conduct described above, defendants violated and, unless enjoined, will continue to violate Section 17(a)(1), (2) and (3) of the Securities Act [15 U.S.C. § 77q(a)(1), (2) and (3)].

**THIRD CLAIM**

**Unregistered Offer and Sale of Securities in Violation of Section 5(a) and (c) of the Securities Act**

**(All Defendants)**

31. Plaintiff repeats and realleges Paragraphs 1 through 30 above.

32. By engaging in the conduct described above, each of the Defendants directly or indirectly, by the use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails: (a) without a registration statement in effect as to the securities, sold such securities through the use or medium of a prospectus or otherwise; or (b) offered to sell through the use or medium of a prospectus or otherwise securities as to which a registration statement had not been filed.

33. By engaging in the conduct described above, each of the Defendants violated and, unless enjoined, will continue to violate Sections 5(a) and (c) of the Securities Act [15 U.S.C. § 77e(a).

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff respectfully request that this honorable Court:

1. Award Plaintiff such preliminary injunctive relief as may be necessary to avert the likelihood of further injury to investors during the pendency of this action and to preserve the possibility of effective final relief, including but not limited to ordering defendants SCR and Hill (a) immediately to cease and desist from transferring any monies out of JP Morgan Chase Account No. xxxxx6052 or from Merrill Lynch Account No. xxx-04099 and (b) to cause the repatriation into JP Morgan Account No. xxxxx6052 of approximately \$2.7 million of investor funds previously transferred out of the country to accounts in Latvia and in Jamaica and the deposit of such repatriated funds into the registry of this Court pending the conclusion of the

action. Plaintiff further requests that all Defendants be ordered to provide an accounting for all monies received from investors that have purchased securities from Defendants in the period December 2010 to the present date.

2. Enter a permanent injunction enjoining Defendants from violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder;

3. Enter a permanent injunction enjoining defendants from violating Section 17(a) of the Securities Act;

4. Enter a permanent injunction enjoining Defendants from violating Section 5(a) of the Securities Act;

5. Enter an order requiring Defendants to disgorge all ill-gotten gains or unjust enrichment from the securities sales described above, plus prejudgment interest;

6. Appoint a receiver to preserve the assets of Defendant SCF in order to facilitate the ability of SCF to disgorge ill-gotten gains;

7. Enter an order pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21 (d)(3)(A) of the Exchange Act [15 U.S.C. § 78u(d)(3)(A)], imposing civil money penalties against Defendants.

8. Retain jurisdiction over this action to implement and carry out the terms of all orders and decrees that may be entered; and

9. Award such other and further relief as this Court may deem just, equitable, appropriate or necessary for the enforcement of the federal securities laws for the benefit of investors, including such relief contemplated by Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)].

Dated: February 19, 2011

Of Counsel:  
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U.S. Securities and Exchange Commission

Respectfully submitted,

  
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