

**IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF ILLINOIS
URBANA DIVISION**

UNITED STATES SECURITIES)	
AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	
)	
TIMOTHY J. ROTH)	
)	No. _____
Defendant,)	
)	
and)	
)	
KEYOP EXERCISE, INC., MEZOLINK, INC.)	
(F/K/A INTEGRATED DATA SECURITY,)	
INC.), VCN CELECT.ORG, LLC,)	
VCOMM NETWORKS OF CANADA,)	
)	
Relief Defendants.)	
_____)	

COMPLAINT

Plaintiff United States Securities and Exchange Commission alleges:

1. Defendant Timothy Roth, an Urbana-based investment adviser, has stolen more than \$6 million worth of mutual fund shares from several nonqualified deferred compensation plans for whom he provided investment advice. Roth has surreptitiously caused the plans' mutual fund shares to be transferred to an account under his control. After selling or redeeming the plans' shares, he has siphoned the ill-gotten gains to various accounts and companies

under his control or for his benefit, including transferring such funds to the relief defendants. The Commission brings this lawsuit to put an immediate stop to Roth's ongoing violations of the federal securities laws, to prevent further harm to investors, and to seek disgorgement and civil penalties from Roth stemming from his violations of the securities laws, among other remedies.

JURISDICTION AND VENUE

2. The Commission brings this action pursuant to Sections 21(d) and 21(e) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§78u(d) and 78u(e)] and Section 209(d) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. § 80b-9(d)].

3. This Court has jurisdiction over this action pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa], Section 214 of the Advisers Act [15 U.S.C. § 80b-14], and 28 U.S.C. § 1331.

4. Venue is proper in this Court pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Acts, practices and courses of business constituting violations alleged herein have occurred within the jurisdiction of the United States District Court for the Central District of Illinois and elsewhere.

5. Defendant Roth, directly and indirectly, has made use of the means and instrumentalities of interstate commerce and of the mails in connection with the acts, practices, and courses of business alleged herein, and will continue to do so unless enjoined.

DEFENDANT AND RELIEF DEFENDANTS

6. **Defendant Timothy J. Roth**, age 55, is a resident of Urbana, Illinois. From 2002 until he was terminated on February 28, 2011, Roth worked for and was an associated person with Comprehensive Capital Management, Inc. and its predecessors. From 2002 until he was terminated on February 28, 2011, Roth worked for and was a registered representative of Comprehensive Asset Management and Servicing, Inc. and its predecessor firms. Roth made recommendations to the deferred compensation plans about the mutual funds in which they should invest. In at least some instances, he had the discretion to make the investments on a fund's behalf.

7. **Relief Defendant KeyOp Exercise, Inc.** ("KeyOp") is an Illinois corporation headquartered in Champaign, Illinois. Although the legal ownership of KeyOp changed from time-to-time, throughout the relevant period Roth controlled the company. KeyOp apparently existed solely to facilitate the clearing of distributions from the accounts of deferred compensation plans that Roth advised and serviced.

8. **Relief Defendant Mezolink, Inc.**, formerly known as Integrated Data Security, Inc., is an Illinois corporation headquartered in Champaign, Illinois. It purports to offer on-line information technology management services. Roth is the corporation's CEO.

9. **Relief Defendant VCN Celect.org, LLC** is a California limited liability company headquartered in Evanston, Illinois. It is a subsidiary of

Optimum Interactive (USA), Ltd., of which Roth at various times served as a director, CEO, secretary, treasurer, and president. VCN Celect.org, LLC purports to market website design, on-line social networking, and on-line financial management services to fraternal, business, and faith-based organizations. Roth is one of its founders and the company's "chief strategy officer."

10. **Relief Defendant Vcomm Networks of Canada**, based in Toronto, Canada, is a subsidiary of or otherwise affiliated with Optimum Interactive (USA), Ltd.

OTHER PARTIES

11. **Comprehensive Capital Management, Inc.** ("CCM") is an investment adviser firm that has been registered with the Commission since 2004. Until recently, Roth worked for and was associated with CCM. Roth and CCM served as investment advisers to the nonqualified deferred compensation plans referenced in this complaint. They provided the plans with investment advice as to the value of, and the advisability of investing in, purchasing, or selling, certain mutual funds. The plans delegated to Roth and CCM certain authority over the plans' holdings and investments. The plans paid CCM a fee, in the form of a percentage of assets under management, for the services Roth and CCM provided.

12. **Comprehensive Asset Management and Servicing, Inc.** has been registered with the Commission as a broker-dealer firm since 2002. It is an affiliate of Comprehensive Capital Management, Inc., and both entities share common ownership. Until recently, Roth worked for and was a registered representative with Comprehensive Asset Management and Servicing, Inc.

FACTS

13. A nonqualified deferred compensation plan is an arrangement between an employer and an employee to pay the employee certain compensation in the future. Until recently, CCM and Roth served as investment advisers for the deferred compensation plans of several small businesses located nationwide (“Plans”).

14. The Plans invested employee-participants’ deferred compensation in mutual funds. When a participant sought a distribution from the Plan, mutual fund shares would be transferred from the Plan’s brokerage account to a brokerage account held in the name of Relief Defendant KeyOp Exercise, Inc. Shares from different Plans were commingled in the KeyOp account. Roth would then sell or redeem the mutual fund shares. Roth was then supposed to forward the cash proceeds from the redemption to the Plan or the participant.

15. From October 2010 through February 2011, Roth stole more than \$6 million of mutual fund shares from the Plans, redeemed the shares, and absconded with the proceeds. Here’s how he did it: (a) he transferred the Plans’ mutual fund shares to KeyOp’s account even though no such transfer had been

requested or authorized by the Plans or their participants; (b) Roth then sold or redeemed the shares; after which (c) he funneled the money to various companies and accounts under his control or for his benefit, including to relief defendants.

16. At the time he was engaging in his scheme, Roth did not tell the Plans or their participants about the transfers. Instead, he sent them bogus account statements that deliberately omitted his surreptitious transfer of the mutual fund shares. Thus, the account statements overstated the Plans' account holdings, and concealed Roth's theft.

COUNT I

Violations of Section 10(b) of the Exchange Act, and Exchange Act Rule 10b-5 (Against Defendant Timothy J. Roth)

17. Paragraphs 1 through 16 are realleged and incorporated by reference.

18. As more fully described in paragraphs 1 through 16 above, Roth, in connection with the purchase and sale of securities, by the use of the means and instrumentalities of interstate commerce and by the use of the mails, directly and indirectly: used and employed devices, schemes and artifices to defraud; made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and engaged in acts, practices and courses of business which operated or would have operated

as a fraud and deceit upon purchasers and sellers and prospective purchasers and sellers of securities.

19. Roth knew, or was reckless in not knowing, of the facts and circumstances described in paragraphs 1 through 16 above.

20. By reason of the foregoing, Roth 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 II

Aiding and Abetting Violations of Advisers Act Sections 206(4) and Adviser Act Rule 206(4)-2 (Against Defendant Timothy J. Roth)

21. Paragraphs 1 through 16 are realleged and incorporated by reference.

22. CCM, while acting as an investment adviser, engaged in acts, practices or courses of business which are fraudulent, deceptive or manipulative with respect to an investor by maintaining custody of client funds or securities without engaging a qualified custodian either (a) in a separate account for each client under that client's name or (b) in accounts that contain only the client's funds and securities under the adviser's name.

23. Roth generally was aware or knew that his actions were part of an overall course of conduct that was improper or illegal.

24. Roth substantially assisted or was a proximate cause of the principal violation of the Advisers Act.

25. By reason of the foregoing, Roth has violated Sections 206(4) and Rule 206(4)-2 of the Advisers Act. [15 U.S.C. §§ 80b-6(4) and 17 CFR 275.206(4)-2].

COUNT III

Aiding and Abetting Violations of Advisers Act Sections 206(1) and 206(2) (Against Defendant Timothy J. Roth)

26. Paragraphs 1 through 16 are realleged and incorporated by reference.

27. Comprehensive Capital Management, Inc. committed a primary violation of Section 206(1) and 206(2) of the Advisers Act in the course of acting as an investment adviser, by use of the mails, and the means and instrumentalities of interstate commerce, directly or indirectly, knowingly, willfully or recklessly: (i) employing devices, schemes or artifices to defraud its clients or prospective clients; and (ii) engaging in transactions, practices and courses of business which have operated as a fraud or deceit upon its clients or prospective clients.

28. Roth generally was aware or knew that his actions were part of an overall course of conduct that was improper or illegal.

29. Roth substantially assisted or was a proximate cause of the principal violation of the Advisers Act.

30. By reason of the foregoing, Roth has violated Sections 206(1) and 206(2) of the Advisers Act. [15 U.S.C. §§ 80b-6(1) and 80b-6(2)].

COUNT IV

**Equitable Claim With Respect to Relief Defendants
(Against Relief Defendants KeyOp Exercise, Inc.,
Mezolink, Inc., VCN Celect.org, LLC,
and Vcomm Networks of Canada)**

31. Paragraphs 1 through 16 are realleged and incorporated by reference.

32. Relief Defendants KeyOp Exercise, Inc., Mezolink, Inc., VCN Celect.org, LLC, and Vcomm Networks of Canada, directly or indirectly, received funds or benefited from the use of such funds, which are the proceeds, or are traceable to the proceeds, of Roth's unlawful activity alleged in paragraphs 1 through 16.

33. Relief Defendants have no legitimate claim to these funds that they received or from which they otherwise benefited, directly or indirectly.

34. Based upon the allegations set forth above, the Relief Defendants have been unjustly enriched by their direct or indirect receipt of or benefit from investor funds.

35. The Commission is entitled to an order requiring the Relief Defendants to disgorge all of the proceeds of investor funds they received or from which they benefited, either directly or indirectly.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court:

I.

Issue findings of fact and conclusions of law that Defendant Timothy J. Roth committed the violations charged and alleged herein.

II.

Enter an Order of Permanent Injunction restraining and enjoining Defendant Timothy J. Roth, his agents, servants, employees, attorneys and those persons in active concert or participation with him who receive actual notice of the Order, by personal service or otherwise, and each of them from, directly or indirectly, engaging in the transactions, acts, practices or courses of business described above, or in conduct of similar purport and object, in violation Section 10(b) of the Exchange Act [15 U.S.C. § 78j] and Rule 10b-5 [17 CFR § 240.10b-5] thereunder.

III.

Enter an Order of Permanent Injunction restraining and enjoining Defendant Roth, his officers, agents, servants, employees, attorneys and those persons in active concert or participation with his who receive actual notice of the Order, by personal service or otherwise, and each of them from, directly or indirectly, engaging in the transactions, acts, practices or courses of business described above, or in conduct of similar purport and object, in violation of

Sections 206(1), 206(2) and 206(4) of the Advisers Act [15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b-6(4)].

IV.

Issue an Order requiring Defendant Timothy J. Roth to disgorge the ill-gotten gains he received as a result of the violations alleged in this Complaint, including prejudgment interest.

V.

With regard to the Defendant Timothy J. Roth's violative acts, practices and courses of business set forth herein, issue an Order imposing upon Roth appropriate civil penalties pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)].

VI.

Enter an Order requiring Relief Defendants KeyOp Exercise, Inc., Mezolink, Inc., VCN Celect.org, LLC, and Vcomm Networks of Canada to disgorge all funds they received from Defendant Timothy J. Roth's ill-gotten gains or by which they have been unjustly enriched, including all investor funds transferred to them or used for their benefit, wherever located, including jurisdictions outside of the United States, including prejudgment interest thereon.

VII.

Retain jurisdiction of this action in accordance with the principals 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.

VIII.

Grant such other relief as this Court deems appropriate.

**UNITED STATES SECURITIES
AND EXCHANGE COMMISSION**



By: _____

Jonathan S. Polish

Steven L. Klawans

James G. O'Keefe

Attorneys for Plaintiff

U.S. SECURITIES AND

EXCHANGE COMMISSION

175 West Jackson Blvd., Suite 900

Chicago, IL 60604

Telephone: (312) 353-7390

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