

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

Case No. _____-Civ

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

RICHARD OLIVE and SUSAN OLIVE,

Defendants,

and

WE'RE NOT ALONE, LLC,

Relief Defendant.

COMPLAINT

Plaintiff, United States Securities and Exchange Commission (“SEC”), states and alleges as follows against Defendants Richard Olive and Susan Olive, and Relief Defendant We’re Not Alone, LLC (“WNA”):

SUMMARY OF THE CASE

1. Richard Olive and Susan Olive defrauded hundreds of senior citizens by taking their hard-earned savings with inflated promises of value and safety, while luring these investors by falsely claiming to donate millions of dollars to charity. The Olives were the key executives at We The People, Inc. of the United States (“We The People”), a purported charitable organization based in Tallahassee, Florida. We The People, through Richard and Susan Olive, perpetrated their fraudulent scheme by making false and misleading statements in connection

with the offer, sale, and purchase of securities. Enticed by the scheme, investors transferred assets – stocks, annuities, real estate, or cash – to We The People in exchange for an investment product that We The People called a “tax-deductible gift annuity” or “charitable gift annuity” (“CGA”). From June 2008 through April 2012 (the “Relevant Period”), We The People raised over \$75 million in assets from approximately 400 investors in over 30 states, including Florida, Colorado, and Texas. Almost all of these investors are elderly.

2. The Olives essentially hijacked We The People – which had been largely dormant for years – and used it as a vehicle to raise money, not for charity, but for themselves. Throughout the Relevant Period, We The People did minimal charitable work, but paid the Olives more than a million dollars. Indeed, the Olives took far more than that, misappropriating hundreds of thousands of dollars in investor funds without the knowledge or approval of anyone at We The People. The Olives funded their scheme through the sale of bogus investment products: the CGAs.

3. The marketing and promotional materials for the CGA offering – drafted by Richard Olive, with assistance from Susan Olive – contained several misrepresentations and omissions of material fact, including:

- misleading investors about the value of the CGAs, claiming they had the same worth as the assets that investors exchanged – the “full accumulated value” – when, in fact, they were only worth 65 to 75 percent of that value;
- falsely claiming that the CGAs were safe and secure, touting a non-existent “trust account” with a reputable trust institution and falsely stating that that We The People obtained “reinsurance,” *i.e.*, additional insurance to protect against any risk of loss;
- failing to disclose the sizable commissions We The People paid to third-party promoters – and to Richard and Susan Olive – on the sale of CGAs, hiding that these commissions totaled several million dollars; and

- hiding from investors the indictments and regulatory sanctions issued against Richard and Susan Olive for fraudulently selling similar products at a company they ran known as National Foundation of America (“NFOA”).

We The People also made false public statements regarding the amount of charitable contributions it made, significantly exaggerating those contributions.

4. Throughout the time of We The People’s fraudulent offering, Richard and Susan Olive played critical roles in producing and disseminating We The People’s marketing and promotional materials, as well as administering the CGA program. Richard and Susan Olive schemed to defraud investors and violated several provisions of the federal securities laws.

5. The SEC brings this civil enforcement action against Richard and Susan Olive seeking permanent injunctions, disgorgement plus prejudgment and postjudgment interest, and civil penalties for violations of, and/or aiding and abetting violations of, Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77e(a), 77e(c), 77q(a)]; Sections 10(b) and 15(a) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78j(b) and 78o(a)]; and Rule 10b-5 [17 C.F.R. §240.10b-5].

JURISDICTION AND VENUE

6. The Court has jurisdiction pursuant to Securities Act Sections 20(b) and 22(a) [15 U.S.C. §§ 77t(b) and 77v(a)], and Exchange Act Sections 21(d) and (e), and 27 [15 U.S.C. §§ 78u(d) and (e) and 78aa].

7. In connection with the acts described in this Complaint, Richard and Susan Olive used the mails, other instruments of communication in interstate commerce, and means or instrumentalities of interstate commerce.

8. Venue lies in this Court pursuant to Securities Act Section 22(a) [15 U.S.C. § 77v(a)], Exchange Act Section 27 [15 U.S.C. § 78aa], and 28 U.S.C. § 1391(b)(1) & (2). On information and belief, Richard and Susan Olive maintain their residence in the Southern District

of Florida. Further, certain of the acts and practices described in this Complaint occurred in the Southern District of Florida. Richard and Susan Olive participated in the offer and sale of securities in the Southern District of Florida, and certain investors in We The People reside in the Southern District of Florida.

DEFENDANTS

9. On information and belief, **Richard Olive**, age 47, resides in Vero Beach, Florida. From March 2008 through April 2012, Richard Olive served as We the People's chief of program services.

10. On information and belief, **Susan Olive**, age 48, resides in Vero Beach, Florida. From March 2008 through April 2012, Susan Olive served as We the People's chief of finance and administration.

11. **We're Not Alone, LLC ("WNA")**, is a Florida limited liability company based in Tallahassee, Florida. Susan Olive claims ownership of WNA.

RELATED PARTY

12. **We The People, Inc. of the United States** was founded in 1987 and originally operated as non-profit organization that promoted nuclear safety. From the late 1990s until 2008, We The People was an entity that had no assets and limited operations. However, We The People became significantly more active in March 2008, when Richard and Susan Olive were brought on board.

FACTUAL BACKGROUND

I. The Olives Join We The People.

13. In March 2008, the Olives signed a joint employment agreement with We The People. Under the agreement, We The People and Richard and Susan Olive agreed to raise

money for We The People in exchange for commission payments. The Olives raised these funds through sales of CGAs.

14. Originally, Richard and Susan Olive agreed to receive a combined 1.5% commission on all money raised through the CGA program. In March 2009, We The People and Richard and Susan Olive increased the combined percentage to 2.5%. And in June 2009, Richard and Susan Olive started receiving a base salary as well as a combined .75% commission.

15. During their period of employment, March 2008 to April 2012, Richard and Susan Olive paid themselves over \$1.1 million in salary and commission – including several hundred thousand dollars in unauthorized payments.

16. At the time they joined We The People, Richard and Susan Olive were subject to numerous adverse legal proceedings related to their previous business, NFOA. Richard and Susan Olive ran an investment program at NFOA, a purported charity based in Tennessee, which involved having elderly individuals transferring assets to NFOA and, in exchange for the transferred assets, NFOA would issue investors a product similar to We The People's CGAs.

17. By the time Richard and Susan Olive joined We The People, regulators in several states, including, but not limited to, Alabama, California, Florida, Iowa, Tennessee, Texas, and Washington had determined that NFOA's products were not properly registered, or that NFOA made misleading statements to investors in connection with the sale of the products. For example:

- In April 2007, the State of Florida determined that Richard Olive and Susan Olive were engaged in unauthorized and illegal transactions through NFOA and presented "an immediate danger to the public health, safety or welfare of Florida consumers."
- In May 2007, the Texas State Securities Board issued a cease and desist order which found that NFOA's products were "securities" and that the securities were sold illegally both because they were unregistered and because NFOA and Richard Olive

“intentionally” failed to disclose “material facts” in connection with the sales of those securities.

- Also in May 2007, the State of Tennessee brought a civil suit against NFOA and Richard and Susan Olive, among others, for selling products without the proper licenses and registration. Shortly thereafter, the court appointed a receiver to wind down NFOA’s affairs.

18. Richard and Susan Olive’s conduct at NFOA also resulted in criminal charges. In February 2010, while they were employed by We The People, a Tennessee grand jury indicted Richard and Susan Olive on multiple theft charges in connection with their sale of investment products at NFOA. Then, in March 2012, a federal grand jury in the Middle District of Tennessee indicted Richard Olive on several fraud counts arising out of his actions at NFOA.

II. The Olives Offered and Sold We The People CGAs.

19. Richard and Susan Olive were hired by We The People to create and run the CGA program. Beginning on or about May 2008 and continuing through April 2012, We The People solicited investors to purchase CGAs, which were securities, through an asset exchange. Specifically, We The People offered to have investors exchange various assets – including stocks, annuities, real estate, or cash – for a CGA. Under the CGA agreement, We The People agreed to make periodic payments, immediately or after a period of deferment, for the lifetime of the CGA purchaser and, sometimes, his or her designated beneficiary.

20. Richard and Susan Olive were directly involved in nearly all aspects of the We The People’s CGA program, and received commissions based on the assets transferred. Richard Olive organized We The People’s sales operations, drafted the marketing and promotional materials and caused their distribution, and solicited investors. Susan Olive had the primary responsibility at We the People for the financial administration of the CGA program and assisted Richard Olive in marketing and promoting the CGAs. She collected proceeds from transferred

assets, controlled payments to management, and determined and paid commissions to herself, Richard Olive, and so-called “marketing advisors,” who were third-party promoters that helped sell We The People’s CGAs. Richard and Susan Olive, together with one other individual, formed the “executive management group” at We The People and were the highest-paid employees at We The People.

21. Richard and Susan Olive conducted seminars about the program for potential investors and, at those seminars, distributed promotional materials related to the program. Richard Olive was featured on promotional videos distributed by We The People and also spoke directly with individuals over the phone to solicit investments with We The People.

22. Investors also learned about We The People’s investment product from third-party promoters (recruited by Richard Olive) who signed marketing agreements with We The People. We The People would provide these promoters with materials, including flyers, letters, illustrations, and even videos, to use in soliciting the investments. We The People paid these promoters significant commissions, ranging from 7-10% of the value of the investor assets exchanged for CGAs.

23. Investors further learned about We The People’s product from its website, direct mail solicitations, or through in-person seminars conducted by Richard and Susan Olive.

24. During the period We The People was issuing and exchanging securities, it claimed to operate as a non-profit organization. However, rather than operate as a charity, Richard and Susan Olive operated We The People for the primary purpose of issuing CGAs. Richard and Susan Olive also used the proceeds of the CGA offering to pay substantial sums to themselves, third-party promoters, and consultants.

25. Although called a “charitable gift annuity,” We The People’s CGAs were different from CGAs issued legitimately for several reasons, including, but not limited to: (a) We The People marketed the product based on false representations regarding the financial benefits of its CGAs; (b) We The People utilized third party promoters who touted We The People’s CGA products in exchange for significant, undisclosed commissions; (c) We The People issued CGAs primarily to benefit the Olives and third-party promoters, rather than charity; and (d) assets transferred to We The People in exchange for CGAs were its only source of funds.

26. By the end of 2009, investors had transferred almost \$10 million in assets to We The People in exchange for its CGAs. By the end of 2010, that number had risen to over \$25 million. And as of April 2012, when We The People ceased offering CGAs in response to the SEC’s investigation of its conduct, We The People had received over \$75 million in assets from over 400 investors in over 30 states in exchange for the issuance of its investment products. A portion of the assets received in exchange for CGAs consisted of stocks and other securities.

III. Richard Olive Made Materially False, Fraudulent, and Misleading Statements and Omissions.

27. As a part of the scheme, Richard Olive drafted marketing materials for We The People that contained numerous false and misleading statements and omissions. Richard Olive also directly made numerous false and misleading statements and omissions.

A. Richard Olive Made False, Fraudulent, and Misleading Statements About the Value of the CGAs.

28. Richard Olive both drafted for We The People, and directly made himself, false statements about the value of the CGAs. He claimed that the CGAs investors were receiving were equivalent in value to the assets they exchanged, when in fact the CGAs were worth far less.

29. For example, in a letter sent to prospective investors describing the CGA product, We The People stated that each CGA was worth the “full accumulated value” of the asset the investor was transferring. This letter, drafted by Richard Olive, was sent to investors and prospective investors throughout the Relevant Period.

30. In a promotional DVD distributed by We The People, Richard Olive reiterated the “full accumulated value” claim, repeatedly stating that if potential investors exchanged an existing annuity, they would receive a CGA worth the full accumulated value of their old annuity. This DVD, which was created in 2010 and distributed throughout the remainder of the Relevant Period, was sent to third-party promoters with the intent that it be shown to potential investors.

31. The “full accumulated value” claim was also made in marketing materials drafted by Richard Olive and distributed by We The People throughout the Relevant Period. For example:

- A We The People postcard poses the question: “Who’s going to bail out your annuity at the Full Accumulated Value – and you can receive Cash back?”
- Another postcard, titled “I WANT YOUR ANNUITY!!!,” states that the potential investor would “[k]eep [the] FULL ACCUMULATED VALUE” of their transferred asset.
- A flyer entitled “the Annuity Exchange” notes the following “simple” steps to receiving a CGA: “Annuity owner signs a change of ownership form. We The People (WTP) issues a new annuity to you at the accumulated value of the exchanged annuity.”
- A letter sent to third-party promoters claims that, in exchange for “a variety of assets, including annuities, real estate, securities and cash,” investors would receive, among other things, a “New Contract at the FULL Accumulated Value.”

32. During seminars held throughout the Relevant Period, Richard Olive made similar misstatements, telling investors and potential investors that they would receive a CGA “issued at the accumulated value” of their exchanged asset.

33. Each of these statements was false and misleading. Potential investors were not told in advance of transferring their assets to We The People that the value of the CGA issued in exchange for the transferred assets was always substantially less than the transferred assets’ full accumulated value. It was worth less because We The People took a significant percentage of the asset’s value and kept it as a purported “charitable gift.” Indeed, We The People’s internal calculations showed that the value of the CGAs were typically only 65 to 75 percent of the value of the assets transferred.

B. Richard Olive Made False, Fraudulent, and Misleading Statements About the Security of the CGAs.

34. Richard Olive also drafted, and directly made, misstatements regarding the safety and security of We The People’s CGAs. He claimed that the CGAs were backed by reserves in an untouchable “trust account,” and that We The People carried “reinsurance” as a way to mitigate any risk of loss. Neither claim was true.

35. We The People and Richard Olive falsely stated that We The People maintained a significant, secure reserve. For example:

- In the promotional DVD discussed at paragraph 30 above, Richard Olive pushed the “safety and security” of the CGA investment, claiming that “we ... maintain 110% of the present value secured in a trust account at SEI Private Trust Company.”
- In marketing materials drafted by Richard Olive and distributed throughout the Relevant Period, We The People further touted its purported reserve with SEI, stating that, because “[t]he safety and security of assets is paramount,” it had “chosen to use a trust institution with over \$15.7 billion under management, SEI Private Trust,” to “segregate[] assets and hold[] them as custodian.” The materials further stated that SEI provided “[s]afekeeping of investment related assets.”

- A call script drafted by Richard Olive and used by We The People employees included the claim that We The People kept their reserve account in a “trust account,” which meant the reserve could not be borrowed or loaned against.

36. In fact, We The People did not have any restricted-access “trust accounts,” let alone maintain a “reserve” in them. Further, We The People did not have a “trust account” with SEI, but rather maintained only a small brokerage account.

37. Indeed, We The People’s legal counsel instructed Richard Olive to stop representing that We The People maintained reserves backed by assets held in trust because such statements were false. In spite of that instruction, Richard Olive continued to make this false representation.

38. Further with respect to the safety and security of the investment, We The People and Richard Olive falsely stated that We The People “reinsured” its investment products, *i.e.*, that We The People carried additional insurance to protect against any risk of loss. For example:

- In a flyer entitled “We The People Reinsurance,” We The People claimed that it purchased “[r]einsurance contracts” “issued by highly rated commercial insurance companies,” and that it did so “in order to minimize the risks” of its CGAs.
- In another flyer, We The People touted that “We now offer Reinsurance.”
- In the promotional DVD discussed at paragraph 30 above, Richard Olive further told potential investors that We The People “backed up our liability” through a reinsurance carrier.

39. Richard Olive even told We The People’s legal counsel that he had obtained reinsurance from an insurance company to cover its potential liabilities under the CGAs.

40. These statements were false. In reality, Richard Olive did not purchase reinsurance from an insurance company to cover We The People’s potential liabilities under the CGAs, nor was there any obligation from any insurance company to any investor to cover losses in the event We The People defaulted on its payment obligations.

C. Richard Olive Made False, Fraudulent, and Misleading Statements About the Olives' Checkered Past, and Lucrative Present.

41. Neither We The People's public disclosures (including marketing materials and other documents drafted by Richard Olive with the assistance of Susan Olive) nor Richard Olive's statements to investors ever disclosed significant, material information about the Olives, including:

- that the Olives had been found to have engaged in securities fraud in connection with the sale of similar investment products at NFOA, as discussed in paragraph 17 above;
- that the Olives had been criminally indicted for their conduct at NFOA, as discussed in paragraph 18, above; and
- that We The People paid significant commissions to the Olives for the sale of CGAs, ranging from .75% to 2.5% during the Relevant Period.

42. We The People and Richard Olive also failed to disclose to investors that We The People typically paid commissions of 7%, and in some instances up to 10%, to third-party promoters in connection with the sale of CGAs.

D. Richard Olive's Misstatements and Omissions Were Material.

43. Each of the above misstatements and omissions was material to investors. For example, it would be important to investors to know that, rather than receive a CGA worth the "full accumulated value" of the asset they were exchanging, they were in fact receiving a CGA worth far less than the original asset. Further, it would be important to investors to know that their investments were not backed by reserves in a trust account, or by reinsurance. It would also be important to know that both the Olives and the third-party promoters were being paid significant commissions on the sale of each investment product; this suggests that the Olives and the promoters had their own personal interests, rather than the best interests of investors, in mind when recommending the CGAs. Finally, it would be important for investors to know that they

were dealing, not with executives who had a sterling past in charity work or investments, but rather with people who had been civilly censured and criminally indicted in connection with their roles in a similar investment scheme.

IV. The Olives Engaged in a Scheme to Defraud.

44. The misstatements and omissions detailed above were only part of a fraudulent scheme to hijack a charity, use it to entice investors to trade in millions of dollars in assets for less-valuable CGAs, and use the difference in value to pay out significant salaries and commissions rather than do real charity work. This scheme was perpetuated by We The People, at the direction of Richard and Susan Olive.

45. In addition to the misstatements and omission outlined in Section III, above, the Olives also presented We The People as a legitimate charity when it was in fact only a front to sell bogus investment products. In 2010, for example, We The People incurred almost \$3 million in expenses. These expenses included \$1.25 million in commission payments to third-party promoters, and \$400,000 in salary and commissions to the Olives. During this period, We The People spent less than \$200,000 on purported charitable services.

46. Indeed, We The People directed only an insignificant amount of the money raised towards charitable services, contrary to its representations. For instance, in a December 7, 2009 press release, We The People claimed it had “donate[d] 21.8 million in relief aid” to AIDS orphans in Zambia, when in fact the supplies were donated by others and WTP merely made a small donation to cover the cost of a third-party to ship the supplies.

47. Further, the Olives surreptitiously misappropriated nearly three-quarters of a million dollars of investor funds from We The People. For example, during the Relevant Period, and without the knowledge and approval of others at We The People, Richard and Susan Olive

paid themselves approximately \$440,000 more than what was authorized under their employment agreement. Richard and Susan Olive also diverted approximately \$200,000 of offering proceeds to an entity under Susan Olive's control, WNA, and further diverted approximately \$100,000 to pay their personal legal expenses.

48. Richard Olive engaged in numerous deceptive acts in furtherance of the scheme. For example, in addition to hiding from investors the material facts detailed in Section III above, Richard Olive:

- Directly misrepresented to investors the value and security of the CGAs;
- Drafted We The People's key misrepresentations about the value and security of the CGAs;
- Failed to disclose, either directly to investors or in the We The People marketing materials that he drafted, that We The People was paying significant commissions on the sale of CGAs, or that he and Susan Olive had a checkered past with the regulatory and criminal authorities;
- Lied to We The People's legal counsel when claiming We The People had reinsurance, when he knew in fact it did not; and
- Misappropriated hundreds of thousands of dollars of investor funds from We The People for his and Susan Olive's personal gain.

49. Susan Olive also committed several deceptive acts in furtherance of the scheme. Among other things, Susan Olive assisted Richard Olive in the preparation and then distribution of We The People's marketing materials to investors and third-party promoters, and misappropriated hundreds of thousands of dollars of investor funds from We The People for her and Richard Olive's personal gain.

V. The Olives Acted With Scienter.

50. Richard Olive acted with scienter in making the various misstatements outlined in Section III above, and in perpetrating the fraudulent scheme outlined in Section IV above. Given

his position at We The People, and his significant involvement in the development of both the CGA program and the accompanying marketing materials, Richard Olive knew, or was reckless in not knowing, that the above statements and omissions were false and misleading, and that he was committing deceptive acts in furtherance of the scheme.

51. Among other things, Richard Olive knew, or was reckless in not knowing, that:

- The value of the CGA issued in exchange for the transferred assets was always substantially less than those assets' full value.
- We The People did not maintain reserves. Indeed, Richard Olive continued to make this misrepresentation despite being instructed by We The People's legal counsel to stop because such a statement was false.
- We The People did not purchase reinsurance. Despite knowing this, Richard Olive lied not only to investors, but to We The People's own legal counsel, about whether reinsurance in fact existed.
- Neither he nor We The People disclosed the commissions paid for sales of CGAs.
- Neither he nor We The People disclosed the Olives' regulatory troubles or criminal past.
- We The People was not a legitimate charity, but rather devoted only minimal amounts to charitable services.
- He and his wife misappropriated hundreds of thousands of dollars of investor funds from We The People for their own personal gain.

52. Susan Olive also acted with scienter. Given her position at We The People, her knowledge of the finances of We The People (including, for example, commission payments), and her role in assisting Richard Olive in the preparation and then distribution of We The People's marketing materials to investors and third-party promoters, Susan Olive knew, or was reckless in not knowing, that the above misstatements and omissions were false and misleading, and that she was committing deceptive acts in furtherance of the fraudulent scheme.

53. Among other things, Susan Olive knew, or was reckless in not knowing, that:

- We The People's marketing materials, whose preparation she assisted, were materially false and misleading.
- The value of the CGA issued in exchange for the transferred assets was always substantially less than those assets' full value.
- We The People was not a legitimate charity, but rather devoted only minimal amounts to charitable services.
- She and Richard Olive misappropriated hundreds of thousands of dollars of investor funds from We The People for their own personal gain.

VI. The Olives Aided and Abetted We The People's Fraud.

54. In addition to directly making misstatements, Richard Olive also aided and abetting We The People's false statements and omissions. Specifically, he aided and abetted We The People's violations of Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder. As detailed in Section III above, Richard Olive drafted all of We The People's marketing materials, which included misstatements about the value and security of the CGAs, and omissions of the significant commissions paid and the Olives' checkered past. As further detailed in Section V above, Richard Olive knew these statements were false and misleading.

55. Susan Olive alternatively aided and abetted Richard Olive's and We The People's fraud. Specifically, she aided and abetted Richard Olive's and We The People's violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder. For example, given her position at We The People, and her role in assisting Richard Olive in the preparation of We The People's marketing materials, she knew that those materials were materially false and misleading. She also knew that We The People was not a legitimate charity, but rather devoted only minimal amounts to charitable services.

56. Susan Olive substantially assisted Richard Olive's and We The People's fraud. For example, she assisted in the preparation and distribution of the false and misleading

marketing materials. She further misappropriated hundreds of thousands of dollars of investor funds from We The People for her and Richard Olive's personal gain. Susan Olive aided and abetted the fraud throughout the Relevant Period.

VII. The Olives Sold Unregistered Securities.

57. Section 5 of the Securities Act prohibits any offer, directly or indirectly, to sell a security unless a registration statement for that security has been filed with the SEC. A registration statement is transaction specific. Each sale of a security must either be made pursuant to a registration statement or fall under a registration exemption.

58. The interests in the CGAs were investment contracts, which are securities under federal law.

59. We The People's CGAs were promoted and marketed as investments. We The People claimed that its CGAs were the "Best Investments for Retirement Income," worth the "full accumulated value" of the assets transferred by investors to We The People, and that purchasers would receive an income stream, penalty free cash withdrawals, and tax benefits.

60. Investors with We The People did not have any duties or management roles in the operation of the We The People CGA program. Investors were dependent upon the expertise and efforts of Richard and Susan Olive for their returns. Also, We The People pooled investor funds in various bank accounts.

61. At the time of the offers and sales of the interests in We The People's CGA program, there were no registration statements filed and in effect with respect to the program.

62. We The People offered and sold interests in the investment program to hundreds of investors in multiple states. WTP operated a website available to anyone and mailed informational postcards to, and held investment seminars with, individuals that had no pre-

existing relationship with We The People. Except for the purported returns and identification of items being exchanged, the terms of the investment contracts were substantially similar.

63. The Olives did not provide current or prospective investors with material, accurate information about We The People's finances or about the value of the investment contracts that We The People sold. The Olives also did not provide current or prospective investors with an audited balance sheet for We The People, or any other accurate, material financial disclosures.

64. The Olives took no steps to ensure that the offering and sale of the CGAs were directed to only a small number of sophisticated investors and, in fact, took no steps to determine potential investors' net worth, or that investors had the knowledge, experience, or business acumen to qualify as sophisticated or accredited investors. Most of the investors were elderly, many were unsophisticated, and some invested a significant portion of their entire savings with We The People.

65. Richard and Susan Olive were key participants in the offering and received commissions. As described previously, Richard Olive organized We The People's sales operations, drafted and distributed the marketing materials, and solicited investors and third-party promoters. Susan Olive collected proceeds from transferred assets, controlled payments to management and promoters, and assisted Richard Olive in preparing and distributing marketing materials.

66. The CGAs were not issued by an entity organized and operated exclusively for religious, educational, benevolent, fraternal, charitable, or reformatory purposes.

67. Most, if not all, of the CGAs were not subject to the supervision of a state insurance commissioner, bank commissioner, or like agency.

VIII. The Olives Acted as Unregistered Broker-Dealers.

68. Section 15(a)(1) of the Exchange Act prohibits a broker or dealer from using jurisdictional means such as the telephone or mails to effect transactions in securities unless the broker or dealer is registered with the SEC. Section 3(a)(4) of the Exchange Act defines a “broker” as any person who is engaged in the business of effecting transactions in securities for the account of others. Section 3(a)(5) of the Exchange Act defines a “dealer” as any person engaged in the business of buying and selling securities for the person’s own account through a broker or otherwise.

69. As detailed herein, Richard and Susan Olive participated in CGA transactions and received commissions, but neither Richard nor Susan Olive were registered as broker-dealers nor affiliated with any broker-dealers at the time of the offers and sales of the interests in We The People’s CGAs.

**FIRST CLAIM FOR RELIEF
Fraud - Violations of Securities Act Section 17(a)
[15 U.S.C. § 77q(a)]**

70. The SEC incorporates the allegations of paragraphs 1 through 69 as if fully set forth herein.

71. Richard and Susan Olive, directly or indirectly, with scienter, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, employed a device, scheme, or artifice to defraud, in violation of Section 17(a)(1) of the Securities Act.

72. Richard and Susan Olive, directly or indirectly, in the offer or sale of securities, by 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 omissions to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading, in violation of Section 17(a)(2) of the Securities Act.

73. Richard and Susan Olive, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, engaged in transactions, practices, or courses of business which have been or are operating as a fraud or deceit upon the purchasers of securities, in violation of Section 17(a)(3) of the Securities Act.

74. Richard and Susan Olive have violated, and unless restrained and enjoined will in the future violate Securities Act Section 17(a) [15 U.S.C. § 77q(a)].

SECOND CLAIM FOR RELIEF
Fraud – Violations of Exchange Act Section 10(b) and Rule 10b-5 Thereunder
[15 U.S.C. §§ 78j(b) and 17 C.F.R. § 240.10b-5]

75. The SEC incorporates the allegations of paragraphs 1 through 69 as if fully set forth herein.

76. Richard and Susan Olive, acting with scienter, by use of means or instrumentalities of interstate commerce or of the mails, or of any facility of a national securities exchange, used or employed, in connection with the purchase or sale of a security, a manipulative or deceptive device or contrivance in contravention of the rules and regulations of the SEC, in violation of Section 10(b) of the Exchange Act.

77. Richard and Susan Olive, acting with scienter, employed devices, schemes or artifices to defraud, or engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon any person, in violation of Rule 10b-5(a) and (c).

78. Richard Olive, acting with scienter, made untrue statements of material fact or 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, in violation of Rule 10b-5(b).

79. Richard and Susan Olive have violated, and unless restrained and enjoined will in the future violate Exchange Act Sections 10(b) and Rule 10b-5 [15 U.S.C. §§ 78j(b) and 17 C.F.R. § 240.10b-5].

THIRD CLAIM FOR RELIEF
Fraud – Aiding and Abetting We The People’s Violations of
Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder
[15 U.S.C. §§ 78j(b) and 17 C.F.R. §240.10b-5]
(Against Defendant Richard Olive)

80. The SEC incorporates the allegations of paragraphs 1 through 69 as if fully set forth herein.

81. We The People violated Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder.

82. Richard Olive knew, or was reckless in not knowing, of We The People’s violations of Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder, and he substantially assisted We The People in committing these violations.

83. By reason of the foregoing, Richard Olive aided and abetted We The People’s violations of Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder, and unless restrained and enjoined will continue to aid and abet violations of these provisions.

FOURTH CLAIM FOR RELIEF

Fraud – Aiding and Abetting Richard Olive’s and We The People’s Violations of Securities Act Section 17(a) [15 U.S.C. § 77q(a)] and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. §§ 78j(b) and 17 C.F.R. §240.10b-5] (Alternatively, Against Defendant Susan Olive)

84. The SEC incorporates the allegations of paragraphs 1 through 69 as if fully set forth herein.

85. We The People and Richard Olive violated Section 17(a) of the Securities Act and 10(b) of the Exchange Act and Rule 10b-5 thereunder.

86. Susan Olive knew, or was reckless in not knowing, of We The People’s and Richard Olive’s violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and she substantially assisted We The People and Richard Olive in committing these violations.

87. By reason of the foregoing, Susan Olive aided and abetted We The People’s and Richard Olive’s violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and unless restrained and enjoined will continue to aid and abet violations of these provisions.

FIFTH CLAIM FOR RELIEF

Sale of Unregistered Securities – Violations of Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)]

88. The SEC incorporates the allegations of paragraphs 1 through 69 as if fully set forth herein.

89. Richard and Susan Olive, directly or indirectly, made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer and sell securities through the use or medium of a prospectus or otherwise, and carried or caused to be carried through the mails, or in interstate commerce, by means or instruments of

transportation, such securities for the purpose of sale or for delivery after sale, when no registration statement had been filed or was in effect as to such securities.

90. Richard and Susan Olive have violated, and unless restrained and enjoined, will continue to violate Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

SIXTH CLAIM FOR RELIEF
Offers and Sales of Securities by an Unregistered Broker-Dealer
Violations of Exchange Act Section 15(a)
[15 U.S.C. § 78o(a)]

91. The SEC incorporates the allegations of paragraphs 1 through 69 as if fully set forth herein.

92. Richard and Susan Olive, while engaged in the business of effecting transactions in securities for the account of others 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, a security without being registered in accordance with Section 15(a) of the Exchange Act.

93. Richard and Susan Olive have violated, and unless restrained and enjoined will in the future violate Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)]

SEVENTH CLAIM FOR RELIEF
Equitable Disgorgement, Unjust Enrichment, and Constructive Trust
(Against Relief Defendant WNA)

94. The SEC incorporates the allegations of paragraphs 1 through 69 as if fully set forth herein.

95. WNA obtained money, property and assets which are the proceeds, or are traceable to the proceeds, of the violations of the securities laws by Richard and Susan Olive.

96. WNA has no legitimate claim to these ill-gotten gains.

97. WNA should be required to disgorge all ill-gotten gains to which it has no legitimate claim under the equitable doctrines of disgorgement, unjust enrichment, and constructive trust.

PRAYER FOR RELIEF

WHEREFORE, the SEC respectfully requests that the Court:

1. Find that the Defendants Richard and Susan Olive committed each of the violations alleged in this Complaint;
2. Enter Injunctions, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently restraining and enjoining Defendants Richard and Susan Olive, and their officers, agents, servants, employees, attorneys, fictitious trade name entities, and those persons in active concert or participation with them who receive actual notice by personal service or otherwise, from violating the laws and rules alleged in this Complaint;
4. Order that Defendants Richard and Susan Olive, and Relief Defendant WNA, each disgorge all ill-gotten gains, together with prejudgment and post judgment interest;
5. Order that Defendants Richard and Susan Olive pay civil money penalties pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Section 21(d) [15 U.S.C. § 78u(d)];
6. Order that Defendants Richard and Susan Olive, and Relief Defendant WNA, and any entities that they control, each prepare a sworn accounting of their receipt, disbursement and/or use of any funds received directly or indirectly from any investor and include a schedule of each of their assets and liabilities and a schedule of the assets and liabilities of any entities that they control;
7. Order such other relief as this Court may deem just or appropriate.

JURY DEMAND

Plaintiff demands a jury in this matter.

Dated: February 4, 2013

Respectfully submitted,

/s/ Nicholas Heinke
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