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

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**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

v.

**BRETT A. COOPER,**

**GLOBAL FUNDING SYSTEMS LLC,**

**DREAM HOLDINGS, LLC,**

**FORTITUDE INVESTING, LLC,**

**PENINSULA WATERFRONT  
 DEVELOPMENT, LP,**

**REOP GROUP INC.,**

**Defendants.**

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Civil No. \_\_\_\_\_

**COMPLAINT**

Plaintiff Securities and Exchange Commission (“Commission”) [100 F St. N.E. Washington, D.C. 20549] for its complaint against Defendants Brett A. Cooper (“Cooper”) [Last known address: 232 Camelot Ct, Cinnaminson, New Jersey 08077]; Global Funding Systems LLC., (“Global Funding”), Dream Holdings, LLC (“Dream Holdings”), and REOP Group Inc. (“REOP”) [each having listed business addresses of 12 Debrosses Street, New York, New York

10013]; Fortitude Investing, LLC (“Fortitude Investing”) [106 Catbriar Court, Summerville, South Carolina 29485]; and Peninsula Waterfront Development, L.P. (“Peninsula”) [1650 Market Street, Philadelphia, PA 19103] (Global Funding, Dream Holdings, Fortitude Investing and Peninsula are collectively, the “Cooper Companies”) alleges as follows:

**SUMMARY**

1. Since at least November 2008 and continuing through in or about April 2012 (the “Relevant Period”), Cooper and the Cooper Companies perpetrated three fraudulent schemes and engaged in various fraudulent and deceitful acts, practices and courses of business in furtherance of those schemes.

2. In the first scheme, commonly referred to as a “Prime Bank Fraud,” Cooper raised approximately \$1.4 million from investors by claiming to have special access to programs that through pooling of funds allowed individual investors to participate in this investment opportunity generally available only to Wall Street insiders (“First Scheme”). In furtherance of this scheme Cooper:

- a. misrepresented to investors that the financial instruments are issued by the world’s largest and most financially sound banks;
- b. used vague, complex, and meaningless legal and financial terms designed to deceive the investors into believing that he offered legitimate investments;
- c. misrepresented to potential investors that extraordinary returns of up to 1,000 percent within as little as 60 days were possible with little risk to principal;
- d. lied to investors that their principal would be collateralized with cash or semi-precious gemstones;
- e. lied to investors that their money would remain safe in escrow with

attorneys pending the completion of certain steps in the transaction.

3. In the second scheme, also purportedly involving investment in prime bank paper, Cooper offered to participate as an investor in the purchase and trade of a \$100 million bank guarantee on the condition that all investor funds were pooled in an attorney client trust account. Cooper sent a forged escrow agreement, purportedly from an attorney, containing wiring instructions for the attorney client trust account. The wire instructions, however, were for an account controlled by Cooper, not an attorney acting as escrow agent. The four investors unwittingly deposited a total of \$925,000 in the phony escrow account which was, in fact, for Cooper's Company Dream Holdings, after which Cooper misappropriated the funds ("Second Scheme").

4. In March 2012 Cooper and his company REOP participated in a separate fraudulent transaction involving the sale of a purported Brazilian sovereign bond. ("Third Scheme"). Cooper claimed that, in exchange for a \$50,000 "fee", he would locate a buyer for the bond and open an account at a registered broker-dealer, which Cooper claimed was necessary to sell the bond. Cooper forged a letter that purported to be from the broker-dealer indicating that the bond had been "accepted" by the broker-dealer. Based upon this letter, the deceived investor paid Cooper's \$50,000 "fee".

5. All of the investors Cooper defrauded lost all of their invested funds. Cooper misappropriated their funds and used the money for his own purposes, including to pay personal expenses, buy cars, pay associates in the scheme, and fund frequent gambling junkets to casinos in Las Vegas and Atlantic City.

6. Cooper was not registered as a broker-dealer, as is required for offering securities to investors.

7. By virtue of their conduct, the defendants have engaged, and unless enjoined will continue to engage in violations of, or aid and abet violations of Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)], Sections 10(b) and 15(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. §§ 78j(b) and 78o(a)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

### **JURISDICTION AND VENUE**

8. The Commission brings this action, and this Court has jurisdiction over this action, pursuant to authority conferred by Sections 20(b) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b) and 77v(a)] and Sections 21(d), 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e) and 78aa].

9. This Court has personal jurisdiction over the defendants and venue is proper in the District of New Jersey pursuant to Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa] because each defendant engaged in transactions, acts, practices, and courses of business constituting the violations alleged herein within this District and the defendants can be found and do business in this District. During the period of the misconduct alleged in this Complaint, Cooper resided in New Jersey, and he and the Cooper Companies and REOP conducted the acts, practices, and courses of business alleged herein from within New Jersey.

10. The defendants, directly and indirectly, have made use of the means and instrumentalities of interstate commerce, and the means and instruments of transportation and communication in interstate commerce, in connection with the transactions, acts, practices, and courses of business alleged in this Complaint.

**DEFENDANTS**

11. **Brett A. Cooper**, age 37, is believed to be a resident of Cinnaminson, New Jersey. During the period of the misconduct alleged in this Complaint, Cooper resided in Moorestown and Mt. Laurel, New Jersey, and conducted the acts, practices, and courses of business alleged herein from within New Jersey. Cooper is the Managing Member of Global Funding and Dream Holdings. He is the founder and principal of Fortitude Investing, the sole director of REOP, and the managing member of PWD Philadelphia Unit, LLC, which is the general partner of Peninsula.

12. **Global Funding Systems, LLC** is a limited liability company formed under the laws of Wyoming in September 2010. Global Funding was re-formed under the laws of North Carolina in April 2011. Cooper is the Managing Member of Global Funding.

13. **Dream Holdings, LLC** is a limited liability company formed under the laws of New Jersey in June 2010. Cooper is the Managing Member of Dream Holdings.

14. **Fortitude Investing, LLC** is a limited liability company formed under the laws of South Carolina in October 2007. Cooper was founder and principal of Fortitude Investing.

15. **Peninsula Waterfront Development, LP** is a limited partnership formed under the laws of Pennsylvania in June 2009. Cooper is the managing member of PWD Philadelphia Unit, LLC, the general partner of Peninsula.

16. **REOP Group Inc.** is a corporation formed in New York in December 2010. Cooper is the sole director of REOP Group, Inc.

### **THE SCHEME TO DEFRAUD**

17. During the Relevant Period, Cooper and the Cooper Companies used the mail and wires to defraud at least 10 investors out of approximately \$2 million through fictitious investments that supposedly involved “leasing,” “leveraging,” and “trading” purported bank instruments. In reality, Cooper and the Cooper Companies never invested any of the money they received from investors, and instead misappropriated the money for Cooper’s own use.

18. Defendant Cooper, as founder, principal, managing member and sole officer in control of each of the Cooper Companies exercised ultimate authority over each of the Cooper Companies’ statements to investors alleged herein.

#### **Defendants’ Material Misstatements and Omissions, and Other Deceptive Acts and Practices in Furtherance of the Scheme to Defraud**

19. In furtherance of the First Scheme, Cooper, directly and through Global Funding, Fortitude Investing, and Dream Holdings committed, among others, the following deceitful acts and misrepresentations orally and in writing to investors during the Relevant Period:

a. Cooper misrepresented, orally and in writing, that he would acquire, “monetize”, “leverage” and “place into trade” purported bank instruments.

b. In November 2008 Defendant Fortitude Investing provided an investor a purchase contract, signed by Cooper, stating that Fortitude Investing would “monetize” a Standby Letter of Credit (“SBLC”). Cooper also provided the investor with documents stating that proceeds from the “monetization” would then be “placed into trade.”

c. In April 2010, Cooper, acting in capacity as an agent of Dream Holdings, peddled an investment in a SBLC in connection with a “bank monetization contract”. Cooper told the investor that the investment involved the trading of foreign bank instruments, that the trading program was located in Europe, and that Cooper would be sharing in the profits for his

role in the transaction.

d. In June 2011, defendant Global Funding provided a Memorandum of Understanding to an investor for a “private placement trade” for the purchase and trade of a “One Hundred Million Euro Bank Guarantee”. Cooper also provided the investor with a letter of engagement stating that Global Funding was “offering a Short-Term Guaranteed High-Yield Investment Program” involving investments in bank notes.

e. In or around June 2011, Cooper both orally and in a letter of engagement told an investor that the investor would receive a 1,000 percent return in as little as 60 days. Similarly, a December 2010 investment contract Cooper created between Global Funding and an investor provides for a return six times the investment within 60 calendar days. In truth and in fact, no returns were generated for the investors.

f. In December 2010, Cooper provided an investor with a “collateral guarantee” letter on the letterhead of an attorney acting as escrow agent for the transaction. The letter stated that the purported investment would be collateralized by semi-precious gemstones held in the name of Global Funding. In March 2010, Cooper provided a “Promissory Note” to another investor, stating that the investment was collateralized by cash held in an offshore banking account of Cooper’s company Dream Holdings. In truth and in fact, there was no such collateral.

g. Cooper represented to investors that in the event an instrument was not procured and the transaction was not completed, the funds would be returned. In truth and in fact, Cooper never intended to and did not return the investors’ principal.

h. Cooper represented that certain investors’ funds would remain in escrow with “PWD Trust”, which Cooper falsely claimed was a Washington, D.C. escrow company. In

May 2010, one of these investors and Cooper executed an escrow agreement with “PWD Trust” which stated that the investor’s funds could not be released without the investor’s written consent. In truth and in fact, the escrow wiring instructions provided to the investor were for Cooper’s company Peninsula, not “PWD Trust”. Once the investor’s funds were wired to Peninsula, Cooper misappropriated them for his personal use.

20. In truth and in fact, Cooper never intended nor even attempted to acquire any SBLCs, Euro Bank Guarantees or any other bank instruments or participate in any purported trading programs. Instead, Cooper misappropriated the investor funds for his personal use.

21. In the Second Scheme, in or around February 2011, Cooper was approached by an acquaintance to participate in a purported purchase and trade of a \$100 million bank guarantee. The acquaintance solicited four investors to pool a total of \$925,000 in the bank guarantee trading program with Cooper. In furtherance of the Second Scheme, Cooper committed the following deceitful acts:

- a. Cooper demanded that all investor funds be pooled in an attorney client trust account.
- b. Cooper prepared and sent a forged escrow agreement, purportedly from an attorney, containing wiring instructions for the attorney client trust account. The wire information, however, was for an account controlled by Cooper, not the attorney. The four investors unwittingly sent their money to the Cooper controlled account, which was for Dream Holdings.
- c. Once the investor funds were under his control, Cooper misappropriated the money for his own personal use.



22. In the Third Scheme, in or around April 2012, Cooper engaged in deceitful acts in connection with the sale of a purported Brazilian sovereign bond. In furtherance, Cooper committed the following acts and made the following misrepresentations:

a. Cooper represented that he would locate a buyer for the purported bond and assist with opening a brokerage account to sell the bond for a fee of \$50,000.00.

b. Cooper represented his fee would not be earned unless and until the brokerage firm had “accepted” the bond.

c. Cooper forged a letter purporting to be from the brokerage firm, stating that the bond had been “accepted”. Based upon this letter, the deceived investor paid Cooper’s \$50,000 “fee”.

23. Cooper, and through him, the defendant Cooper Companies, each knew or was reckless in not knowing that the investments offered were fictitious, and that each of the statements made in paragraphs 19, 21 and 22 was materially false or misleading or omitted to state material facts which would make the statements they made not materially misleading. Cooper also intentionally engaged in the other deceptive acts, practices, and transactions alleged in paragraphs 19, 21 and 22 to deceive investors in furtherance of his schemes.

24. Contrary to Cooper’s representations to investors that their funds would be used to lease or utilize purported bank instruments and to facilitate their participation in a foreign “trading platform,” Cooper misappropriated investors’ funds for his own purposes including the purchase of automobiles, and gambling at casinos in Las Vegas and Atlantic City.

25. None of the investors’ money was used to “lease,” “leverage,” or trade any purported bank instruments or to provide other investment services.

26. After being sued for fraud by an injured investor; after being named as a defendant and served with the complaint in another prime bank case, SEC v. The Milan Group, Inc. 1:11-cv-02132(RMC) (D. D.C.) (filed Nov. 30, 2011); and after becoming aware of the Commission's investigation in this matter, Cooper perpetrated the Third Scheme involving the purported Brazilian bond transaction as alleged in paragraph 22 above.

### **FIRST CLAIM**

#### **Each Defendant Violated Exchange Act Section 10(b) and Rule 10b-5**

27. The Commission realleges and incorporates herein by reference paragraphs 1 through 26 above.

28. Each defendant, directly and indirectly, with scienter, by use of the means or instrumentalities of interstate commerce, or of the mails, employed devices, schemes or artifices to defraud; 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; and engaged in acts, practices or courses of business which have been and are operating as a fraud or deceit upon the purchasers or sellers of securities.

29. As a part of and in furtherance of their scheme, defendants directly and indirectly, prepared, disseminated, or used contracts, written offering documents, promotional materials, investor and other correspondence, and oral presentations, which contained untrue statements of material facts and misrepresentations of material facts, and which 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, including, but not limited to, those set forth in Paragraphs 1 through 22 above.

30. By reason of the foregoing, each defendant has violated and, unless restrained and enjoined, will continue to violate Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5].

### **SECOND CLAIM**

#### **Cooper Aided and Abetted the Cooper Companies' Violations of Exchange Act Section 10(b) and Rule 10b-5**

31. The Commission realleges paragraphs 1 through 26 above.

32. Pursuant to Exchange Act Section 20(e) [15 U.S.C. § 78t(e)], Cooper knowingly provided substantial assistance to the Cooper Companies, and, unless restrained and enjoined, will continue to aid and abet the Cooper Companies' violations of Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5].

### **THIRD CLAIM**

#### **Each Defendant Violated Securities Act Section 17(a)**

33. The Commission realleges paragraphs 1 through 26 above.

34. Each defendant, 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 the use of the mails: (a) has employed, is employing, or is about to employ devices, schemes or artifices to defraud; (b) has obtained, is obtaining or is about to obtain money or property by means of untrue statements of material fact and omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) has engaged, is engaged, or is about to engage in transactions, acts, practices and courses of business that operated or would operate as a fraud upon purchasers of securities.

35. By reason of the foregoing, each defendant has violated and, unless restrained and enjoined, will continue to violate Securities Act Section 17(a) [15 U.S.C. § 77q(a)].

**FOURTH CLAIM**

**Cooper Aided and Abetted  
the Cooper Companies' Violations of Securities Act Section 17(a)**

36. The Commission realleges paragraphs 1 through 26 above.

37. Pursuant to Securities Act Section 15(b) [15 U.S.C. § 77o(b)], Cooper knowingly or recklessly provided substantial assistance to the fraudulent conduct of the Cooper Companies and, unless restrained and enjoined, will continue to aid and abet the Cooper Companies' violations of Securities Act Sections 17(a) [15 U.S.C. § 77q(a)].

**FIFTH CLAIM**

**Cooper Violated Exchange Act Section 15(a)**

38. The Commission realleges paragraphs 1 through 26 above.

39. Cooper, while acting as a broker or dealer, made use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any securities in the form of purchase agreements, promissory notes, or similar agreements without being registered with the Commission as a broker or dealer or an associated person of a registered broker-dealer.

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

**PRAYER FOR RELIEF**

WHEREFORE, the Commission respectfully requests that the Court:

**I.**

Enter judgment in favor of the Commission finding that the defendants violated the federal securities laws and Commission rules as alleged in this Complaint;

**II.**

Permanently enjoin the defendants from further violations of the federal securities laws and Commission rules alleged against them in this Complaint;

**III.**

Order all defendants and relief defendants to disgorge, as the Court may direct, all ill-gotten gains received or benefits in any form derived from the illegal conduct alleged in this Complaint, together with pre-judgment interest thereon;

**IV.**

Order all defendants to pay civil monetary penalties pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)];

V.

Grant such other equitable and legal relief as may be appropriate or necessary for the benefit of investors pursuant to Exchange Act Section 21(d)(5) [15 U.S.C. § 78u(d)(5)].

Date: September 27, 2013

By:

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