

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.

SECURITIES AND EXCHANGE COMMISSION,)
)
 Plaintiff,)
 v.)
)
 DANIEL P. McKELVEY, ALVIN S. MIRMAN,)
 STEVEN SANDERS, SCOTT F. HUGHES,)
 JEFFREY L. LAMSON and EDWARD G. SANDERS,)
)
 Defendants,)
)
 and)
)
 AU CONSULTING LLC, FORTE CAPITAL)
 PARTNERS LLC, MBN CONSULTING LLC, and)
 ILENE P. MIRMAN,)
)
 Relief Defendants.)
 _____)

COMPLAINT

Plaintiff Securities and Exchange Commission alleges as follows:

I. INTRODUCTION

1. The Commission brings this action to enjoin Defendants Daniel P. McKelvey (“McKelvey”), Alvin S. Mirman (“Alvin Mirman”), Steven Sanders (“Steven Sanders”), Scott F. Hughes (“Hughes”), Jeffrey L. Lamson (“Lamson”) and Edward G. Sanders (“Edward Sanders”) from violating the antifraud, recordkeeping and reporting provisions of the federal securities laws. From no later than January 2007 through December 2013, McKelvey, Alvin Mirman and Steven Sanders (collectively, the “Control Persons”) participated in a scheme to manufacture at least 22

undisclosed “blank check” companies (collectively, the “Blank Check Companies”) as defined in Rule 419 under the Securities Act of 1933 (“Securities Act”), 17 C.F.R. § 230.419, using Hughes, Lamson and Edward Sanders as sole officers for some of these entities. The Control Persons subsequently sold 18 of the Blank Check Companies by reverse merger or other change-of-control transactions for approximately \$6 million.

2. The Control Persons developed a fine-tuned assembly line rife with fraud at each stage. Each of the Control Persons recruited on behalf of a Blank Check Company a sole officer, director, employee, and majority shareholder (the “sole officer”) to act in name only. Steven Sanders and Alvin Mirman incorporated the Blank Check Companies while McKelvey and Alvin Mirman prepared a variety of corporate documents, including board resolutions for the invalid issuance of shares that were then the subject of false and misleading registration statements. These registration statements and subsequent filings with the Commission falsely depicted the Blank Check Companies as actively pursuing business plans, when the Control Persons’ only plan from the outset was for the companies to be sold as public vehicles.

3. The Control Persons retained a small group of attorneys, auditors, broker-dealers and transfer agents, and through devices such as McKelvey’s use of the sole officers’ forged signatures and at times impersonation of the sole officers through email, controlled the communications with these professionals. The Control Persons kept the Blank Check Companies current in their periodic reports, which continued to misrepresent the purpose and governance of the Blank Check Companies. Alvin Mirman and McKelvey collectively forged approximately 300 false officer certifications accompanying the periodic reports, thus demonstrating the marginal role played by the sole officers.

4. To make the Blank Check Companies more attractive merger candidates, the Control Persons also orchestrated the filing of applications with both the Financial Industry Regulatory Authority (“FINRA”) and the Depository Trust Company (“DTC”), which contained false information about the Blank Check Companies, false legal opinions, false certifications and affidavits of the sole officers, and forged notarizations.

5. The Control Persons then consummated change-of-control transactions for the Blank Check Companies – once again, often with forged signatures on documents and securities purchase agreements that were full of false representations and warranties. The Control Persons split the proceeds of each sale after paying a nominal sum to some of the sole officers for their minimal time and involvement and to friends and family for acting as straw investors. The Control Persons controlled every step in this process, but did not disclose their control in any filings with the Commission, FINRA or DTC.

6. Lamson, Hughes and Edward Sanders were sole officers who knew that at least their respective Blank Check Companies had no active business plan other than to be sold as public vehicles, and took a variety of actions in furtherance of the Control Persons’ scheme.

7. Steven Sanders used Relief Defendants AU Consulting LLC (“AU Consulting”) and MBN Consulting LLC (“MBN Consulting”), McKelvey used Relief Defendant Forte Capital Partners LLC (“Forte Capital”), and Alvin Mirman used Relief Defendant Ilene P. Mirman (“Ilene Mirman”), as conduits for the disbursement of proceeds from the sale of the Blank Check Companies.

8. As a result of the conduct alleged in this Complaint:

(a) Defendants McKelvey, Alvin Mirman and Steven Sanders violated Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a); and Sections 10(b), 13(b)(5) and 20(b)

and Rules 10b-5 and 13b2-1 of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78j(b), 78m(b)(5), 78t(b), and 17 C.F.R. §§ 240.10b-5, 240.13b2-1; aided and abetted violations of Sections 13(a), 13(b)(2)(A), 13(b)(2)(B), 13(b)(5) and 15(d) and Rules 12b-11, 12b-20, 13a-1, 13a-13, 13a-14, 13a-15, 13b2-1, 13b2-2, 15d-1, 15d-13, 15d-14 and 15d-15 of the Exchange Act, 15 U.S.C. §§ 78m(a), 78m(b)(2)(A), 78m(b)(2)(B), 78m(b)(5), 78o(d), and 17 C.F.R. §§ 240.12b-11, 240.12b-20, 240.13a-1, 240.13a-13, 240.13a-14, 240.13a-15, 240.13b2-1, 240.13b2-2, 240.15d-1, 240.15d-13, 240.15d-14, 240.15d-15, and Rule 302 of Regulation S-T of the Securities Act, 17 C.F.R. § 232.302; and are liable as control persons under Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a), for violations of Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B), 13(b)(5) and 15(d) and Rules 10b-5, 12b-11, 12b-20, 13a-1, 13a-13, 13a-14, 13a-15, 13b2-1, 13b2-2, 15d-1, 15d-13, 15d-14 and 15d-15 of the Exchange Act, 15 U.S.C. §§ 78j(b), 78m(a), 78m(b)(2)(A), 78m(b)(2)(B), 78m(b)(5), 78o(d), and 17 C.F.R. §§ 240.10b-5, 240.12b-11, 240.12b-20, 240.13a-1, 240.13a-13, 240.13a-14, 240.13a-15, 240.13b2-1, 240.13b2-2, 240.15d-1, 240.15d-13, 240.15d-14, 240.15d-15;

(b) Defendant Hughes violated Section 13(b)(5) and Rules 13b2-1, 13b2-2, 15d-14 and 15d-15 of the Exchange Act, 15 U.S.C. § 78m(b)(5), and 17 C.F.R. §§ 240.13b2-1, 240.13b2-2, 240.15d-14, 240.15d-15; and aided and abetted violations of Section 17(a) and Rule 302 of Regulation S-T of the Securities Act, 15 U.S.C. § 77q(a) and 17 C.F.R. § 232.302, and Sections 10(b), 13(b)(2)(A), 13(b)(2)(B) and 15(d) and Rules 10b-5, 12b-11, 12b-20, 13b2-1, 15d-13, 15d-14 and 15d-15 of the Exchange Act, 15 U.S.C. §§ 78j(b), 78m(b)(2)(A), 78m(b)(2)(B), 78o(d), and 17 C.F.R. §§ 240.10b-5, 240.12b-11, 240.12b-20, 240.13b2-1, 240.15d-13, 240.15d-14, 240.15d-15;

(c) Defendant Lamson violated Section 13(b)(5) and Rules 13a-14, 13a-15, 13b2-1 and 13b2-2 of the Exchange Act, 15 U.S.C. § 78m(b)(5), and 17 C.F.R. §§ 240.13a-14, 240.13a-15, 240.13b2-1, 240.13b2-2; and aided and abetted violations of Section 17(a) and Rule 302 of Regulation S-T of the Securities Act, 15 U.S.C. § 77q(a) and 17 C.F.R. § 232.302, and Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) and Rules 10b-5, 12b-11, 12b-20, 13a-1, 13a-13, 13a-14, 13a-15, 13b2-1 of the Exchange Act, 15 U.S.C. §§ 78j(b), 78m(a), 78m(b)(2)(A), 78m(b)(2)(B), and 17 C.F.R. §§ 240.10b-5, 240.12b-11, 240.12b-20, 240.13a-1, 240.13a-13, 240.13a-14, 240.13a-15, 240.13b2-1; and

(d) Defendant Edward Sanders violated Section 13(b)(5) and Rules 13a-14, 13a-15, 13b2-1, 13b2-2, 15d-14 and 15d-15 of the Exchange Act, 15 U.S.C. § 78m(b)(5), and 17 C.F.R. §§ 240.13a-14, 240.13a-15, 240.13b2-1, 240.13b2-2, 240.15d-14, 240.15d-15; and aided and abetted violations of Section 17(a) and Rule 302 of Regulation S-T of the Securities Act, 15 U.S.C. § 77q(a) and 17 C.F.R. § 232.302, and Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B) and 15(d) and Rules 10b-5, 12b-11, 12b-20, 13a-1, 13a-13, 13a-14, 13a-15, 13b2-1, 15d-1, 15d-13, 15d-14 and 15d-15 of the Exchange Act, 15 U.S.C. §§ 78j(b), 78m(a), 78m(b)(2)(A), 78m(b)(2)(B), 78o(d), and 17 C.F.R. §§ 240.10b-5, 240.12b-11, 240.12b-20, 240.13a-1, 240.13a-13, 240.13a-14, 240.13a-15, 240.13b2-1, 240.15d-1, 240.15d-13, 240.15d-14, 240.15d-15.

9. Unless restrained and enjoined, Defendants are reasonably likely to continue to violate the federal securities laws.

10. The Commission therefore respectfully requests the Court enter an order: (i) permanently restraining and enjoining Defendants from violating the federal securities laws; (ii) directing Defendants and Relief Defendants to pay disgorgement with prejudgment interest; (iii)

directing Defendants to pay civil money penalties; (iv) imposing penny stock bars against Defendants; and (v) imposing officer and director bars against Defendants.

II. DEFENDANTS AND RELIEF DEFENDANTS

11. McKelvey, age 48, is a resident of Foster City, California. During the relevant time period, he was the sole officer of one of the Blank Check Companies, Liquid Financial Engines, Inc. (“Liquid Financial”), a Florida corporation, and the control person of 19 of the Blank Check Companies. In addition, during the relevant time period, he was associated with investment adviser firms and a registered representative with broker-dealers.

12. Alvin Mirman, age 77, is a resident of Sarasota, Florida. During the relevant time period, he was the incorporator and control person of at least 11 of the Blank Check Companies. In addition, prior to the relevant time period, he was a registered representative with 17 different broker-dealers.

13. Steven Sanders, age 72, is a resident of Lake Worth, Florida. During the relevant time period, he was the incorporator and agent for service of at least eight, and control person of all, of the Blank Check Companies.

14. Lamson, age 50, is a resident of El Dorado Hills, California. During the relevant time period, he was the sole officer of one of the Blank Check Companies, Entertainment Art, Inc. (“Entertainment Art”), a Nevada corporation. In addition, during the relevant time period, Lamson was involved with at least 11 other Blank Check Companies, all but one of which were Florida corporations, including serving as the bookkeeper and recruiter of the sole officers. During the relevant time period, Lamson was a licensed certified public accountant.

15. Hughes, age 45, is a resident of Duluth, Georgia. During the relevant time period, he was the sole officer of one of the Blank Check Companies, MIB Digital, Inc. (“MIB

Digital”), a Florida corporation, and the chief executive officer of uVuMobile, Inc. (“uVuMobile”), a Delaware corporation.

16. Edward Sanders, age 70, is a resident of Coral Springs, Florida, and the brother of Steven Sanders. During the relevant time period, Edward Sanders was the sole officer of two of the Blank Check Companies, Pashminadepot.com, Inc. (“PashminaDepot.com”) and mLight Tech, Inc. (“mLight Tech”), both Florida corporations. In addition, during the relevant time period, he recruited family members to be the sole officers of two other Blank Check Companies.

17. AU Consulting is a Florida limited liability company managed by Steven Sanders and his wife with its principal office located in Lake Worth, Florida. During the relevant time period, Steven Sanders directed that some of the proceeds he received from the sale of the Blank Check Companies be disbursed to an account in the name of AU Consulting.

18. Forte Capital is a California limited liability company managed by McKelvey with its principal office located in Foster City, California. The company previously was an investment adviser registered with the Commission with its last Form ADV filed in December 2005. During the relevant time period, McKelvey disbursed some of the proceeds he received from the sale of the Blank Check Companies in the name of Forte Capital.

19. MBN Consulting is a Florida limited liability company managed by Steven Sanders and his wife with its principal office located in Lake Worth, Florida. During the relevant time period, Steven Sanders directed that some of the proceeds he received from the sale of the Blank Check Companies be disbursed to an account in the name of MBN Consulting, and he financed several of the Blank Check Companies with debentures he signed in the name of MBN Consulting.

20. Ilene Mirman, age 72, is a resident of Sarasota, Florida, and the wife of Alvin Mirman. During the relevant time period, Alvin Mirman disbursed to Ilene Mirman the majority of the proceeds he received from the sale of the Blank Check Companies, and he listed her as a shareholder of some of the Blank Check Companies without her knowledge or consent. In addition, during the relevant time period, Ilene Mirman received proceeds from the sale of her shares in the Blank Check Companies.

III. JURISDICTION AND VENUE

21. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1) and 22(a) of the Securities Act, 15 U.S.C. §§ 77t(b), 77t(d)(1) and 77v(a); and Sections 21(d) and 27(a) of the Exchange Act, 15 U.S.C. §§ 78u(d) and 78aa(a).

22. The Court has personal jurisdiction over Defendants and Relief Defendants and venue is proper in this District because, among other things, some or all of the Defendants and Relief Defendants reside or transact business in this District and/or participated in the offer or sale of securities in this District, and many of the acts and transactions constituting the violations alleged in this complaint occurred in this District. In addition, venue is proper in this District under 28 U.S.C. § 1391 because a substantial part of the events giving rise to the Commission's claims occurred here.

23. In connection with the conduct alleged in this Complaint, Defendants, directly and indirectly, singly or in concert with others, have made use of the means or instrumentalities of interstate commerce, the means or instruments of transportation or communication in interstate commerce, and of the mails.

IV. FACTUAL BACKGROUND

A. Overview of the Blank Check Companies

24. The Control Persons teamed up in different configurations to control and effectuate the creation, registration, and public offering of 22 separate Blank Check Companies, and the sale of 18 of those companies. The Control Persons followed a basic blueprint to accomplish their goals of creating and selling the Blank Check Companies as public companies without disclosing to the public or the Commission the true purpose of the companies or the Control Persons' involvement in the companies.

25. The Control Persons formed the Blank Check Companies ostensibly to pursue purported business plans but, in reality, the Control Persons at all material times intended merely to sell the companies as "clean shells." That is, the Blank Check Companies had no operations and no value other than (i) their registration status with the Commission, and (ii) a particular capital structure – for example, a control bloc of shares and float of purportedly free-trading shares available for electronic trading by broker-dealers – all solely for purposes of merger or acquisition.

26. Steven Sanders was an undisclosed control person of all of the Blank Check Companies. He and Alvin Mirman controlled the earliest Blank Check Companies, while McKelvey was soon brought on as the sole officer of one Blank Check Company (Liquid Financial) and control person of all subsequent ones. Eventually, Steven Sanders and McKelvey severed ties with Alvin Mirman and controlled a number of the later Blank Check Companies on their own.

27. The Control Persons maintained their same respective roles across the Blank Check Companies. Alvin Mirman and McKelvey (both with extensive experience in the

securities industry) handled the day-to-day mechanics, including the drafting of Commission filings and FINRA applications, communicating with the various professionals hired to perform services for the companies, and addressing the bookkeeping and other financial matters. Steven Sanders handled the bigger-picture items, such as the incorporation of most of the companies, the engagement of the professionals, and the dealings with actual and prospective purchasers of the companies. In the process, Steven Sanders requested various fraudulent actions from McKelvey and Alvin Mirman, as detailed below.

28. The Control Persons solicited friends and family to act both as straw sole officers and investors in each of the Blank Check Companies under their respective control.

29. The following chart depicts the structure of each of the Blank Check Companies:

Blank Check Company	State of Incorporation	Date of Incorporation	Date of Change of Control	Control Persons
Premier Nursing Products Corp.	Florida	1/2007	10/2008	Mirman Sanders
We Sell For U Corp.	Florida	11/2007	12/2008	Mirman Sanders
Pashminadepot.com, Inc.	Florida	11/2007	10/2009	Mirman Sanders
Liquid Financial Engines, Inc.	Florida	9/2008	1/2010	McKelvey Mirman Sanders
Mobieyes Software, Inc.	Florida	1/2009	2/2010	McKelvey Mirman Sanders
mBeach Software, Inc.	Florida	4/2009	6/2010	McKelvey Mirman Sanders
MIB Digital, Inc.	Florida	9/2009	11/2010	McKelvey Mirman Sanders
Intake Communications, Inc.	Florida	12/2009	2/2011	McKelvey Mirman Sanders

Blank Check Company	State of Incorporation	Date of Incorporation	Date of Change of Control	Control Persons
Teaching Time Inc.	Florida	1/2010	3/2011	McKelvey Mirman Sanders
Hidden Ladder, Inc.	Florida	2/2010	3/2012	McKelvey Mirman Sanders
BCS Solutions, Inc.	Florida	4/2010	7/2011	McKelvey Mirman Sanders
Benefit Solutions Outsourcing Corp.	Florida	5/2010	6/2011	McKelvey Sanders
Big Clix Corp.	Florida	6/2010	9/2013	McKelvey Sanders
mLight Tech, Inc.	Florida	9/2010	8/2013	McKelvey Mirman Sanders
Blue Sun Media, Inc.	Nevada	11/2010	6/2013	McKelvey Sanders
BlueFlash Communications, Inc.	Florida	1/2011	8/2013	McKelvey Sanders
Fansport, Inc.	Florida	3/2011	6/2013	McKelvey Sanders
ShopEye, Inc.	Florida	5/2011	N/A	McKelvey Sanders
Mobile Vault, Inc.	Florida	5/2011	N/A	McKelvey Sanders
Diamond Lane, Inc.	Florida	6/2013	N/A	McKelvey Sanders
Sunchip Technology, Inc.	Florida	8/2013	N/A	McKelvey Sanders

30. Sanders and McKelvey also assumed control of Entertainment Art in October 2011, and sold the company in October 2012.

31. All of the Blank Check Companies either had a class of securities registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l, and were required to file or had filed reports with the Commission pursuant to Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), or filed reports under Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d).

B. Recruitment of Straw Sole Officers

32. Each Blank Check Company began with the recruitment of a sole officer. The Control Persons each, at different times, recruited friends and family to serve as the sole officers of the Blank Check Companies.

33. Later, McKelvey and Steven Sanders outsourced this responsibility to Lamson, who recruited a number of young, unsophisticated individuals to be the sole officers of eight of the Blank Check Companies (seven of which were Florida corporations).

34. The sole officers were recruited with the promise of modest compensation (often \$10,000 or less) in return for minimal time and involvement. In fact, most of the sole officers' actions in connection with the Blank Check Companies were limited essentially to providing their personal information and a sample of their signature on a blank piece of paper to their recruiter, and opening a corporate bank account at the direction of – and with the initial deposit delivered by – their recruiter.

35. The Control Persons each signed, in the name of entities controlled by him (and in the case of Alvin Mirman and Steven Sanders, their wives) purported consulting agreements (“Consulting Agreements”) with the sole officers. Alvin Mirman forged his wife's signature on many of these agreements.

36. Per the Consulting Agreements, which originally were provided by Alvin Mirman, the Control Persons' entities purported to act as mere consultants to the sole officers. In fact, however, the Control Persons personally controlled the actions of the sole officers in connection with the Blank Check Companies. FINRA's approval was critical to the public vehicle process, but had virtually nothing to do with the purported business plan of the Blank Check Companies as represented in all Commission and FINRA filings. Indeed, the Consulting

Agreements expressly provided the sole officers would surrender all of his or her shares to the Control Persons' entities upon FINRA's approval of a Form 211 application filed on behalf of the particular Blank Check Company involved.

C. Formation and Capitalization of the Blank Check Companies

37. Once the sole officer was on board, Steven Sanders and Alvin Mirman incorporated the Blank Check Companies, all but two as Florida corporations.

38. The Control Persons capitalized the Blank Check Companies through the sole officers. The Control Persons either provided the checks or wires for the initial deposits into the companies' bank accounts, or sent monies to an account belonging to the sole officer. In the latter instance, the sole officer was then instructed by his or her recruiter to deposit that exact amount in the company's account. Steven Sanders, in the name of MBN Consulting, then provided ongoing financing for the Blank Check Companies in the form of purported debentures.

39. Steven Sanders and Alvin Mirman also prepared bylaws without the involvement of the sole officers; minutes of organizational meetings that never took place; and board resolutions that never were entered into by the sole officers in their capacities as directors or otherwise. The bylaws of the Blank Check Companies expressly provided shares could be issued only by resolution of the respective companies' board of directors, and only upon the board's finding the consideration received for such shares was fair and adequate.

40. In violation of this provision, Alvin Mirman (for the earlier Blank Check Companies) and McKelvey (for the later Blank Check Companies) prepared two separate purported board resolutions with respect to the issuance of shares. However, most of the sole officers never entered any resolution in their capacities as directors or otherwise. The first purported resolution pertained to the control block of shares purportedly issued to the sole officer

“in consideration” for cash purportedly paid by the sole officer. However, the sole officers never paid any money for any shares. The second purported resolution pertained to the shares to be offered to the public at a fixed price. The sole officers made no finding as to the adequacy of consideration for the shares under either of these resolutions. Thus, according to the bylaws, no shares were ever validly issued for the Blank Check Companies.

D. Enlistment and Control of the Gatekeepers

41. The Control Persons next enlisted attorneys, accountants, broker-dealers, transfer agents, an Edgar filer and other professionals to perform services for the Blank Check Companies. The Control Persons did repeat business with these gatekeepers, and controlled all communications either as purported consultants to the Blank Check Companies or, in the case of McKelvey, through the use of forged signatures or impersonation of the sole officers through email.

42. Most of the sole officers never communicated with or even knew the names of any of these gatekeepers. Despite providing samples of their signatures, most of the sole officers never gave the authority or consent for their signature to be used in any manner with respect to the Blank Check Companies. Lamson told many of the sole officers who had given him samples of their signatures that the samples were simply needed to protect against identity theft. A few other sole officers gave signatory consent, but only when they were unavailable to sign documents.

43. McKelvey (often at the direction of Steven Sanders) superimposed the sample signature of the sole officers onto a series of documents, including management representation letters to auditors, corporate resolutions, Commission filings, directives to transfer agents, and

securities purchase agreements. McKelvey and Steven Sanders referred to McKelvey as “the artiste” in this respect who always had the sole officer’s signature with him.

44. McKelvey also created and maintained at least 11 email accounts in the names of the sole officers without their knowledge or consent. These sole officers never received or saw any emails to or from these accounts. McKelvey impersonated the sole officers from these email accounts for correspondence with multiple persons and entities, including the Commission.

45. McKelvey and Alvin Mirman drafted the financial statements and provided supporting evidence to accountants for the Blank Check Companies’ filings with the Commission. The communications with accountants included management representation letters that misrepresented the companies’ disclosure controls and procedures and internal accounting controls and represented the sole officers as having no knowledge of fraud involving the companies. Hughes, Lamson, and Edward Sanders signed, or authorized others to sign, false board resolutions and correspondence to auditors.

E. False Registration Statements

46. After enlisting the sole officers and gatekeepers, the Control Persons prepared Form S-1 registration statements (the “Forms S-1”) seeking to register a public offering of the common stock of each of the Blank Check Companies. The Forms S-1 portrayed the companies as development-stage entities with the sole officers at the helm of active business plans. The Forms S-1 described elaborate business plans full of product descriptions, competitor analysis, and representations the sole officers worked up to 30 hours per week for the Blank Check Companies and were involved in the day-to-day operations.

47. To the contrary, the sole officers never took any action toward the purported business plans for or on behalf of the Blank Check Companies. Most of the sole officers spent

no more than one hour in any given week with respect to the companies. In fact, in an email dated November 1, 2007, Steven Sanders wrote to Edward Sanders (as a prospective sole officer): “The [Blank Check] Company will not commence any business what-so-ever other than to be used as a public vehicle.”

48. Some Forms S-1 expressly stated the Blank Check Company was not a “blank check” company under Rule 419 of the Securities Act, and the other Forms S-1 stated more generally that the Blank Check Company had “no plans to change [its] business activities or to combine with another business.” In the Form S-1 comment process, McKelvey and Alvin Mirman drafted and revised the responses to the Commission’s comments and copied Steven Sanders on their communications. These responses repeatedly misrepresented to the Commission that, among other things, some of the Blank Check Companies were not “blank check” companies under Rule 419.

49. The Forms S-1 also failed to disclose the identity or involvement of the Control Persons other than the Forms S-1 of four of the Blank Check Companies, which listed Steven Sanders as “agent for service.” In fact, the Forms S-1 contained misrepresentations that the sole officers (i) were the only “parent” or “promoter” of the Blank Check Companies; (ii) solely capitalized the companies; (iii) made all management decisions; and (iv) would “continue to control” the companies after the offering.

F. Roster of Friends and Family as Shareholders

50. After the Forms S-1 became effective, the Control Persons set out to amass exactly 25 shareholders to provide an air of legitimacy to the Blank Check Companies per FINRA requirements.

51. Despite the Forms S-1 representing the sole officers would market and sell the Blank Check Companies' shares, the vast majority of the sole officers did not know or solicit a single shareholder. Rather, the Control Persons supplied virtually all of the Blank Check Companies' shareholders.

52. Specifically, the Control Persons solicited friends and family to invest in what they described in emails as "my latest deal." The Control Persons failed to inform their friends and family, however, that the Blank Check Companies were products of fraud in violation of the federal securities laws.

53. The Control Persons instructed friends and family to sign a two-page subscription agreement (into which the false and misleading Forms S-1 were incorporated) and a blank stock power, and send the checks and signed documents back to the Control Persons. For the majority of the Blank Check Companies, McKelvey forged the signature of the sole officers as having accepted the subscription agreements on behalf of the companies.

54. The Control Persons tightly controlled the roster of shareholders. For example, in an email dated March 22, 2010, Steven Sanders wrote to one of his investors that "I have to alternate between deals so as not to use the same investors all the time." Steven Sanders and McKelvey also rejected, for no legitimate business purpose, unsolicited investments from outsiders.

G. Filing of False Periodic Reports and Forged Certifications

55. The Control Persons kept the Blank Check Companies current in their periodic filings with the Commission by filing Forms 10-K and Forms 10-Q. Like the Forms S-1, these periodic reports misrepresented the business purpose of the companies and the involvement of the sole officers. The periodic reports contained additional misrepresentations with respect to the

Blank Check Companies' disclosure controls and procedures and internal controls. The periodic reports also misstated that the sole officers had made loans to the Blank Check Companies.

56. Defendants failed to devise or maintain disclosure controls and procedures and internal controls over financial reporting for the Blank Check Companies. Defendants knew, or were severely reckless in not knowing, about the need to devise internal controls, as Defendants, among other things, signed or received management representation letters and periodic reports which emphasized the need for those controls, and/or previously served as chief officers of reporting companies with the need for those controls.

57. McKelvey and Alvin Mirman, with Steven Sanders' knowledge, drafted the periodic reports and submitted them to an Edgar filer for submission to the Commission. The majority of the sole officers never received, reviewed, or signed (either manually or electronically) any periodic report or exhibit thereto.

58. Instead, McKelvey and Alvin Mirman electronically forged the certifications they filed as exhibits to the periodic reports. The certifications required a number of statements from the sole officers, including (i) they had reviewed the periodic reports; (ii) the reports did not contain any material misstatements or omissions; (iii) they had designed and evaluated disclosure controls and procedures and internal controls over financial reporting; and (iv) they had disclosed any fraud involving persons having a significant role in such internal controls.

59. The Control Persons knew the vast majority of the sole officers never took any of these purportedly certified actions. Moreover, the sole officers were required to personally sign these certifications – they could not delegate their authority to sign to anyone else by power of attorney, agreement, or otherwise. The vast majority of the sole officers never signed any such documents.

60. The Control Persons knew the periodic reports and other Commission filings were false and misleading, and each provided substantial assistance in drafting, preparing, reviewing, and filing them. In particular, McKelvey and Alvin Mirman drafted the false statements collectively in over 300 periodic report certifications, applied the electronic signatures of the sole officers without their knowledge or consent, and/or filed the certifications knowing the statements therein were false (in addition to giving the misimpression the sole officers had made the certifications).

H. Filing of False Form 211 Applications

61. The Control Persons added features to the Blank Check Companies to make them more attractive public vehicles. For example, the Control Persons provided information to broker-dealers to be included in Form 211 applications filed with FINRA. This information was largely false because, among other things, it indicated it was the sole officer who had engaged the broker-dealer and had submitted affidavits and certifications in their names, when in reality, it was the Control Persons who had done so. McKelvey and Alvin Mirman also prepared exhibits required by FINRA that falsely identified the sole officers as the solicitors and friends of shareholders when in fact the sole officers had never met or even heard of the shareholders.

62. In reliance on this information, FINRA approved the Form 211 applications. This approval was critical to the fraudulent scheme. For example, according to the Consulting Agreements, the sole officers would surrender all stock purportedly owned by the officers in the Blank Check Companies to entities controlled by the Control Persons within a few days of FINRA's approval of the applications. Prospective purchasers of the Blank Check Companies also were told that "[w]e do not close the sale until the 15c2-11 is effective."

I. Filing of Additional False Applications with FINRA and DTC

63. Often with purchasers of the Blank Check Companies in the wings, the Control Persons filed applications with FINRA for the Blank Check Companies for the effectuation of both name changes and forward stock splits. McKelvey, often at Steven Sanders' request, forged the signatures of the sole officers on documents submitted with the FINRA applications.

64. FINRA requires the applications be supported by a number of notarized certificates signed by officers. McKelvey and Steven Sanders were aware of these notarization requirements as early as January 2011. Because the sole officers were not involved, McKelvey, sometimes at Steven Sanders' request, forged not only the sole officers' signatures, but also the notary publics' signature, attestation, and license stamp on at least 21 documents submitted to FINRA. FINRA ultimately approved the various name change and forward stock splits based on these applications which included the documents forged by McKelvey.

65. McKelvey also made false submissions to DTC, including on at least one occasion a forged attestation by a sole officer. The Control Persons also attained DTC eligibility for shares of the Blank Check Companies through the issuance of legal opinions. The Control Persons knew these legal opinions falsely stated that neither the Control Persons nor their spouses were "affiliates" of the Blank Check Companies as defined in Rule 144(a)(1) of the Securities Act, 17 C.F.R. § 230.144(a)(1).

J. Sale of the Blank Check Companies Through False Agreements

66. The eventual sale of the Blank Check Companies also was laden with fraud. For example, prospective and actual buyers of the Blank Check Companies requested a variety of information, through questionnaires and other means, to perform reasonable due diligence with respect to the companies. The responses on behalf of the companies contained false

representations and omissions with respect to various features of the companies themselves, including but not limited to, the non-existence of consultants and consulting agreements and the accuracy of Commission filings and correspondence, the Form 211 applications, and business plans and budgets.

67. The Control Persons structured each of the Blank Check Companies with the vast majority of shares primarily held in the name of the sole officers, and the remaining shares held in the name of friends and family. The Control Persons maintained complete control over those shares through blank stock powers. All of those shares were sold without the advance knowledge or involvement of the purported shareholders, except the infrequent (and uninformed) signature of a few sole officers.

68. Specifically, securities purchase agreements and merger agreements were executed (often forged) with a series of false representations and warranties upon which the sales were expressly based. For example, these agreements misrepresented that: (i) the sole officers or friends-and-family shareholders were the sole owners with dispositive authority over the shares; (ii) the shares were duly authorized and validly issued; (iii) the Blank Check Companies had complied in all material respects with the federal securities laws; and (iv) the companies' Commission filings did not contain material misrepresentations or omissions.

69. McKelvey, often at Steven Sanders' request, also forged consents, sole officer resignation letters, and Forms 8-K surrounding the sale of the Blank Check Companies.

K. Control Persons' Receipt of Millions of Dollars from the Sale of the Blank Check Companies

70. The Control Persons profited from the sale of the Blank Check Companies in numerous ways. Shares in the names of both the sole officers and friends and family investors were sold pursuant to securities purchase agreements. However, the amounts the Control

Persons allotted both to the sole officers and friends and family investors had no correlation to – and were far less than – the value of the shares as stated in the agreements. The Control Persons divided among themselves the vast majority of the sale proceeds after paying some of the sole officers flat nominal fees, the professionals (including Lamson) their standard fees, and their friends and family shareholders flat amounts.

71. The Control Persons often instructed the escrow agents to disburse their share of the sale proceeds to the Relief Defendants (and in the case of Alvin Mirman, to Ilene Mirman in order to evade a private judgment creditor). In addition, in both open-market trades and private deals with purchasers of the Blank Check Companies, the Control Persons received hundreds of thousands of dollars from the sale of common stock of the companies. In total the Control Persons sold 18 of the Blank Check Companies by reverse merger or other change-of-control transactions for at least \$6 million.

L. Hughes, Lamson and Edward Sanders' Substantial Assistance in the Fraud

72. In furtherance of the scheme, the Control Persons concealed their role in the formation, funding, management, and sale of the Blank Check Companies. It was critical to the concealment that the Control Persons secured the assistance of trusted sole officers willing to serve as straw nominees and provide other professional services. Hughes, Lamson and Edward Sanders agreed to perform this role, knowing from the outset that the Blank Check Companies had no purpose other than to be sold as public vehicles, and that they would be sole officers in name only.

73. In his previous capacity as chief executive officer of uVuMobile, Hughes reviewed and signed periodic reports and accompanying certifications filed with the Commission on behalf of uVuMobile. He also was familiar with companies similar in nature and purpose to the Blank Check Companies, including change-of-control transactions.

74. McKelvey approached Hughes to be the sole officer of one of the Blank Check Companies, which became MIB Digital. Hughes agreed to act as the sole officer and use a defunct business plan he had previously devised as the purported plan for the company, despite knowing the company would never pursue the plan.

75. McKelvey also asked Hughes if he knew of other business plans McKelvey could use for the other Blank Check Companies. Hughes knew McKelvey had a number of other such companies for sale.

76. Hughes received documents from auditors, attorneys and transfer agents knowing they were part of the process of manufacturing MIB Digital for sale in contravention of the false business plan Hughes had provided. Hughes gave McKelvey consent to use a sample of his signature so that Hughes would not have to be inconvenienced with requests for signature in connection with MIB Digital.

77. Hughes also received a variety of documents bearing his sample signature, including board resolutions with respect to share issuances to the public and himself, despite knowing he had never provided the consideration for his shares as expressly stated on the resolutions. He further received by email a draft of the Form S-1 for MIB Digital for his review prior to its filing. Hughes knew this draft Form S-1 contained misrepresentations with respect to MIB Digital's false business plan he had provided and his purported involvement (or lack

thereof) in the company's operations. Hughes did nothing to correct these misrepresentations and omissions prior to the filing of the Form S-1.

78. Hughes, who had previously signed periodic reports as the chief executive officer of uVuMobile, received final drafts of Forms 10-Q, which contained certifications signed in his name, for MIB Digital, received email confirmations from the Commission upon the filing of the reports, and gave consent for his signature to be used in any manner for MIB Digital.

79. Lamson performed a number of functions for at least 11 of the Blank Check Companies. After being involved with the first few Blank Check Companies, Lamson knew there was no intention to effectuate the purported business plans and that each of the companies was simply to be sold as a public vehicle. Lamson directly or indirectly recruited nine sole officers, including his wife and co-workers. He accompanied many of the sole officers to open bank accounts for the companies, gathered sample signatures (misrepresenting the purpose for the sample), and remained their point of contact. He also forged a purported sample of his wife's signature and sent it to McKelvey to use on a variety of documents without her knowledge.

80. Lamson also drafted portions of the false business plans of these Blank Check Companies and false résumés of the sole officers to match those business plans that he knew, or was severely reckless in not knowing, would be in the companies' Forms S-1. He also separately performed bookkeeping work for the Blank Check Companies, including drafting the financial statements in their periodic reports and paying the invoices of the attorneys and Edgar filers, who were located within this District.

81. In 2012, McKelvey and Steven Sanders agreed to assist third parties in the sale of Entertainment Art as a Blank Check Company. McKelvey recruited Lamson to step in as the sole officer of the company. Lamson understood, as was the case with the other Blank Check

Companies, he would be the sole officer in name only. In fact, he did not sign a number of documents related to Entertainment Art bearing his purported signature, including periodic reports failing to disclose McKelvey and Steven Sanders' control and the accompanying certifications misrepresenting Lamson's involvement in the company.

82. After having been involved in the drafting and filing of Forms 10-Q for at least four other Blank Check Companies, Lamson revised and received final drafts of Forms 10-Q (containing certifications signed in his name) for Entertainment Art prior to filing and subsequently reviewed the Forms 10-Q on Edgar.

83. In exchange for his services, Lamson was paid at least \$72,000 in connection with the Blank Check Companies, including but not limited to, the receipt of numerous wire transfers from an attorney located within this District.

84. Edward Sanders was involved in four of the Blank Check Companies in different capacities. First, he was the sole officer of both Pashminadepot.com and mLight Tech. He knew Pashminadepot.com purported to have a business plan that his wife already had been developing on her own, but that no steps ever were to be taken for or by Pashminadepot.com to develop that plan. Specifically, Steven Sanders told Edward Sanders at the outset that Pashminadepot.com "will not commence any business what-so-ever other than to be used as a public vehicle."

85. Edward Sanders also signed certifications accompanying at least one of Pashminadepot.com's periodic reports that contained knowingly false statements with respect to his involvement in the company. He further sent an email in connection with the Form 211 for Pashminadepot.com, knowingly misstating how he solicited the broker-dealer.

86. Later with respect to mLight Tech, Edward Sanders was fully aware he was supporting Steven Sanders, Alvin Mirman and McKelvey's efforts to create and sell a Blank Check Company in the same manner as Pashminadepot.com. Even though Edward Sanders did not know about mLight Tech's purported business plan, he nevertheless gave Steven Sanders and McKelvey his consent by email to use his signature for any reason in connection with the company.

87. Edward Sanders also recruited his daughter and son-in-law to be the sole officers of Sunchip Technology, Inc. and Diamond Lane, Inc., respectively, telling them they could make some "easy money" on the side just as he had. He accompanied them to open the corporate bank accounts, and gathered their personal information for McKelvey and Steven Sanders to use in the operation of those Blank Check Companies.

COUNT I

Fraud in Violation of Section 17(a)(1) of the Securities Act

(Against McKelvey, Alvin Mirman and Steven Sanders)

88. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

89. From no later than January 2007 through December 2013, McKelvey, Alvin Mirman and Steven Sanders, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly knowingly, willfully or recklessly employed any device, scheme or artifice to defraud.

90. By reason of the foregoing, McKelvey, Alvin Mirman and Steven Sanders violated, and, unless enjoined, are reasonably likely to continue to violate, Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

COUNT II

Fraud in Violation of Section 17(a)(2) of the Securities Act

(Against McKelvey, Alvin Mirman and Steven Sanders)

91. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

92. From no later than January 2007 through December 2013, McKelvey, Alvin Mirman and Steven Sanders, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly negligently obtained money or property by means of untrue statements of material facts or omissions to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading.

93. By reason of the foregoing, McKelvey, Alvin Mirman and Steven Sanders violated, and, unless enjoined, are reasonably likely to continue to violate, Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2).

COUNT III

Fraud in Violation of Section 17(a)(3) of the Securities Act

(Against McKelvey, Alvin Mirman and Steven Sanders)

94. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

95. From no later than January 2007 through December 2013, McKelvey, Alvin Mirman and Steven Sanders, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly negligently engaged in transactions, practices and courses of business which operated or would have operated as a fraud or deceit upon the purchasers and prospective purchasers of such securities.

96. By reason of the foregoing, McKelvey, Alvin Mirman and Steven Sanders violated, and, unless enjoined, are reasonably likely to continue to violate, Section 17(a)(3) of the Securities Act, 15 U.S.C. § 77q(a)(3).

COUNT IV

Fraud in Violation of Section 10(b) and Rule 10b-5(a) of the Exchange Act

(Against McKelvey, Alvin Mirman and Steven Sanders)

97. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

98. From no later than January 2007 through December 2013, McKelvey, Alvin Mirman and Steven Sanders directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly, willfully or recklessly employed any device, scheme or artifice to defraud in connection with the purchase or sale of any security.

99. By reason of the foregoing, McKelvey, Alvin Mirman and Steven Sanders violated, and, unless enjoined, are reasonably likely to continue to violate, Section 10(b) and Rule 10b-5(a) of the Exchange Act, 15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5(a).

COUNT V

Fraud in Violation of Section 10(b) and Rule 10b-5(b) of the Exchange Act

(Against McKelvey, Alvin Mirman and Steven Sanders)

100. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

101. From no later than January 2007 through December 2013, McKelvey, Alvin Mirman and Steven Sanders directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly, willfully or recklessly made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading in connection with the purchase or sale of any security.

102. By reason of the foregoing, McKelvey, Alvin Mirman and Steven Sanders violated, and, unless enjoined, are reasonably likely to continue to violate, Section 10(b) and Rule 10b-5(b) of the Exchange Act, 15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5(b).

COUNT VI

Fraud in Violation of Section 10(b) and Rule 10b-5(c) of the Exchange Act

(Against McKelvey, Alvin Mirman and Steven Sanders)

103. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

104. From no later than January 2007 through December 2013, McKelvey, Alvin Mirman and Steven Sanders directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly, willfully or recklessly engaged in acts, practices

and courses of business which operated or would have operated as a fraud or deceit upon any person in connection with the purchase or sale of any security.

105. By reason of the foregoing, McKelvey, Alvin Mirman and Steven Sanders violated, and, unless enjoined, are reasonably likely to continue to violate, Section 10(b) and Rule 10b-5(c) of the Exchange Act, 15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5(c).

COUNT VII

Aiding and Abetting Fraud in Violation of Section 17(a)(1) of the Securities Act

(Against Hughes, Lamson and Edward Sanders)

106. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

107. From no later than January 2007 through December 2013, McKelvey, Alvin Mirman and Steven Sanders, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly knowingly, willfully or recklessly employed any device, scheme or artifice to defraud, and by reason of the foregoing, violated Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

108. From at least as early as July 2010 through October 2013, Hughes, Lamson and Edward Sanders knowingly or recklessly provided substantial assistance to McKelvey, Alvin Mirman and Steven Sanders' violations of Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1), and are deemed to be in violation of this provision to the same extent as McKelvey, Alvin Mirman and Steven Sanders.

109. By reason of the foregoing, Hughes, Lamson and Edward Sanders aided and abetted and, unless enjoined, are reasonably likely to continue to aid and abet, violations of Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

COUNT VIII

Aiding and Abetting Fraud in Violation of Section 17(a)(2) of the Securities Act

(Against Hughes, Lamson and Edward Sanders)

110. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

111. From no later than January 2007 through December 2013, McKelvey, Alvin Mirman and Steven Sanders, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly negligently obtained money or property by means of untrue statements of material facts or omissions to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, and by reason of the foregoing, violated Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2).

112. From at least as early as July 2010 through August 2013, Hughes, Lamson and Edward Sanders knowingly or recklessly provided substantial assistance to McKelvey, Alvin Mirman and Steven Sanders' violations of Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2), and are deemed to be in violation of this provision to the same extent as McKelvey, Alvin Mirman and Steven Sanders.

113. By reason of the foregoing, Hughes, Lamson and Edward Sanders aided and abetted and, unless enjoined, are reasonably likely to continue to aid and abet, violations of Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2).

COUNT IX

Aiding and Abetting Fraud in Violation of Section 17(a)(3) of the Securities Act

(Against Hughes, Lamson and Edward Sanders)

114. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

115. From no later than January 2007 through December 2013, McKelvey, Alvin Mirman and Steven Sanders, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly negligently engaged in transactions, practices and courses of business which operated or would have operated as a fraud or deceit upon the purchasers and prospective purchasers of such securities, and by reason of the foregoing, violated Section 17(a)(3) of the Securities Act, 15 U.S.C. § 77q(a)(3).

116. From at least as early as July 2010 through October 2013, Hughes, Lamson and Edward Sanders knowingly or recklessly provided substantial assistance to McKelvey, Alvin Mirman and Steven Sanders' violations of Section 17(a)(3) of the Securities Act, 15 U.S.C. § 77q(a)(3), and are deemed to be in violation of this provision to the same extent as McKelvey, Alvin Mirman and Steven Sanders.

117. By reason of the foregoing, Hughes, Lamson and Edward Sanders aided and abetted and, unless enjoined, are reasonably likely to continue to aid and abet, violations of Section 17(a)(3) of the Securities Act, 15 U.S.C. § 77q(a)(3).

COUNT X

**Aiding and Abetting Fraud in Violation of
Section 10(b) and Rule 10b-5(a) of the Exchange Act**

(Against Hughes, Lamson and Edward Sanders)

118. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

119. From no later than January 2007 through December 2013, McKelvey, Alvin Mirman and Steven Sanders directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly, willfully or recklessly employed any device, scheme or artifice to defraud in connection with the purchase or sale of any security, and by reason of the foregoing, violated Section 10(b) and Rule 10b-5(a) of the Exchange Act, 15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5(a).

120. From no later than November 2007 through August 2013, Hughes, Lamson and Edward Sanders knowingly or recklessly provided substantial assistance to McKelvey, Alvin Mirman and Steven Sanders' violations of Section 10(b) and Rule 10b-5(a) of the Exchange Act, 15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5(a), and are deemed to be in violation of these provisions to the same extent as McKelvey, Alvin Mirman and Steven Sanders.

121. By reason of the foregoing, Hughes, Lamson and Edward Sanders aided and abetted and, unless enjoined, are reasonably likely to continue to aid and abet, violations of Section 10(b) and Rule 10b-5(a) of the Exchange Act, 15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5(a).

COUNT XI

**Aiding and Abetting Fraud in Violation of
Section 10(b) and Rule 10b-5(b) of the Exchange Act**

(Against Hughes, Lamson and Edward Sanders)

122. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

123. From no later than January 2007 through December 2013, McKelvey, Alvin Mirman and Steven Sanders directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly, willfully or recklessly made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading in connection with the purchase or sale of any security, and by reason of the foregoing, violated Section 10(b) and Rule 10b-5(b) of the Exchange Act, 15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5(b).

124. From no later than November 2007 through August 2013, Hughes, Lamson and Edward Sanders knowingly or recklessly provided substantial assistance to McKelvey, Alvin Mirman and Steven Sanders' violations of Section 10(b) and Rule 10b-5(b) of the Exchange Act, 15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5(b), and are deemed to be in violation of these provisions to the same extent as McKelvey, Alvin Mirman and Steven Sanders.

125. By reason of the foregoing, Hughes, Lamson and Edward Sanders aided and abetted and, unless enjoined, are reasonably likely to continue to aid and abet, violations of Section 10(b) and Rule 10b-5(b) of the Exchange Act, 15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5(b).

COUNT XII

**Aiding and Abetting Fraud in Violation of
Section 10(b) and Rule 10b-5(c) of the Exchange Act**

(Against Hughes, Lamson and Edward Sanders)

126. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

127. From no later than January 2007 through December 2013, McKelvey, Alvin Mirman and Steven Sanders directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly, willfully or recklessly engaged in acts, practices and courses of business which operated or would have operated as a fraud or deceit upon any person in connection with the purchase or sale of any security, and by reason of the foregoing, violated Section 10(b) and Rule 10b-5(c) of the Exchange Act, 15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5(c).

128. From no later than November 2007 through August 2013, Hughes, Lamson and Edward Sanders knowingly or recklessly provided substantial assistance to McKelvey, Alvin Mirman and Steven Sanders' violations of Section 10(b) and Rule 10b-5(c) of the Exchange Act, 15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5(c), and are deemed to be in violation of these provisions to the same extent as McKelvey, Alvin Mirman and Steven Sanders.

129. By reason of the foregoing, Hughes, Lamson and Edward Sanders aided and abetted and, unless enjoined, are reasonably likely to continue to aid and abet, violations of Section 10(b) and Rule 10b-5(c) of the Exchange Act, 15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5(c).

COUNT XIII

Violations of Section 13(b)(5) and Rule 13b2-1 of the Exchange Act

(Against All Defendants)

130. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

131. From no later than August 2007 through October 2013, Defendants knowingly circumvented and failed to implement a system of internal accounting controls described in Section 13(b)(2)(B) of the Exchange Act, and knowingly, directly or indirectly, falsified or caused to be falsified, books, records, and accounts described in Section 13(b)(2)(A) of the Exchange Act.

132. By reason of the foregoing, Defendants violated, and, unless enjoined, are reasonably likely to continue to violate, Section 13(b)(5) and Rule 13b2-1 of the Exchange Act, 15 U.S.C. § 78m(b)(5) and 17 C.F.R. § 240.13b2-1.

COUNT XIV

Aiding and Abetting Violations of Section 13(b)(5) and Rule 13b2-1 of the Exchange Act

(Against McKelvey, Alvin Mirman and Steven Sanders)

133. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

134. From no later than August 2007 through October 2013, Defendants and other sole officers of the Blank Check Companies knowingly circumvented and failed to implement a system of internal accounting controls described in Section 13(b)(2)(B) of the Exchange Act, and knowingly, directly or indirectly, falsified or caused to be falsified, books, records, and accounts described in Section 13(b)(2)(A) of the Exchange Act, and by reason of the foregoing, violated

Section 13(b)(5) and Rule 13b2-1 of the Exchange Act, 15 U.S.C. § 78m(b)(5) and 17 C.F.R. § 240.13b2-1.

135. From no later than August 2007 through October 2013, McKelvey, Alvin Mirman and Steven Sanders knowingly or recklessly provided substantial assistance to Hughes, Lamson, Edward Sanders, and other sole officers of the Blank Check Companies' violations of Section 13(b)(5) and Rule 13b2-1 of the Exchange Act, 15 U.S.C. § 78m(b)(5) and 17 C.F.R. § 240.13b2-1, and are deemed to be in violation of these provisions to the same extent as Hughes, Lamson, Edward Sanders, and other sole officers of the Blank Check Companies.

136. By reason of the foregoing, McKelvey, Alvin Mirman and Steven Sanders aided and abetted and, unless enjoined, are reasonably likely to continue to aid and abet, violations of Section 13(b)(5) and Rule 13b2-1 of the Exchange Act, 15 U.S.C. § 78m(b)(5) and 17 C.F.R. § 240.13b2-1.

COUNT XV

Aiding and Abetting Violations of Rule 13b2-1 of the Exchange Act

(Against Hughes, Lamson and Edward Sanders)

137. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

138. From no later than August 2007 through October 2013, Defendants and other sole officers of the Blank Check Companies directly or indirectly falsified or caused to be falsified, books, records and accounts subject to Section 13(b)(2)(A) of the Exchange Act, and by reason of the foregoing, violated Rule 13b2-1 of the Exchange Act, 17 C.F.R. § 240.13b2-1.

139. From no later than August 2007 through October 2013, Hughes, Lamson and Edward Sanders knowingly or recklessly provided substantial assistance to McKelvey, Alvin

Mirman and Steven Sanders' violations of Rule 13b2-1 of the Exchange Act, 17 C.F.R. § 240.13b2-1, and are deemed to be in violation of this provision to the same extent as McKelvey, Alvin Mirman and Steven Sanders.

140. By reason of the foregoing, Hughes, Lamson and Edward Sanders aided and abetted and, unless enjoined, are reasonably likely to continue to aid and abet, violations of Rule 13b2-1 of the Exchange Act, 17 C.F.R. § 240.13b2-1.

COUNT XVI

Violations of Rule 13b2-2 of the Exchange Act

(Against Hughes, Lamson and Edward Sanders)

141. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

142. From no later than September 2008 through May 2013, Hughes, Lamson and Edward Sanders, as directors or officers of the Blank Check Companies, directly or indirectly, made or caused to be made a materially false or misleading statement, or omitted to state, or caused another person to omit to state, a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading, to an accountant in connection with an audit, review or examination of the financial statements of the Blank Check Companies required to be made, or the preparation or filing of any document or report required to be filed with the Commission.

143. By reason of the foregoing, Hughes, Lamson and Edward Sanders violated, and, unless enjoined, are reasonably likely to continue to violate, Rule 13b2-2 of the Exchange Act, 17 C.F.R. § 240.13b2-2.

COUNT XVII

Aiding and Abetting Violations of Rule 13b2-2 of the Exchange Act

(Against McKelvey, Alvin Mirman and Steven Sanders)

144. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

145. From no later than September 2007 through October 2013, Hughes, Lamson, Edward Sanders and other sole officers, as directors or officers of the Blank Check Companies, directly or indirectly, made or caused to be made a materially false or misleading statement, or omitted to state, or caused another person to omit to state, a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading, to an accountant in connection with an audit, review or examination of the financial statements of the Blank Check Companies required to be made, or the preparation or filing of any document or report required to be filed with the Commission, and by reason of the foregoing, and by reason of the foregoing, violated Rule 13b2-2 of the Exchange Act, 17 C.F.R. § 240.13b2-2.

146. From no later than September 2007 through October 2013, McKelvey, Alvin Mirman and Steven Sanders knowingly or recklessly provided substantial assistance to Hughes, Lamson, Edward Sanders and other sole officers of the Blank Check Companies' violations of Rule 13b2-2 of the Exchange Act, 17 C.F.R. § 240.13b2-2, and are deemed to be in violation of this provision to the same extent as Hughes, Lamson, Edward Sanders and other sole officers of the Blank Check Companies.

147. By reason of the foregoing, McKelvey, Alvin Mirman and Steven Sanders aided and abetted and, unless enjoined, are reasonably likely to continue to aid and abet, violations of Rule 13b2-2 of the Exchange Act, 17 C.F.R. § 240.13b2-2.

COUNT XVIII

Aiding and Abetting Violations of Section 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act

(Against All Defendants)

148. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

149. From no later than August 2007 through October 2013, the Blank Check Companies failed to make and keep books, records, and accounts in accordance with Section 13(b)(2)(A) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A), and also failed to devise and maintain a system of internal accounting controls in accordance with Section 13(b)(2)(B) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(B), and by reason of the foregoing, violated Section 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A), 78m(b)(2)(B).

150. From no later than August 2007 through October 2013, Defendants knowingly or recklessly provided substantial assistance to the Blank Check Companies' violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A), 78m(b)(2)(B), and are deemed to be in violation of these provisions to the same extent as the Blank Check Companies.

151. By reason of the foregoing, Defendants aided and abetted and, unless enjoined, are reasonably likely to continue to aid and abet, violations of Section 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A), 78m(b)(2)(B).

COUNT XIX

Violations of Rule 13a-15 of the Exchange Act

(Against Lamson and Edward Sanders)

152. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

153. From no later than May 2009 through October 2012, Lamson and Edward Sanders served as managers of some or all of the Blank Check Companies that had a class of securities registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l, and that were required to file or had filed annual reports with the Commission for the prior fiscal year. As managers of these companies, Lamson and Edward Sanders, directly or indirectly, failed to evaluate the effectiveness of the companies' disclosure controls and procedures, the effectiveness of the companies' internal control over financial reporting, and any change in the companies' internal control over financial reporting that occurred during each of the companies' fiscal quarters that has materially affected, or is reasonably likely to materially affect, the companies' internal control over financial reporting.

154. By reason of the foregoing, Lamson and Edward Sanders violated, and, unless enjoined, are reasonably likely to continue to violate, Rule 13a-15 of the Exchange Act, 17 C.F.R. § 240.13a-15.

COUNT XX

Aiding and Abetting Violations of Rule 13a-15 of the Exchange Act

(Against McKelvey, Alvin Mirman, Steven Sanders, Lamson and Edward Sanders)

155. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

156. From no later than May 2009 through June 2013, Entertainment Art, Inc., Fansport Inc. and Pashminadepot.com, Inc., each of which was one of the Blank Check Companies, had a class of securities registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l, and were required to file or had filed annual reports with the Commission for the prior fiscal year. These companies failed to maintain disclosure controls and procedures or internal controls over financial reporting, and by reason of the foregoing, violated Rule 13a-15 of the Exchange Act, 17 C.F.R. § 240.13a-15.

157. From no later than May 2009 through June 2013, McKelvey, Alvin Mirman, Steven Sanders, Lamson and Edward Sanders knowingly or recklessly provided substantial assistance to Entertainment Art, Inc., Fansport Inc. and Pashminadepot.com, Inc.'s violations of Rule 13a-15 of the Exchange Act, 17 C.F.R. § 240.13a-15, and are deemed to be in violation of this provision to the same extent as Entertainment Art, Inc., Fansport Inc. and Pashminadepot.com, Inc.

158. By reason of the foregoing, McKelvey, Alvin Mirman, Steven Sanders, Lamson and Edward Sanders aided and abetted and, unless enjoined, are reasonably likely to continue to aid and abet, violations of Rule 13a-15 of the Exchange Act, 17 C.F.R. § 240.13a-15.

COUNT XXI

Violations of Rule 15d-15 of the Exchange Act

(Against Hughes and Edward Sanders)

159. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

160. From no later than August 2008 through August 2013, Hughes and Edward Sanders served as managers of some or all of the Blank Check Companies that filed reports

under Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d). As managers of these companies, Hughes and Edward Sanders, directly or indirectly, failed to evaluate the effectiveness of the companies' disclosure controls and procedures, the effectiveness of the companies' internal control over financial reporting, and any change in the companies' internal control over financial reporting that occurred during each of the companies' fiscal quarters that has materially affected, or is reasonably likely to materially affect, the companies' internal control over financial reporting.

161. By reason of the foregoing, Hughes and Edward Sanders violated, and, unless enjoined, are reasonably likely to continue to violate, Rule 15d-15 of the Exchange Act, 17 C.F.R. § 240.15d-15.

COUNT XXII

Aiding and Abetting Violations of Rule 15d-15 of the Exchange Act

(Against McKelvey, Alvin Mirman, Steven Sanders, Hughes and Edward Sanders)

162. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

163. From no later than August 2007 through July 2014, some or all of the Blank Check Companies filed reports under Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d), and were required to file or had filed annual reports with the Commission for the prior fiscal year. These Blank Check Companies failed to maintain disclosure controls and procedures or internal control over financial reporting, and by reason of the foregoing, violated Rule 15d-15 of the Exchange Act, 17 C.F.R. § 240.15d-15.

164. From no later than August 2007 through July 2014, McKelvey, Alvin Mirman, Steven Sanders, Hughes and Edward Sanders knowingly or recklessly provided substantial

assistance to these companies' violations of Rule 15d-15 of the Exchange Act, 17 C.F.R. § 240.15d-15, and are deemed to be in violation of this provision to the same extent as these companies.

165. By reason of the foregoing, McKelvey, Alvin Mirman, Steven Sanders, Hughes and Edward Sanders aided and abetted and, unless enjoined, are reasonably likely to continue to aid and abet, violations of Rule 15d-15 of the Exchange Act, 17 C.F.R. § 240.15d-15.

COUNT XXIII

Violations of Rule 13a-14 of the Exchange Act

(Against Lamson and Edward Sanders)

166. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

167. From no later than May 2009 through October 2012, Lamson and Edward Sanders served as the principal executive officers and principal financial officers of some or all of the Blank Check Companies that filed reports under Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a).

168. From no later than May 2009 through October 2012, Lamson and Edward Sanders, directly or indirectly, failed to sign, or improperly authorized their signatures to be used on, the certifications in the forms specified in the applicable exhibit filing requirements of the required reports the Blank Check Companies filed with the Commission. Lamson and Edward Sanders knew or should have known the certifications thus were false.

169. By reason of the foregoing, Lamson and Edward Sanders violated, and, unless enjoined, are reasonably likely to continue to violate, Rule 13a-14 of the Exchange Act, 17 C.F.R. § 240.13a-14.

COUNT XXIV

Violations of Rule 15d-14 of the Exchange Act

(Against Hughes and Edward Sanders)

170. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

171. From no later than August 2008 through August 2013, Hughes and Edward Sanders served as the principal executive officers and principal financial officers of some or all of the Blank Check Companies that filed reports under Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d).

172. From no later than August 2008 through August 2013, Hughes and Edward Sanders, directly or indirectly, failed to sign, or improperly authorized their signatures to be used on, the certifications in the forms specified in the applicable exhibit filing requirements of the required reports the Blank Check Companies filed with the Commission. Hughes and Edward Sanders knew or should have known the certifications thus were false.

173. By reason of the foregoing, Hughes and Edward Sanders violated, and, unless enjoined, are reasonably likely to continue to violate, Rule 15d-14 of the Exchange Act, 17 C.F.R. § 240.15d-14.

COUNT XXV

**Aiding and Abetting Violations of Section 13(a) and
Rules 12b-11, 12b-20, 13a-1, 13a-13 and 13a-14 of the Exchange Act,
and Rule 302 of Regulation S-T of the Securities Act**

(Against McKelvey, Alvin Mirman, Steven Sanders, Lamson and Edward Sanders)

174. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

175. Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), requires issuers of securities registered under Section 12 of the Exchange Act, 15 U.S.C. § 78l, to file annual and quarterly reports in conformity with the Commission's rules and regulations. Rule 13a-1 of the Exchange Act, 17 C.F.R. § 240.13a-1, requires the filing of accurate annual reports, and Rule 13a-13 of the Exchange Act, 17 C.F.R. § 240.13a-13, requires the filing of accurate quarterly reports. Rule 12b-11 of the Exchange Act, 17 C.F.R. § 240.12b-11, and Rule 302 of Regulation S-T of the Securities Act, 17 C.F.R. § 232.302, require certain signatures on statements or reports filed with the Commission, including a manually signed version of documents filed by electronic means. Rule 12b-20 of the Exchange Act, 17 C.F.R. § 240.12b-20, requires an issuer to include in its annual and quarterly reports material information as may be necessary to make the required statements, in light of the circumstances in which they are made, not misleading. And Rule 13a-14, 17 C.F.R. § 240.13a-14, requires the annual and quarterly reports to be accompanied by certifications signed personally by the principal executive officer and principal financial officer of the issuer.

176. From no later than May 2009 through June 2013, Entertainment Art, Inc., Fansport Inc. and Pashminadepot.com, Inc., each of which was one of the Blank Check Companies, had a class of securities registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l, and were required to file or had filed annual reports with the Commission for the prior fiscal year. These companies failed to comply with the required reporting provisions of the federal securities laws, and by reason of the foregoing, violated Section 13(a) and Rules 12b-11, 12b-20, 13a-1, 13a-13 and 13a-14 of the Exchange Act, 15 U.S.C. § 78m(a) and 17 C.F.R. §§ 240.12b-11, 240.12b-20, 240.13a-1, 240.13a-13 and 240.13a-14; and Rule 302 of Regulation S-T of the Securities Act, 17 C.F.R. § 232.302.

177. From no later than May 2009 through June 2013, McKelvey, Alvin Mirman, Steven Sanders, Lamson and Edward Sanders knowingly or recklessly provided substantial assistance to Entertainment Art, Inc., Fansport Inc. and Pashminadepot.com, Inc.'s violations of Section 13(a) and Rules 12b-11, 12b-20, 13a-1, 13a-13 and 13a-14 of the Exchange Act, 15 U.S.C. § 78m(a) and 17 C.F.R. §§ 240.12b-11, 240.12b-20, 240.13a-1, 240.13a-13 and 240.13a-14; and Rule 302 of Regulation S-T of the Securities Act, 17 C.F.R. § 232.302, and are deemed to be in violation of these provisions to the same extent as Entertainment Art, Inc., Fansport Inc. and Pashminadepot.com, Inc.

178. From no later than May 2009 through October 2012, Lamson and Edward Sanders served as the principal executive officers and principal financial officers of some or all of the Blank Check Companies that filed reports under Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a)

179. From no later than May 2009 through October 2012, Lamson and Edward Sanders failed to sign, or improperly allowed their signatures to be used on, the certifications in the forms specified in the applicable exhibit filing requirements of the required reports the Blank Check Companies filed with the Commission. Lamson and Edward Sanders knew or should have known the certifications thus were false. By reason of the foregoing, Lamson and Edward Sanders violated Rule 13a-14 of the Exchange Act, 17 C.F.R. § 240.13a-14.

180. From no later than May 2009 through October 2012, McKelvey, Alvin Mirman and Steven Sanders knowingly or recklessly provided substantial assistance to Lamson and Edward Sanders's violations of Rule 13a-14 of the Exchange Act, 17 C.F.R. § 240.13a-14, and are deemed to be in violation of this provision to the same extent as Lamson and Edward Sanders.

181. By reason of the foregoing, McKelvey, Alvin Mirman, Steven Sanders, Lamson and Edward Sanders aided and abetted and, unless enjoined, are reasonably likely to continue to aid and abet, violations of Section 13(a) and Rules 12b-11, 12b-20, 13a-1, 13a-13 and 13a-14 of the Exchange Act, 15 U.S.C. § 78m(a) and 17 C.F.R. §§ 240.12b-11, 240.12b-20, 240.13a-1, 240.13a-13 and 240.13a-14; and Rule 302 of Regulation S-T of the Securities Act, 17 C.F.R. § 232.302.

COUNT XXVI

**Aiding and Abetting Violations of Section 15(d) and
Rules 12b-11, 12b-20, 15d-1, 15d-13 and 15d-14 of the Exchange Act,
and Rule 302 of Regulation S-T of the Securities Act**

(Against McKelvey, Alvin Mirman, Steven Sanders and Edward Sanders)

182. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

183. Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d), requires issuers with an effective registration statement pursuant to the Securities Act to file annual and quarterly reports in conformity with the Commission's rules and regulations. Rule 15d-1 of the Exchange Act, 17 C.F.R. § 240.15d-1, requires the filing of accurate annual reports, and Rule 15d-13 of the Exchange Act, 17 C.F.R. § 240.15d-13, requires the filing of accurate quarterly reports. Rule 12b-11 of the Exchange Act, 17 C.F.R. § 240.12b-11, and Rule 302 of Regulation S-T of the Securities Act, 17 C.F.R. § 232.302, require certain signatures on statements or reports filed with the Commission, including a manually signed version of documents filed by electronic means. Rule 12b-20 of the Exchange Act, 17 C.F.R. § 240.12b-20, requires an issuer to include in its annual and quarterly reports material information as may be necessary to make the required statements, in light of the circumstances in which they were made, not misleading. And Rule

15d-14 of the Exchange Act, 17 C.F.R. § 240.15d-14, requires that the annual and quarterly reports be accompanied by certifications signed personally by the principal executive officer and principal financial officer of the issuer.

184. From no later than August 2007 through July 2014, some or all of the Blank Check Companies had effective registration statements under the Securities Act and filed reports under Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d). These companies failed to comply with the required reporting provisions of the federal securities laws, and by reason of the foregoing, violated Section 15(d) and Rules 12b-11, 12b-20, 15d-1, 15d-13 and 15d-14 of the Exchange Act, 15 U.S.C. § 78o(d) and 17 C.F.R. §§ 240.12b-11, 240.12b-20, 240.15d-1, 240.15d-13 and 240.15d-14; and Rule 302 of Regulation S-T of the Securities Act, 17 C.F.R. § 232.302.

185. From no later than August 2007 through July 2014, McKelvey, Alvin Mirman, Steven Sanders and Edward Sanders knowingly or recklessly provided substantial assistance to the Blank Check Companies' violations of Section 15(d) and Rules 12b-11, 12b-20, 15d-1, 15d-13 and 15d-14 of the Exchange Act, 15 U.S.C. § 78o(d) and 17 C.F.R. §§ 240.12b-11, 240.12b-20, 240.15d-1, 240.15d-13 and 240.15d-14; and Rule 302 of Regulation S-T of the Securities Act, 17 C.F.R. § 232.302, and are deemed to be in violation of these provisions to the same extent as the Blank Check Companies.

186. From no later than September 2008 through August 2013, Hughes and Edward Sanders served as the principal executive officers and principal financial officers of some or all of the Blank Check Companies that filed reports under Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d).

187. From no later than September 2008 through August 2013, Hughes and Edward Sanders failed to sign, or improperly allowed their signatures to be used on, the certifications in the forms specified in the applicable exhibit filing requirements of the required reports the Blank Check Companies filed with the Commission. Hughes and Edward Sanders knew or should have known the certifications thus were false. By reason of the foregoing, Hughes and Edward Sanders violated Rule 15d-14 of the Exchange Act, 17 C.F.R. § 240.15d-14.

188. From no later than September 2008 through August 2013, McKelvey, Alvin Mirman and Steven Sanders knowingly or recklessly provided substantial assistance to Hughes and Edward Sanders's violations of Rule 15d-14 of the Exchange Act, 17 C.F.R. § 240.15d-14, and are deemed to be in violation of this provision to the same extent as Hughes and Edward Sanders.

189. By reason of the foregoing, McKelvey, Alvin Mirman, Steven Sanders and Edward Sanders aided and abetted and, unless enjoined, are reasonably likely to continue to aid and abet, violations of Section 15(d) and Rules 12b-11, 12b-20, 15d-1, 15d-13 and 15d-14 of the Exchange Act, 15 U.S.C. § 78o(d) and 17 C.F.R. §§ 240.12b-11, 240.12b-20, 240.15d-1, 240.15d-13 and 240.15d-14; and Rule 302 of Regulation S-T of the Securities Act, 17 C.F.R. § 232.302.

COUNT XXVII

Aiding and Abetting Violations of Section 15(d) and Rules 12b-11, 12b-20, 15d-13 and 15d-14 of the Exchange Act, and Rule 302 of Regulation S-T of the Securities Act

(Against Hughes)

190. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

191. Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d), requires issuers with an effective registration statement pursuant to the Securities Act to file annual and quarterly reports in conformity with the Commission's rules and regulations. Rule 15d-13 of the Exchange Act, 17 C.F.R. § 240.15d-13, requires the filing of accurate quarterly reports. Rule 12b-11 of the Exchange Act, 17 C.F.R. § 240.12b-11, and Rule 302 of Regulation S-T of the Securities Act, 17 C.F.R. § 232.302, require certain signatures on statements or reports filed with the Commission, including a manually signed version of documents filed by electronic means. Rule 12b-20 of the Exchange Act, 17 C.F.R. § 240.12b-20, requires an issuer to include in its annual and quarterly reports material information as may be necessary to make the required statements, in light of the circumstances in which they were made, not misleading. And Rule 15d-14 of the Exchange Act, 17 C.F.R. § 240.15d-14, requires that the annual and quarterly reports be accompanied by certifications signed personally by the principal executive officer and principal financial officer of the issuer

192. From no later than March 2010 through November 2010, MIB Digital, one of the Blank Check Companies, had an effective registration statement under the Securities Act and filed reports under Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d). The company failed to comply with the required reporting provisions of the federal securities laws, and by reason of the foregoing, violated Section 15(d) and Rules 12b-11, 12b-20, 15d-13 and 15d-14 of the Exchange Act, 15 U.S.C. § 78o(d) and 17 C.F.R. §§ 240.12b-11, 240.12b-20, 240.15d-13 and 240.15d-14; and Rule 302 of Regulation S-T of the Securities Act, 17 C.F.R. § 232.302.

193. From no later than March 2010 through November 2010, Hughes knowingly or recklessly provided substantial assistance to MIB Digital's violations of Section 15(d) and Rules 12b-11, 12b-20, 15d-13 and 15d-14 of the Exchange Act, 15 U.S.C. § 78o(d) and 17 C.F.R. §§

240.12b-11, 240.12b-20, 240.15d-13 and 240.15d-14; and Rule 302 of Regulation S-T of the Securities Act, 17 C.F.R. § 232.302, and is deemed to be in violation of this provision to the same extent as MIB Digital.

194. By reason of the foregoing, Hughes aided and abetted and, unless enjoined, is reasonably likely to continue to aid and abet, violations of Section 15(d) and Rules 12b-11, 12b-20, 15d-13 and 15d-14 of the Exchange Act, 15 U.S.C. § 78o(d) and 17 C.F.R. §§ 240.12b-11, 240.12b-20, 240.15d-13 and 240.15d-14; and Rule 302 of Regulation S-T of the Securities Act, 17 C.F.R. § 232.302.

COUNT XXVIII

**Control Person Violations of Sections 10(b), 13(a), 13(b)(2)(A),
13(b)(2)(B), 13(b)(5) and 15(d) and Rules 10b-5,
12b-11, 12b-20, 13a-1, 13a-13, 13a-14, 13a-15, 13b2-1, 13b2-2,
15d-1, 15d-13, 15d-14 and 15d-15 of the Exchange Act,
Pursuant to Section 20(a) of the Exchange Act**

(Against McKelvey, Alvin Mirman and Steven Sanders)

195. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

196. From no later than January 2007 through July 2014, the Blank Check Companies and the sole officers, including Hughes, Lamson and Edward Sanders, directly or indirectly, violated, or aided and abetted violations of, Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B), 13(b)(5) and 15(d) and Rules 10b-5, 12b-11, 12b-20, 13a-1, 13a-13, 13a-14, 13a-15, 13b2-1, 13b2-2, 15d-1, 15d-13, 15d-14 and 15d-15 of the Exchange Act, 15 U.S.C. §§ 78j(b), 78m(a), 78m(b)(2)(A), 78m(b)(2)(B), 78o(d), and 17 C.F.R. §§ 240.10b-5, 240.12b-11, 240.12b-20, 240.13a-1, 240.13a-13, 240.13a-14, 240.13a-15, 240.13b2-1, 240.13b2-2, 240.15d-1, 240.15d-13, 240.15d-14, 240.15d-15.

197. As the persons who, directly or indirectly, controlled the Blank Check Companies and the sole officers from no later than January 2007 through July 2014, McKelvey, Alvin Mirman and Steven Sanders are liable jointly and severally with and to the same extent as the Blank Check Companies and the sole officers for the above-referenced violations of the Exchange Act and rules and regulations thereunder committed by the Blank Check Companies and the sole officers.

198. As the persons who, directly or indirectly, controlled the Blank Check Companies and the sole officers from no later than January 2007 through July 2014, McKelvey, Alvin Mirman and Steven Sanders did not act in good faith, and directly or indirectly induced the act or acts that constituted the above-referenced violations of the Exchange Act and the rules and regulations thereunder committed by the Blank Check Companies and the sole officers.

199. By reason of the foregoing, McKelvey, Alvin Mirman and Steven Sanders violated, and, unless enjoined, are reasonably likely to continue to violate, Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a).

COUNT XXIX

Violations of Section 20(b) of the Exchange Act

(Against McKelvey, Alvin Mirman and Steven Sanders)

200. The Commission repeats and realleges Paragraphs 1 through 87 of its Complaint.

201. From no later than January 2007 through July 2014, the Blank Check Companies and the sole officers, including Hughes, Lamson and Edward Sanders, directly or indirectly, violated, or aided and abetted violations of, Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B), 13(b)(5) and 15(d) and Rules 10b-5, 12b-11, 12b-20, 13a-1, 13a-13, 13a-14, 13a-15,

13b2-1, 13b2-2, 15d-1, 15d-13, 15d-14 and 15d-15 of the Exchange Act, 15 U.S.C. §§ 78j(b), 78m(a), 78m(b)(2)(A), 78m(b)(2)(B), 78o(d), and 17 C.F.R. §§ 240.10b-5, 240.12b-11, 240.12b-20, 240.13a-1, 240.13a-13, 240.13a-14, 240.13a-15, 240.13b2-1, 240.13b2-2, 240.15d-1, 240.15d-13, 240.15d-14, 240.15d-15.

202. From no later than January 2007 through July 2014, McKelvey, Alvin Mirman and Steven Sanders, directly or indirectly, through the Blank Check Companies and the sole officers, including Hughes, Lamson and Edward Sanders, did acts or things which it would have been unlawful for them to do under the provisions of the Exchange Act and the rules and regulations set forth above.

203. By reason of the foregoing, McKelvey, Alvin Mirman and Steven Sanders violated, and, unless enjoined, are reasonably likely to continue to violate, Section 20(b) of the Exchange Act, 15 U.S.C. § 78t(b).

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests the Court find the Defendants committed the violations alleged, and:

I.

Permanent Injunction

Issue a Permanent Injunction restraining and enjoining Defendants, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from violating the federal securities laws alleged in this Complaint.

II.

Disgorgement

Issue an Order directing Defendants and Relief Defendants to disgorge all ill-gotten gains, including prejudgment interest, resulting from the acts or courses of conduct alleged in this Complaint.

III.

Penalties

Issue an Order directing Defendants to pay civil money penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d).

IV.

Penny Stock Bar

Issue an Order, pursuant to Section 20(g) of the Securities Act, 15 U.S.C. § 77t(g), and Section 21(d)(6) of the Exchange Act, 15 U.S.C. § 78u(d)(6), barring Defendants from participating in any future offering of a penny stock.

V.

Officer and Director Bar

Issue an Order, pursuant to Section 20(e) of the Securities Act, 15 U.S.C. § 77t(e), and Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2), barring Defendants from acting as officers or directors of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act.

VI.

Further Relief

Grant such other and further relief as may be necessary and appropriate.

VII.

Retention of Jurisdiction

Further, the Commission respectfully requests that the Court retain jurisdiction over this action and over Defendants and Relief Defendants in order to implement and carry out the terms of all orders and decrees that may hereby be entered, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

Dated: April 16, 2015

Respectfully submitted,

By: /s/ Patrick R. Costello
Patrick R. Costello
Senior Trial Counsel
Florida Bar No. 75034
Direct Dial: (305) 982-6380
E-mail: costello@sec.gov
Lead Attorney
Attorney To Be Noticed

Jeffrey T. Cook
Florida Bar No. 647578
Direct Dial: (305) 982-6344
E-mail: cookje@sec.gov

ATTORNEYS FOR PLAINTIFF
SECURITIES AND EXCHANGE COMMISSION
801 Brickell Avenue, Suite 1800
Miami, Florida 33131
Telephone: (305) 982-6300
Facsimile: (305) 536-4154