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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. LIDINGO HOLDINGS, LLC, KAMILLA BJORLIN, ANDREW HODGE, BRIAN NICHOLS, and VINCENT CASSANO, Defendants.	Case No. 17-2540

COMPLAINT

Plaintiff Securities and Exchange Commission alleges:

I. INTRODUCTION

1. For approximately two and a half years, stock promotion firm Lidingo Holdings LLC ("Lidingo") paid writers to generate hundreds of bullish articles about public company clients while concealing from investors that these were paid promotions. Not one of the articles disclosed, as required by law, that the writer was being paid indirectly by the company they were writing about, and in fact, many falsely claimed that the writer had not been compensated. Lidingo owner Defendant Kamilla Bjorlin ("Bjorlin") and her associate Defendant Andrew

Hodge ("Hodge"), hired experienced writers such as Defendants Brian Nichols ("Nichols") and Vincent Cassano ("Cassano") to participate in this scheme to deceive investors into believing that the articles were impartial.

2. On information and belief, Lidingo also published ghost-written articles under its own pseudonyms. Like the writers it hired, the articles Lidingo published did not disclose that their authors were being paid, and in many instances lied about not having received compensation. Investors who read articles published by Lidingo and its writers simply had no way of knowing that they were reading advertisements disguised as independent analysis.

3. The Commission brings this action to enjoin Defendants Lidingo, Bjorlin, Hodge, Nichols and Cassano from violating the antifraud and antitouting provisions of the federal securities laws. From no later than August 2011 through at least March 2014, Defendants engaged in a scheme to promote the stock of public companies without disclosing compensation they received for the promotion directly or indirectly from the issuers, and in many instances, by falsely stating they had not received any compensation.

4. Lidingo was the stock promotion firm at the center of this scheme. The company, acting through Bjorlin and Hodge, and its writers, including Nichols and Cassano, engaged in a concerted effort to generate articles on investment websites about publicly-traded issuer clients that appeared to be objective and independent, when in fact, they were simply paid promotions. The articles were bullish and painted the clients in a positive light. Despite being paid for their work, the writers and Lidingo, which, as alleged below, often published ghost-written articles about the clients using an assortment of pseudonyms, failed to disclose the compensation in the articles and therefore misrepresented the nature of their relationship with the clients to the investing public. Lidingo, Bjorlin and Hodge worked to ensure no disclosure of compensation

was made. Indeed, they even declined to use writers who indicated they would disclose compensation and, in some cases, explicitly directed writers not to disclose compensation. Accordingly, investors reading the articles remained unaware the articles were opinion pieces ultimately funded by the issuers.

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

(a) Defendants violated Sections 17(a)(1), 17(a)(3) and 17(b) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77q(a)(1), 77q(a)(3) and 77q(b); and Section 10(b) and Rules 10b-5(a) and 10b-5(c) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b) and 17 C.F.R. §§ 240.10b-5(a) and 240.10b-5(c);

(b) Lidingo, Hodge, Nichols and Cassano violated Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2); and 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);

(c) Lidingo, Bjorlin and Hodge aided and abetted violations of Sections 17(a) and 17(b) of the Securities Act, 15 U.S.C. §§ 77q(a) and 77q(b); and Section 10(b) and Rule 10b-5 of the Exchange Act, 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5;

(d) Nichols aided and abetted violations of Section 17(b) of the Securities Act, 15 U.S.C. § 77q(b);

(e) Bjorlin is liable as a control person under Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a), for violations of Section 10(b) and Rule 10b-5 of the Exchange Act, 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5; and

(f) In the alternative, Lidingo and Bjorlin violated Section 10(b) and Rule 10b-5 of the Exchange Act, 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5, through or by means of others, as prohibited by Section 20(b) of the Exchange Act, 15 U.S.C. § 78t(b).

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

7. 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 to pay disgorgement with prejudgment interest; (iii) directing Defendants to pay civil money penalties; (iv) imposing penny stock bars against Bjorlin and Hodge; and (v) imposing an officer and director bar against Bjorlin.

II. DEFENDANTS AND RELATED PARTIES

A. Defendants

8. Lidingo was a Nevada limited liability company formed in 2011 and dissolved in 2014. At all relevant times, Lidingo was owned and operated by Bjorlin, who was the only member or managing member of Lidingo, and the only signatory to its bank accounts. During its existence, Lidingo was engaged in the business of providing stock promotion services to publicly-traded issuers, and directed the publication on investment websites of over 400 articles about its issuer clients and the clients of an affiliated promotional services company, Lavos LLC ("Lavos"), with which Lidingo shared compensation. The securities of some of the issuers for whom Lidingo provided promotion services were penny stocks under Section 3(a)(51)(A) and Rule 3a51-1 of the Exchange Act, 15 U.S.C. § 78c(a)(51)(A) and 17 C.F.R. § 240.3a51-1.

9. Bjorlin, age 46, is an actress, performing under the stage name Milla Bjorn, who resides in Encino, California. Bjorlin organized and operated Lidingo where, from no later than September 2011 through at least March 2014, she directed Lidingo's stock promotion services on behalf of publicly-traded issuer clients, often using her stage name. She also is the President of Mobius Bio-Technology, Inc., an inactive Washington corporation founded in 2014 ("Mobius").

Bjorlin declined to testify in the Commission's investigation based on her Fifth Amendment privilege against self-incrimination.

10. Hodge, age 43, resides in Calabasas, California. From no later than December 2011 through at least March 2014, he was employed by Lidingo and assisted Bjorlin in Lidingo's stock promotion work, including interacting with issuer clients and providing direction to writers drafting articles on behalf of those clients. Hodge also is the Vice President of Mobius and the founder of Avenaddy, Inc., a California corporation formed in 2013 that held itself out as providing stock promotional services. Hodge declined to testify in the Commission's investigation based on his Fifth Amendment privilege against self-incrimination.

11. Nichols, age 31, resides in Florence, Kentucky. From no later than February 2012 through at least March 2014, he was a paid writer for Lidingo, publishing at least 90 articles about issuer clients on investment websites under his own name. On information and belief, Nichols also wrote over 25 additional paid articles which Lidingo published under its own pseudonyms, including A. John Hodge, The Swiss Trader, Amy Baldwin, Trading Maven, Henry Kawabe, Teresa Dawn and Leopold Epstein. Nichols currently runs BNL Finance, Inc., which holds itself out as a financial news, research and opinion website.

12. Cassano, age 43, resides in Anacortes, Washington. From no later than August 2011 through at least November 2011, he was a paid writer for Lavos, publishing at least five articles about an issuer client of Lavos on investment websites under the pseudonym VFC's Stock House. In addition, from no later than November 2011 through at least April 2013, he was a paid writer for Lidingo, publishing at least 35 articles about issuer clients on investment websites, also under the pseudonym VFC's Stock House.

B. Related Parties

13. Lavos is a Nevada limited liability company formed in 2011. From no later than July 2011 through at least March 2014, Lavos was controlled and operated by Manish Singh ("Singh"). During that period, Lavos provided stock promotion services to publicly-traded issuers, principally through its affiliate, Lidingo, with which it shared compensation. Lavos has settled related charges the Commission brought against it arising, *inter alia*, out of the facts alleged in this Complaint.

14. Singh, age 48, resides in Hidden Hills, California. From no later than July 2011 through at least March 2014, Singh controlled Lavos, and along with Bjorlin, helped direct the stock promotion services of Lidingo. Singh also was President and Chief Executive Officer of ImmunoCellular Therapeutics, Ltd. ("IMUC") from no later than February 2008 through at least August 2012, and Chief Executive Officer of Lion Biotechnologies, Inc. ("LBIO") from no later than July 2013 through at least December 2014. Both IMUC and LBIO were issuer clients of Lidingo. Singh declined to testify in the Commission's investigation based on his Fifth Amendment privilege against self-incrimination. He has settled related charges the Commission brought against him arising, *inter alia*, out of the facts alleged in this Complaint.

15. Advanced Medical Isotope Corp. ("ADMD") is a Delaware corporation formed in 1994. At all relevant times, the company operated under the ticker symbol "ADMD." ADMD was a publicly-traded issuer that agreed to pay Lidingo to perform stock promotion services.

16. Galena Biopharma, Inc. ("GALE") is a Delaware corporation formed in 2006. At all relevant times, the company operated under the ticker symbol "GALE." GALE was a publicly-traded issuer that paid Lidingo to perform stock promotion services. GALE has settled

related charges the Commission brought against it arising out of, *inter alia*, the facts alleged in this Complaint.

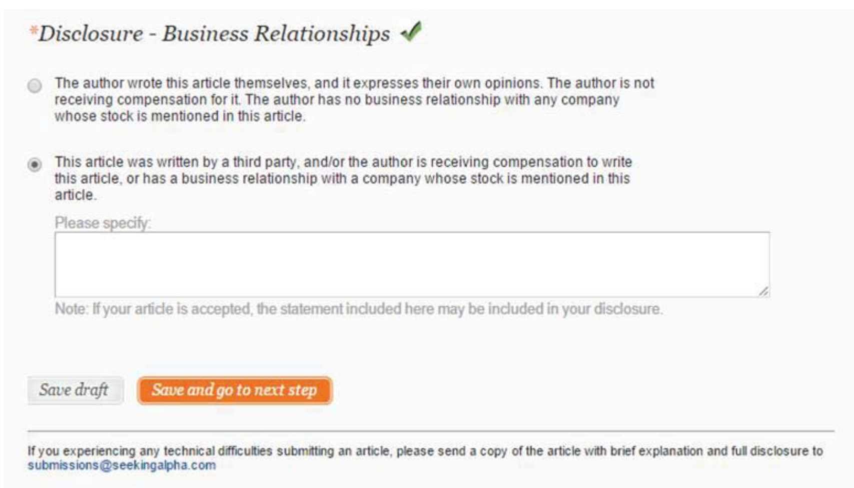
17. IMUC is a Delaware corporation formed in 1987. At all relevant times, the company operated under the ticker symbol "IMUC." IMUC was a publicly-traded issuer that paid Lidingo to perform stock promotion services. Singh was President and Chief Executive Officer of IMUC during part of the time he helped direct the stock promotion for Lidingo. IMUC has settled related charges the Commission brought against it arising out of the facts alleged in this Complaint.

18. LBIO is a Nevada corporation formed in 2013. At all relevant times, the company operated under the ticker symbol "LBIO." LBIO was a publicly-traded issuer that paid Lidingo to perform stock promotion services. Singh was Chief Executive Officer of LBIO during part of the time he helped direct the stock promotion for Lidingo. LBIO has settled related charges the Commission brought against it arising out of, *inter alia*, the facts alleged in this Complaint.

19. NeoStem, Inc. ("NBS"), now doing business as Caladrius Biosciences, Inc., is a Delaware corporation formed in 1980. At all relevant times, the company operated under the ticker symbol "NBS" and had its principal place of business located in New York, New York. NBS was a publicly-traded issuer that paid Lidingo to perform stock promotion services. In addition, the agreements Lidingo entered into with NBS were governed by the laws of the State of New York.

20. Seeking Alpha Inc. is a Delaware corporation doing business in New York, New York, and Seeking Alpha Ltd. is an Israeli corporation (together, "Seeking Alpha"). Seeking Alpha operates a website at the URL "www.seekingalpha.com" that features, among other things, articles about stocks, assets classes and investments in publicly-traded issuers. Lidingo

itself, as well as Nichols, Cassano and others while writing for Lidingo, submitted articles to Seeking Alpha for posting on Seeking Alpha's website. At all relevant times, those who used Seeking Alpha's website agreed to submit to the exclusive jurisdiction of the state and federal courts located in New York County, New York. In addition, at all relevant times, Seek Alpha had a substantial number of paid subscribers located in New York, New York. At one time, Seeking Alpha permitted the publication of articles for which a writer had been compensated, as long as that compensation was disclosed. However, in or around June 2012, Seeking Alpha announced it would no longer permit publication of articles for which compensation had been paid. Writers subsequently were required to select one of the two following radio boxes during the article submission process:


*Disclosure - Business Relationships

The author wrote this article themselves, and it expresses their own opinions. The author is not receiving compensation for it. The author has no business relationship with any company whose stock is mentioned in this article.

This article was written by a third party, and/or the author is receiving compensation to write this article, or has a business relationship with a company whose stock is mentioned in this article.

Please specify:

Note: If your article is accepted, the statement included here may be included in your disclosure.

Save draft | Save and go to next step

If you experiencing any technical difficulties submitting an article, please send a copy of the article with brief explanation and full disclosure to submissions@seekingalpha.com

Selecting the top radio box automatically caused articles published on Seeking Alpha's website to include an author disclosure immediately before or after the article saying in some form "I am not receiving compensation" for the article. This is an example of the disclosure:

Disclosure: I have no positions in any stocks mentioned, and no plans to initiate any positions within the next 72 hours. I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

21. In addition, from no later than November 25, 2012 through at least March 2014, Seeking Alpha's Terms of Use provided that account holders "may only maintain a single account." As set forth below, on information and belief, Lidingo and certain of its writers violated this policy by maintaining more than one account, and using their accounts to publish articles on Seeking Alpha's website under more than one pseudonym.

III. JURISDICTION AND VENUE

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

23. The Court has personal jurisdiction over Defendants and venue is proper in this District pursuant to Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a), because, among other things, the acts and transactions in which Defendants engaged and that constitute violations of the federal securities laws 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.

24. 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, the mails, and/or the facilities of a national securities exchange.

IV. FACTUAL BACKGROUND

A. Creation of the Stock Promotion Scheme

25. Bjorlin and Singh launched what would become the Lidingo-Lavos stock promotion scheme in September 2011 when Singh helped Bjorlin organize Lidingo so she could

work with him on promotional projects for publicly-traded issuers. Bjorlin, in turn, began paying Hodge in December 2011 to assist her with Lidingo's promotional work. Over the course of more than two years, from September 2011 to at least March 2014, Lidingo and Lavos, through Singh, Bjorlin, and Hodge, worked together to provide investor relations services involving at least 14 different writers, 11 issuers, over 400 internet publications, and the distribution of emails. During this period of time, Singh also was CEO of IMUC and LBIO, two publicly traded companies that hired Lidingo to perform promotional work.

26. As part of the scheme, the issuers paid Lidingo and/or Lavos for the promotions, and Lidingo, in turn, paid Nichols, Cassano and others to write articles and blog entries about the issuers that were published on investment websites like Seeking Alpha without disclosure of compensation. In total, Lidingo and Lavos arranged for the publication of more than 400 articles and blog entries. None of the internet publications appropriately disclosed the receipt of compensation and at least 200 of the articles published on Seeking Alpha's website affirmatively misrepresented the author was not receiving compensation for the article. (*See* Appendix A for a list of the subject articles.)

27. From September 2011 to at least March 2014, Lidingo and/or Lavos had agreements in place to provide promotional services to issuers including ADMD, GALE, IMUC, LBIO, and NBS. All of the Lidingo agreements with the issuers were signed by Bjorlin.

28. Lidingo, through Bjorlin, paid the expenses related to the promotional campaigns, including payments to writers for publishing and ghost-writing articles. Lavos sent a portion of the compensation it received under its contracts to Lidingo both to share profits from the enterprise and to cover Lavos' share of Lidingo's promotional expenditures. Bjorlin and Lidingo received cash and equity of at least $1 million from the promotional scheme.

29. Singh found the issuer clients for Lidingo and Lavos and directed the promotional work by, among other things, providing ideas for articles, editing articles, and, at times, directing which writer should draft an article and when and where it should be published. Lidingo, through Bjorlin and Hodge, performed the day-to-day promotional work. This included interfacing with writers and coordinating the publication of articles about issuer-clients.

30. Lidingo and its writers published on investment websites, including SeekingAlpha.com, Benzinga.com, WallStCheatSheet.com, SmallCapNetwork.com, TheStreet.com, MarketPlayground.com, Finance.Yahoo.com, InvestorVillage.com, Fool.com, InvestorsHub.com, Investing.com, Minyanville.com, and Forbes.com. In addition, Lidingo's writers published blog entries on Seeking's Alpha's Instablog.

31. In 2012, Bjorlin started paying writers to ghost-write articles about clients, which, on information and belief, Lidingo then published on Seeking Alpha's website under pseudonyms, such as The Swiss Trader and Amy Baldwin. Each of the pseudonyms had a false profile on Seeking Alpha. For example, The Swiss Trader profile claimed he had both an "MBA in Finance" and a degree in Physics. In another example, the profile for the Amy Baldwin pseudonym at times claimed "I am currently employed by a Fortune 20 company, on any given day I am assessing risk management and the financial health of various companies." There was no real person at Lidingo with such credentials.

32. In all, on information and belief, Lidingo itself published at least 140 articles under at least ten different pseudonyms, including Amy Baldwin, Teresa Dawn, Leopold Epstein, A. John Hodge, Henry Kawabe, Phil Lassiter, Ang Nguyen, William Sterling, The Swiss Trader, and Trading Maven. For example, on information and belief, Hodge, using the pseudonym Henry Kawabe, published a ghost-written article on September 3, 2013, which

discussed the securities of one of Lidingo's issuer clients on Seeking Alpha's website. In the article, Lidingo, through Hodge, did not disclose it had indirectly received compensation from an issuer, or the amount received. Indeed, Lidingo, through Hodge, even falsely stated it had not been compensated for the article. None of the more than 140 ghost-written articles disclosed compensation or otherwise suggested the publications were part of a paid promotion, and over 75 of the pseudonymous articles affirmatively misrepresented the author had not been compensated. (*See* Appendix A.)

B. The Plan Not To Disclose Compensation

33. Throughout the stock promotion scheme, Bjorlin and Hodge understood Singh did not want Lidingo to use writers who disclosed compensation. For example, in October 2011, a writer hired by Lidingo to write an article about IMUC on Seeking Alpha disclosed in that article that he had been paid. Bjorlin referenced that writer in an April 17, 2012 email to Singh as "the idiot we used in the beginning, he will NOT post a disclosure again. . ." Bjorlin made similar comments about the writer in an email to Singh on August 7, 2012 and again in January 2013.

34. Following this incident, Bjorlin and Hodge, when emailing Singh about potential writers, continually identified as problematic those writers who disclosed compensation. Bjorlin emailed Singh a list of potential writers and asked Singh to approve them. With respect to one writer, Bjorlin noted "[H]e wants to disclose as he is CFA. No disclosures allowed." Singh responded on April 17, 2012, confirming the writer was a "no." In the same email, Singh referenced another potential writer and instructed Bjorlin only to try him "if no disclosure." On August 7, 2012, Bjorlin emailed Singh with a list of "potential writers revisited." In the email, Bjorlin identified several potential writers for Singh's approval, including a writer who told Lidingo that "he is legit and would have to disclose" and another who previously signed a Lidingo

non-disclosure agreement ("NDA") but then "decided he needed to disclose." Similarly, on January 29, 2013, Bjorlin sent Singh a chart of potential writers specifically noting that one writer "wants to disclose on Seeking Alpha." Singh told Bjorlin not to use that writer. Bjorlin emailed Singh on April 16, 2013 about another potential writer saying Hodge felt he was "no good because he 'advertises' he has a website that pays for writing."

35. In another example, on February 1, 2013, Bjorlin sent Singh language from Hodge expressing concern that a potential writer may have been working for another promoter and "he told me on several occasions that he would disclose." Singh directed that they not use the writer. Five days later, Bjorlin followed up with Singh about that same writer noting, he "will NOT write wo [*sic*] disclosure, you sure he used to write for pay?" Singh responded: "He has been spooked by [promoter] that the SEC may monitor him so he will never agree to anything not proper in writing. Unless we get to know him he wont [*sic*] write."

36. Singh also directed Lidingo to tell writers not to disclose compensation. For example, in February 2012, a writer had expressed concerns to Lidingo that Seeking Alpha prohibited writers from receiving compensation to write about specific stocks. On February 20, 2012, Singh emailed Bjorlin the following response for her to send to the writer: "We understand [Seeking Alpha's] policy. We would like to do a consulting agreement with you for research and investment advice, but there would be no disclosures associated with any articles. Any such disclosures are damaging and discredit the validity of these articles." Singh again opposed disclosure in a May 1, 2012 email where he recommended that Bjorlin tell one of the writers not to disclose the receipt of compensation for articles published on his personal website because "[t]his would create a red flag for investors or folks would want to dent his credibility." In an April 18,

2013 email about another potential writer, Singh advised Bjorlin, "[j]ust make sure he understands NO disclosures."

37. In turn, Lidingo instructed writers not to disclose that they received compensation for their articles. On at least two occasions (once through Hodge), Lidingo asked writers to enter into NDAs that prevented them from disclosing the compensation they received. In fact, under the NDAs, non-disclosable "confidential information" was defined to include "disclosure of compensation for contracted work."

38. In emails, Bjorlin also told writers they could not disclose. For instance, in a December 8, 2011 email she told a writer, "you will not be able to disclose that you are being paid to write, will you be ok with that?" On April 3, 2012, Cassano emailed Bjorlin that he would be "tightening up my compensation disclosures." Bjorlin responded that same day asking what happened to make him want to disclose and telling him "[w]e unfortunately cannot have the disclosure on there." Cassano responded that his "legal guy" advised him to "keep [his] stuff air tight to avoid future problems, after all it's the writer that's on the hook." However, he agreed that for the time being he would not include a disclosure on Lidingo articles. Later in August 2012, when Cassano was to start a new assignment for Lidingo, Bjorlin wrote to him "[a]gain, we can't have any disclosures." He responded, assuring Bjorlin "[I] won't use disclosures with u guys." On February 11, 2013, Bjorlin sent an email to another writer which detailed "requirements that need to be followed to continue writing for Lidingo." The requirements included "No disclosure of compensation" and "[n]o posting of any Lidingo company articles prior to approval."

39. Lidingo also understood that Seeking Alpha's policy, starting in June 2012, prohibited compensated articles and required writers to disclose whether they received

compensation. Lidingo had first-hand knowledge of Seeking Alpha's policy because, on information and belief, it published at least 75 articles ghost-written by other Lidingo writers, which falsely represented Lidingo was "not receiving compensation" for the article. In each of the articles, Lidingo repeatedly and falsely stated it was not receiving compensation in order to circumvent Seeking Alpha's policy.

C. Bjorlin's Role in the Scheme

40. Bjorlin controlled Lidingo and performed the day-to-day work necessary to keep the stock promotion scheme running. Bjorlin recruited writers to write articles for issuer clients and paid those writers using Lidingo bank accounts. On October 6, 2011, for example, Bjorlin emailed a writer saying that Lidingo was looking for influential bloggers to write about clients noting that "[i]n the past we have worked with some bloggers who have written both paid as well as unpaid articles on these companies." Once the writer agreed to write for Bjorlin, she wrote to him in a December 8, 2011 email: "I have to let you know what company to start with. Also you will not be able to disclose that you are being paid to write, will you be okay with that?" On December 9, 2011, after the writer sent Bjorlin a draft article, she responded: "Article looks great! Please submit to [Seeking Alpha] of course without any disclosure, as soon as possible."

41. Bjorlin also communicated with the writers to give instructions on the publication of specific articles, such as providing ideas for topics or direction on timing. For instance, on January 14, 2012, Bjorlin emailed Cassano asking if he could publish an IMUC article by that coming Tuesday and instructing him to focus on how IMUC's financing was a "game changer." On January 18, 2012, Cassano, writing under the name VFC's Stock House, published an article entitled "Another Revival Could Be In Store For ImmunoCellular Therapeutics" that was published on Seeking Alpha's website. Despite being paid to write the

article, Cassano did not disclose he had indirectly received compensation from IMUC through Lidingo or the amount he received. In another example, on November 9, 2013, Hodge emailed Nichols attaching edits to a draft of an article Nichols wrote on LBIO. That same day, Bjorlin followed up on Hodge's email telling Nichols, "we will need this on [Seeking Alpha] for tue please." The article, under Nichols' name, was published on Seeking Alpha's website on Tuesday, November 12, 2013. Despite being paid to write the article, Nichols did not disclose that he had indirectly received compensation from LBIO through Lidingo or the amount he received. Moreover, Nichols falsely stated he had not been compensated for the article.

42. In addition, Bjorlin arranged for certain Lidingo writers' articles to be edited by salaried writers who not only wrote for Lidingo, but performed an editing function as well. On December 12, 2012, Bjorlin, Hodge and another Lidingo associate emailed one of the other editor-writers about his edits to a Nichols article. Bjorlin instructed Hodge to send the editor-writer's corrections to Nichols. On December 17, 2012, the article was published on Market Playground's website under the pseudonym William Sterling. The article did not disclose the receipt of compensation from an issuer or the amount of compensation received.

43. Bjorlin also advised writers on the article publication process and handled the logistics of managing multiple writers drafting numerous publications. On September 17, 2013, a writer emailed Bjorlin expressing concern because Seeking Alpha had contacted him saying they had information he was writing articles for payment. That same day, Bjorlin responded that the email was "a carbon copy of what several writers have gotten" and that [Seeking Alpha] was "simply fishing.'' She followed up on September 18, 2013, telling the writer he should continue writing for Seeking Alpha. In another example, on October 1, 2012, Bjorlin wrote to a group of writers, asking them to update her on what they were working on and noting that "[t]here will be

a calendar for the rest of the month sent to everyone for what to do." On June 5, 2013, Bjorlin wrote to at least one writer providing "a list of sites that everyone should attempt to gain a relationship with, in order to reach a broader scope of readers."

44. In addition, Bjorlin communicated with issuer clients about potential articles. In one example, on November 12, 2012, Bjorlin sent GALE's CEO a draft article, saying "add anything you want [i]n there ASAP." The article, authored by one of Lidingo's writers under the pseudonym Glen S. Woods, was published that same day on Seeking Alpha's website and entitled "Galena Biopharma: Catalysts Have Led Its Stock Higher." Despite being paid to write the article, the writer did not disclose that he had indirectly received compensation from GALE through Lidingo or the amount he received. Indeed, the writer even falsely stated he had not been compensated for the article. In another example, the CEO of a different issuer client provided Lidingo with suggested topics for articles and offered "to provide any back up and additional help your writers need to pull [the topics] together." Later, in October 2013, the client's corporate communications director emailed Bjorlin and Hodge to "say thank you for all your hard work" and to note "[l]et's keep up the momentum."

45. On March 25, 2013, the same CEO sent Bjorlin notes for a potential article about the client. Bjorlin forwarded the notes to Singh suggesting a possible writer for the article. On information and belief, on March 27, 2013, Lidingo, under the pseudonym "The Swiss Trader," published the article incorporating the CEO's notes. (*See* Appendix A.) Lidingo did not disclose the receipt of compensation from the issuer or the amount received. To the contrary, the article falsely stated the writer had not been compensated. Following the publication of the article, Bjorlin emailed Singh saying: "I'm not too crazy about today's [issuer]. I should have read before posting. Too pumpy, maybe we should just kill Swiss."

46. On at least another occasion, in September 2013, Bjorlin provided the same CEO and corporate communications director with a draft of an article written by Nichols. In response, the CEO suggested to Bjorlin the article include slides or graphics from a power point presentation he was attaching. On September 12, 2013, the article was published under the pseudonym "Arthur Rhodes" on Market Playground's website. The article, however, did not disclose that Nichols or "Arthur Rhodes" had been compensated or the amount of their compensation.

D. Hodge's Role in the Scheme

47. Like Bjorlin, Hodge oversaw the writers' drafts by providing assignments, input on content, and edits. For instance, on March 21, 2013, Nichols emailed Bjorlin and Hodge asking about an interview he was to have with a representative from the Vatican concerning NBS. After Bjorlin followed up, Hodge responded with the interview time and a list of revised questions for Nichols. On April 10, 2013 an article discussing NBS and incorporating Nichols' interview was published on Seeking Alpha's website under Nichols' name with the title "The Vatican/NeoStem Partnership Looks to Create Interest and Advance Cell Therapy." Despite being paid to write the article, Nichols did not disclose that he had indirectly received compensation from NBS through Lidingo or the amount he received. Moreover, Nichols falsely stated he had not been compensated for the article.

48. In another example, on October 10, 2012, Hodge emailed a Lidingo associate with feedback from Seeking Alpha on a draft article discussing GALE, and requested the associate to send the revised article back to Hodge as soon as possible. Later that day, the article, entitled "Clinical Data Separate 3 Hopeful Cancer Candidates," was published on Seeking Alpha's website under the Lidingo pseudonym "Henry Kawabe." The article did not

disclose that the writer had received compensation or the amount he received. Moreover, the writer falsely stated he had not been compensated for the article.

49. Similarly, Hodge gave writers direction on when and where to publish. He sent an email to Nichols on November 11, 2013, copying Bjorlin, directing Nichols to submit "ONCS part 2 tomorrow." Two days later an article on ONCS (another issuer client) by Nichols was published on Seeking Alpha's website entitled "Treating Melanoma: Only The Best Shall Survive." Despite being paid to write the article, Nichols did not disclose that he had indirectly received compensation from ONCS through Lidingo or the amount he received. Moreover, Nichols falsely stated he had not been compensated for the article.

50. In addition, on information and belief, Hodge, at times, published Lidingo articles himself – at least ten of the Lidingo ghost-written articles. (*See* Appendix A.) On September 13, 2013, for example, Singh sent Bjorlin an email attaching a proposed article discussing LBIO and directing that Lidingo have the article published by a specific Lidingo writer or under the Lidingo pseudonym The Swiss Trader. On information and belief, two weeks later, Hodge published a nearly verbatim version of Singh's article on Seeking Alpha's website under the Lidingo pseudonym The Swiss Trader. The article, entitled "3 Companies Developing The Future Of Cancer Therapy" did not disclose that the writer had received compensation or the amount received. Moreover, the article falsely stated that the writer had not been compensated for the article.

51. Hodge also recruited writers. For example, he reached out to one writer to see if the writer would write for Lidingo. Hodge then sent the writer a non-disclosure agreement, dated April 14, 2013, which prohibited the "disclosure of compensation for contracted work."

52. In addition, Hodge invoiced and communicated with issuer clients. For example, on November 20, 2013, Hodge emailed GALE's CEO and CFO, copying Bjorlin, regarding the receipt of options GALE owed to Lidingo. In doing so he noted, "[p]lease understand that our costs over the last 3+ months have exceeded the amount received, and that the equity stake is where we generate our income." On January 18, 2013, Hodge emailed NBS's CEO, copying Bjorlin and Singh, to inform her that Lidingo was delaying promotional efforts planned for that day because the market was closed the following Monday. He noted "[w]e will have much better results on Tuesday with emails and new article than on a Friday." Similarly, on April 19, 2013, Hodge emailed the same CEO, again copying Singh and Bjorlin, updating her on upcoming interviews and saying "[l]et us know when you are available to have another strategy call for upcoming events and catalysts." Hodge went on to coordinate an upcoming call between the CEO and Lidingo writers.

53. Between December 2011 and March 2014, Hodge typically received a salary from Lidingo for his promotional work. He received payments totaling at least $340,000 from Lidingo, including bonuses from clients such as LBIO and GALE.

E. Nichols' Role in the Scheme

54. From no later than February 2012 through at least March 2014, Nichols worked as a Lidingo writer, publishing articles about issuer clients from whom he indirectly received compensation through Lidingo. During this time period, Lidingo typically paid Nichols a bi-weekly salary. In some instances, he was paid on a per article basis. In all, Nichols received at least $200,000 in total compensation, including bonuses, from Lidingo for his services in the stock promotion scheme.

55. Nichols wrote at least 90 articles that were published under his own name on Seeking Alpha's website, as well as on other investment websites including Fool.com and WallStCheatSheet.com. Nichols' articles positively described the securities of publicly-traded issuer clients, including ADMD, GALE, IMUC, LBIO, and NBS. Nichols did not disclose that he had received compensation indirectly from the issuer for these publications or the amount of the compensation he received. In addition, in at least 50 of the more than 90 Lidingo articles referenced above, Nichols falsely stated he was "not receiving compensation" for the article. (*See* Appendix A.)

56. Moreover, in many of the Lidingo articles referenced above, Nichols claimed that he was long in the security that he described in the article when he did not actually have a holding in the security at the time the article was published. At varying times, Nichols made this claim about the securities of publicly-traded issuer clients, including GALE, IMUC, and LBIO.

57. In addition to the more than 90 Lidingo articles referenced above, on information and belief, Nichols also ghost-wrote more than 25 articles that were published on Seeking Alpha's website, as well as other investment websites Finance.Yahoo.com and Benzinga.com. (*See* Appendix A.) These articles positively described the securities of publicly-traded issuer clients, including ADMD, GALE, IMUC, and NBS. The articles then were published under Lidingo pseudonyms including A. John Hodge, Henry Kawabe, Amy Baldwin, The Swiss Trader, Trading Maven, Teresa Dawn, or Leopold Epstein. None of the articles disclosed they were paid-for-promotions from an issuer or the amount of the compensation received. Nichols knew or was reckless in not knowing that Lidingo would not disclose the compensation it received for publishing the articles he provided. He knew Lidingo was in the business of getting articles published on Seeking Alpha and other investment websites because during the period he

provided the ghost-written articles, Lidingo also was paying him to publish articles on the same investment websites relating to many of the same issuers.

58. Nichols also strategized with Bjorlin and Hodge about the publication of Lidingo articles under pseudonyms. In a January 14, 2013 email, Nichols, Bjorlin, Hodge and other Lidingo associates discussed a comment on Seeking Alpha about similarities the commenter had noticed between the writing styles of Nichols, Chemistfrog, The Swiss Trader, Amy Baldwin, and A. John Hodge. Bjorlin expressed the view that Nichols and another Lidingo writer should not write too frequently on the same issuers, and asked Nichols to start "building" his other Seeking Alpha accounts if he had more than one. Nichols responded by noting that, "[i]t doesn't take long for people to start putting together that the same writers write on the same stocks. . ." As a solution, he suggested that Lidingo create two new accounts and "after the accounts build credibility" they could publish articles about GALE, NBS or other issuer clients.

59. Moreover, on at least two occasions, Nichols misleadingly described his own investment beliefs in order to induce market responses that he could profit from. For example, Nichols wrote two articles describing the stock of GALE which were published on Seeking Alpha's website on March 21, 2012. In one article, he noted about Galena's stock gains "it's occurring more frequently, which is enough for me to hold my shares and ignore the one day of profit taking so I can enjoy larger gains over the next few months." In a second article published earlier that same day, he wrote regarding GALE, "[t]he news of GALE being awarded a patent for NeuVax is huge, and will create opportunity long after the stock completes its three day rally." Nichols' actions, however, contradicted these supposed opinions. Indeed, he purchased 1,000 shares of GALE the same day his articles were published and sold 990 shares the

following day for a profit of approximately $1,000. While both articles disclosed that Nichols held GALE shares, the article did not disclose his intention to sell those shares.

60. In another example, Nichols wrote an article describing the stock of IMUC which was published on Seeking Alpha's website on March 22, 2012. In the article he noted "I believe that the company's decision to focus on acquiring rights to these antigens is its best move at the moment, and could have several long lasting effects that we are yet to realize." Again Nichols' actions contradicted this supposed opinion. He purchased 1,100 shares of IMUC the day that this article was published and sold 1,090 shares the following day for a profit of approximately $500. While the article disclosed that Nichols held IMUC shares, the article did not disclose that he intended to sell those shares.

F. Cassano's Role in the Scheme

61. Prior to Lidingo, Cassano wrote articles for Lavos about a publicly-traded issuer from whom he indirectly received compensation through Lavos. From August to November 2011, Cassano wrote at least five articles that were published under the pseudonym VFC's Stock House on Seeking Alpha's website. (*See* Appendix A.) The articles positively described the securities of a Lavos client. Cassano did not disclose that he had received compensation indirectly from the issuer for these publications or the amount of the compensation he received. This was despite the fact that during this time period, Cassano's profile on Seeking Alpha for VFC's Stock House stated he would note "in any published articles if [he had] been compensated by a third party to cover that company or subject." In all, Cassano received at least $6,700 in total compensation from Lavos for his services in the stock promotion scheme.

62. On August 2, 2011, Cassano emailed a promoter working with Singh asking "regarding disclosure for [the client] – how do you it want it." The promoter forwarded the

email to Singh and, on August 4, 2011, Singh responded to both the promoter and Cassano that his recommendation "would be to be silent on any disclosures." Following this email exchange, Cassano, under the pseudonym VFC's Stock House, published two articles in August 2011 which falsely stated, "VFC's Stock House has not been compensated to provide coverage of [the client]."

63. On November 7, 2011, Singh emailed Cassano to tell him Bjorlin would be contacting him to work on a new promotional campaign. The next day, Cassano received his first payment from Lidingo. From no later than November 2011 through at least April 2013, Cassano worked as a Lidingo writer, publishing articles about issuer clients from whom he indirectly received compensation through Lidingo. During this time period, Lidingo typically paid Cassano a monthly salary. In all, Cassano received at least $27,000 in total compensation from Lidingo for his services in the stock promotion scheme.

64. Cassano wrote at least 35 Lidingo articles that were published on Seeking Alpha's website under the pseudonym VFC's Stock House. (*See* Appendix A.) Cassano's articles positively described the securities of publicly-traded issuer clients, including ADMD, GALE, IMUC and NBS. Cassano did not disclose that he had received compensation indirectly from the issuer for these publications or the amount of the compensation he received.

65. In or around March 2012, Cassano put a general disclosure on his Seeking Alpha profile reading: "With respect to the increased amount of time I am doing this, VFC's Stock House has started taking compensation from third parties to research and cover certain companies that VFC believes have potential and also fit the profile of what readers of this website are looking for." The disclosure, nevertheless, did not identify the third parties

compensating Cassano, including any of the Lidingo issuers from whom he indirectly received compensation, or the amount of the compensation he received.

66. On April 3, 2012, Cassano emailed Bjorlin advising her that he would be "tightening up [his] compensation disclosures and posting the following below any articles I do for compensation…let me know if this poses a problem for you guys." Cassano proposed the following language: "VFC's Stock House has received compensation from a third party, xxx, to provide research and coverage of xxx for a period of xxx month[s]." Later that day, Bjorlin responded, "[w]e unfortunately cannot have the disclosure on there." Cassano responded by, *inter alia*, agreeing to "keep doing you guys without it…"

67. On August 10, 2012, Bjorlin emailed Cassano asking if he would be interested in writing on three additional Lidingo issuers. After Cassano agreed, Bjorlin followed up, saying that "[a]gain we can't have any disclosures." Cassano agreed that he "won't use disclosures with u guys."

68. In or around September 2012, Cassano removed his general disclosure regarding compensation from his Seeking Alpha profile. His removal of the disclosure corresponded to Seeking Alpha's change in policy requiring the disclosure of compensation for articles. Moreover, starting with a Lidingo article dated August 27, 2012 and in at least nine additional articles published on Seeking Alpha's website, Cassano falsely stated he was "not receiving compensation" for the article. (*See* Appendix A.)

G. Lidingo's Work for Particular Issuers

69. From no later than November 2011 through at least March 2014, Lidingo directed the publication on investment websites of at least 400 articles about at least 11 publicly-traded

issuers. (*See* Appendix A.) In all, Lidingo received at least $1 million in cash and equity for the stock promotion services.

70. Some of Lidingo's compensation came directly from issuers for which it provided services and some compensation came from issuers through Lavos with which Lidingo shared compensation.

71. None of these articles were accompanied by a disclosure indicating that it was part of a paid promotion or that the writer, or person identified in the byline, had been compensated or the amount of his compensation.

72. In addition, more than 200 of the articles were published on Seeking Alpha's website, and contained a disclosure falsely stating the writer, or person identified in the byline, was not compensated for the article. (*See* Appendix A.)

73. Following are examples of some of Lidingo's work for particular issuers:

1. IMUC

74. From no later than September 2011 through at least August 2012, Lidingo provided stock promotion services to IMUC pursuant to certain arrangements. Under the arrangements, Lidingo received cash payments from IMUC for its services.

75. During this time period, Lidingo arranged for at least 50 articles or blog entries to be written and published about IMUC stock. The articles were written by at least six writers paid by Lidingo either on a salary or per-article basis. For some of these articles, Lidingo used ghost-written IMUC articles, which on information and belief Lidingo then published under its own pseudonyms, including A. John Hodge, Amy Baldwin and The Swiss Trader. No article was accompanied by a disclosure indicating the writer, or person identified in the byline, had been compensated or the amount of his compensation. (*See* Appendix A.)

76. Bjorlin recruited one of Lidingo's first writers for IMUC. On October 2, 2011, after Singh reviewed and commented on drafts of the article, he told Bjorlin the writer could submit it for publication. The article was published on Seeking Alpha's website on October 6, 2011 under the writer's own name. Although Bjorlin told the writer he should not disclose his compensation, the article nevertheless disclosed that he was compensated to research IMUC. Periodically, thereafter, when Lidingo was looking for new writers, Bjorlin described this particular writer to Singh as the "idiot" who had disclosed his compensation.

77. On July 10, 2012, Bjorlin sent Singh a draft IMUC article by another Lidingo writer, asking: "[w]e seriously need an imuc article. What about this one?" The next day, Singh sent Bjorlin a new draft with his edits and directed that the writer revise the article accordingly. On July 17, 2012, the article was published on Seeking Alpha's website under the Lidingo pseudonym The Swiss Trader. The article did not disclose the receipt of compensation from IMUC or the amount received.

2. GALE

78. From no later than January 2012 through at least March 2014, Lidingo provided stock promotion services to GALE pursuant to certain agreements. Under the agreements, Lidingo received cash payments and equity from GALE for the stock promotion services.

79. During this time period, Lidingo arranged for at least 90 articles to be written and published about GALE stock. The articles were written by at least seven writers paid by Lidingo either on a salary or per-article basis. For some of these articles, Lidingo used ghost-written GALE articles, which Lidingo, on information and belief, then published under its own pseudonyms, including Amy Baldwin, Teresa Dawn, A. John Hodge, Henry Kawabe, William Sterling, and The Swiss Trader. No article was accompanied by a disclosure indicating the

writer, or person identified in the byline, had been compensated or the amount of his compensation. At least 50 articles (including, on information and belief, at least 15 published by Lidingo) were published on Seeking Alpha's website and affirmatively and falsely stated the writer, or person identified on the byline, was not compensated for the article. (*See* Appendix A.)

80. In addition to coordinating the editing and publication of GALE articles written by Lidingo writers, Bjorlin communicated with GALE's CEO regarding stock price goals. In late January 2012, Nichols provided Bjorlin with a draft GALE article for comment. Bjorlin provided the draft to Singh. Singh, in turn, provided substantive corrections to the article, and made additional content-related suggestions, ultimately authorizing Bjorlin to tell Nichols to publish it. On February 1, 2012, Nichols published the article, which concluded, among other things, that GALE was undervalued, on Seeking Alpha's website. The article did not disclose that Nichols had been compensated or the amount of his compensation. Two days later, Bjorlin emailed GALE's CEO and congratulated him on the fact that GALE's stock price had reached $1.04 per share. The CEO thanked her for her help and stated that "[t]wo-buck Chuck is next," which Bjorlin understood to set a goal to increase GALE's price to $2 per share. On March 20, 2012, Bjorlin contacted GALE's CEO and noted that it "looks like $2 buck chuck [is] right around the corner." GALE's adjusted closing stock price that day was $1.95 per share.

81. On February 7, 2012, Nichols contacted Bjorlin about his next GALE article, which he was in the process of drafting but wanted to revise because he did not think it would move GALE's stock price. Bjorlin immediately told Singh she wanted to pay writers bonuses when their articles had an impact. On February 13, 2012, Nichols published an article on

Seeking Alpha's website. Despite being paid to write the article, Nichols did not disclose that he had indirectly received compensation from GALE through Lidingo, or the amount he received.

82. In or around March 2012, Bjorlin and Singh began discussing having writers ghost-write articles about GALE to be published under the Lidingo pseudonym A. John Hodge. On March 13, 2012, an article written by Nichols was published on Seeking Alpha's website under the A. John Hodge pseudonym. The article contained no disclosure indicating the writer, or the person reflected in the byline, had been compensated or the amount of such compensation.

83. On March 21, 2012, Bjorlin asked GALE's CEO for a bonus for the Lidingo writing team, noting that "from time to time, some of the companies we work with when we have such tremendous success from our writers, will give them a bonus." The CEO informed Bjorlin they should revisit the topic of bonuses after GALE's next financing.

84. In April 2012, Bjorlin learned that GALE had completed a financing and again asked GALE's CEO for bonuses and also for stock options for Lidingo. The basis for her request was that GALE's stock had performed well due to Lidingo's "very successful campaign" and Lidingo should be "appropriately compensated for the hard work and risks, as well as performance." GALE paid a bonus to Lidingo in April 2012. However, GALE's CEO responded that he needed board approval before giving Lidingo any equity and said that he would raise the issue in a few months. Upon receiving the CEO's response, Bjorlin suggested to Singh that they let GALE's stock price drop if they did not receive stock options immediately. Over the succeeding months, Bjorlin continued to ask for options and/or shares for Lidingo.

85. In mid-August 2012, GALE's CEO informed Bjorlin that an equity research company had set a $4 per share price target for GALE and Bjorlin responded, "its time to rock n roll again." Between mid-August and early October 2012, Lidingo arranged for at least 10

articles to be written on GALE by Nichols and other writers. At least 6 of the articles from that period were published, on information and belief, by Lidingo itself under its own pseudonyms. None of these articles was accompanied by a disclosure indicating the writer, or person identified in the byline, had been compensated or the amount of compensation received. Moreover, each of these articles falsely stated the writer, or person reflected in the byline, had not been compensated for the article.

86. On November 8, 2012, Bjorlin suggested to GALE's CEO that the company pay for additional exposure via quality email distributions. She told the CEO: "I can make a guarantee if [GALE's] stock isn't up at least 25% by year-end. I will refund the money to you." The CEO provided Lidingo additional compensation for email distributions. By November 13, 2012, Bjorlin emailed GALE's CEO to tell him that Lidingo managed to move GALE's stock price back up again, and she again asked for a bonus.

87. In January 2013, Bjorlin and Singh discussed how to reach a new audience, and to do so by using "new voices" rather than the same writers. Bjorlin subsequently retained one new writer. She rejected another writer because she was told the writer would disclose his compensation. Nonetheless, on January 21, 2013, Bjorlin informed GALE's CEO that Lidingo would have all new writers writing on GALE, but that there were still articles in the pipeline from older writers that would be published as well.

88. On or about February 1, 2013, Bjorlin suggested that Nichols interview an analyst who had recently initiated coverage on GALE. Hodge and Bjorlin received drafts of the interview and Hodge instructed that a Lidingo associate provide edits. The interview was ultimately published under Nichols' name on Seeking Alpha's website in two parts: the first on February 8, 2013, and the second on March 4, 2013. Despite being paid to write the articles,

Nichols did not disclose in either part that he had indirectly received compensation from GALE through Lidingo, or the amount he received. In addition, both parts falsely stated Nichols had not been compensated for the article.

89. In July 2013, GALE's CEO offered Lidingo a contract extension and stock options "if the [stock] price is >$3.00 in 90 days." Although Bjorlin told GALE's CEO that a price guarantee could not be included as part of the written agreement, she expressed confidence that Lidingo would reach the price goal. From August 2013 through mid-February 2014, Lidingo arranged for at least 25 more articles to be written and published by third-party writers and/or to be ghost-written and published by Lidingo under pseudonyms it selected. On November 13, 2013, Nichols emailed Bjorlin and Hodge about the fact that GALE's stock price had just crossed $3.00 per share and Bjorlin notified GALE's CEO. The CEO later authorized his company to pay Lidingo for an additional quarter. In or about January 2014, Nichols prepared a marketing piece for Bjorlin and Hodge, which purported to highlight the impact Lidingo's services had on clients' stock prices. The piece claimed that, over the time Lidingo worked for GALE, GALE's stock price increased 925%.

3. NBS

90. From no later than April 2012 through at least March 2014, Lidingo provided stock promotion services to NBS pursuant to certain agreements. Both Lavos and Lidingo received cash payments and equity from NBS for the stock promotion services.

91. During this time period, Lidingo arranged for at least 100 articles or blog entries to be written and published about NBS stock. The articles were written by at least eight writers paid by Lidingo either on a salary or per-article basis. For some of these articles, Lidingo used ghost-written NBS articles, which Lidingo, on information and belief, then published under its

own pseudonyms, including A. John Hodge, Henry Kawabe, The Swiss Trader, Amy Baldwin, and William Sterling. No article was accompanied by a disclosure indicating the writer, or person identified in the byline, had been compensated or the amount of his compensation. At least 60 articles (including, on information and belief, at least 15 published by Lidingo) were published on Seeking Alpha's website and affirmatively and falsely stated the writer, or person identified on the byline, was not compensated for the article. (*See* Appendix A.)

4. ADMD

92. From no later than June 2012 through at least May 2013, Lidingo provided stock promotion services to ADMD pursuant to certain agreements. Under the agreements, ADMD paid Lavos in cash and also agreed to pay both Lavos and Lidingo in stock options and warrants.

93. During this time period, Lidingo arranged for at least 30 articles to be written and published about ADMD stock. The articles were written by at least five writers paid by Lidingo either on a salary or per-article basis. For some of these articles, Lidingo used ghost-written ADMD articles, which Lidingo, on information and belief, then published under its own pseudonyms, including Theresa Dawn, A. John Hodge, Henry Kawabe, Phil Lassiter, and The Swiss Trader. No article was accompanied by a disclosure indicating the writer, or person identified in the byline, had been compensated or the amount of his compensation. The majority of the articles (including, on information and belief, at least 13 published by Lidingo) were published on Seeking Alpha's website and affirmatively and falsely stated the writer, or person identified on the byline, was not compensated for the article. (*See* Appendix A.)

94. Bjorlin and Hodge worked with Lidingo's writers to prepare for conference calls with ADMD's principals. For example, on December 26, 2012, Hodge, copying Bjorlin, emailed one of the writers with ideas for an article. On December 31, 2012, the writer emailed

Bjorlin, Hodge and another Lidingo associate a draft. A few days later, Bjorlin, copying Hodge, invited the writer to participate on a conference call with ADMD's CEO to discuss the CEO's ideas for articles. A Lidingo associate then provided the writer with edits to the article and complimented him on his "pitching" of ADMD.

95. On January 14, 2013, the article was published on Seeking Alpha's website under the writer's pseudonym Chemistfrog. Despite being paid to write the article, the writer did not disclose he had indirectly received compensation from ADMD through Lidingo, or the amount he received. Moreover, the writer falsely stated he had not been compensated for the article. Two days later, Hodge, copying Bjorlin, asked the writer how many "views" he received on the article. The writer responded that the article had received 6,658 views on Seeking Alpha and was carried on multiple venues other than Seeking Alpha.

96. Hodge also worked with others at Lidingo on the ADMD account. For example, a Lidingo writer emailed Hodge on September 19, 2012 with an idea for an article on ADMD and a nuclear reactor shutdown in Quebec, asking Hodge for direction on the article. Hodge told the associate, "I like the approach with the ADMD article you are taking. It should work fine to [demonstrate] the delicacy of the situation." On November 1, 2012, the article was published on Seeking Alpha's website under Lidingo's pseudonym, A. John Hodge. The article did not disclose that the writer, or person reflected in the byline, had received compensation, or the amount received. In addition, the article falsely stated the writer had not been compensated.

97. On January 16, 2013, a Lidingo writer edited an article on ADMD that another writer ghost-wrote for Lidingo. The writer complained to Bjorlin and Hodge that the other writer lacked originality and copied and pasted or borrowed styles from the first writer's articles. The writer cautioned that, "with the connections people are starting to draw between the writers, it is

more imperative than ever that our writing styles and statements don't crossover {sic} into each other's articles, ghost or otherwise…" On January 28, 2013, the article, which highlighted the positives of investing in ADMD, was published on Seeking Alpha's website under the Lidingo pseudonym A. John Hodge. The article did not disclose that the writer, or person reflected in the byline, had received compensation, or the amount received. In addition, the article falsely stated the writer had not been compensated.

5. LBIO

98. From no later than September 2013 through at least March 2014, Lidingo provided stock promotion services to LBIO pursuant to an agreement. The agreement provided that LBIO pay Lidingo in cash and stock options and Lidingo received cash payments from LBIO for the stock promotion services.

99. During this time period, Lidingo arranged for at least 12 articles to be written and published about LBIO stock. The articles were written by at least three writers paid by Lidingo either on a salary or per-article basis. In addition, Lidingo used ghost-written LBIO articles, which Lidingo, on information and belief, then published under the pseudonym The Swiss Trader. No article was accompanied by a disclosure indicating the writer, or person identified in the byline, had been compensated or the amount of his compensation. At least 10 articles (including, on information and belief, at least three published by Lidingo) were published on Seeking Alpha's website and affirmatively and falsely stated the writer, or person identified on the byline, was not compensated for the article. (*See* Appendix A.)

100. For example, in October 2013, Nichols wrote and Lidingo associates edited a multi-ticker article which focused on, among other issuers, LBIO and highlighted the strengths of Singh as LBIO's new CEO, referring to him as someone who "knows how to create

shareholder value." The article was published on Seeking Alpha's website on October 2, 2013 under Nichols' name. Despite being paid to write the article, Nichols did not disclose he had indirectly received compensation from LBIO through Lidingo, or the amount he received. Moreover, Nichols falsely stated he had not been compensated for the article.

101. In November 2013, Nichols wrote another LBIO-focused article. Hodge provided Nichols with edits and Bjorlin instructed him when to submit it to Seeking Alpha for publication. The article was published on Seeking Alpha's website on November 12, 2013 under Nichols' name. The article mentioned LBIO's recent private financing, and stated the financing gave LBIO more than two years' worth of operating cash. Although he was paid to write the article, Nichols did not disclose he had indirectly received compensation from LBIO through Lidingo, or the amount he received. Nichols also falsely stated he had not been compensated for the article. One day after the article appeared for publication, Hodge informed Nichols that several comments had been posted about the article on Seeking Alpha and asked Nichols to respond to the comments, which he thought "could deliver some positive impact." Nichols responded to posted comments and again touted Singh as a "shareholder friendly CEO."

COUNT I

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

(Against All Defendants)

102. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

103. Defendants, 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 or recklessly employed any device, scheme or artifice to defraud.

104. By reason of the foregoing, Defendants 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 Lidingo, Hodge, Nichols and Cassano)

105. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

106. Lidingo, Hodge, Nichols and Cassano, 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, recklessly or 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.

107. By reason of the foregoing, Lidingo, Hodge, Nichols and Cassano 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 All Defendants)

108. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

109. Defendants, 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, recklessly or 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.

110. By reason of the foregoing, Defendants 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 All Defendants)

111. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

112. Defendants directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly, or recklessly employed any device, scheme or artifice to defraud in connection with the purchase or sale of any security.

113. By reason of the foregoing, Defendants 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 Lidingo, Hodge, Nichols and Cassano)

114. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

115. Lidingo, Hodge, Nichols and Cassano directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly, 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.

116. By reason of the foregoing, Lidingo, Hodge, Nichols and Cassano 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 All Defendants)

117. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

118. Defendants directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly, 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.

119. By reason of the foregoing, Defendants 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

Failure to Disclose Compensation in Violation of Section 17(b) of the Securities Act

(Against All Defendants)

120. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

121. Defendants, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, published, gave publicity to, or circulated any notice, circular, advertisement, newspaper, article, letter, investment service, or

communication which, though not purporting to offer a security for sale, described such security for a consideration received or to be received, directly or indirectly, from an issuer, underwriter, or dealer, without fully disclosing the receipt, whether past or prospective, of such consideration and the amount thereof.

122. By reason of the foregoing, Defendants violated, and, unless enjoined, are reasonably likely to continue to violate, Section 17(b) of the Securities Act, 15 U.S.C. § 77q(b).

COUNT VIII

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

(Against Lidingo, Bjorlin and Hodge)

123. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

124. Lidingo, 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, 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).

125. Bjorlin knowingly or recklessly provided substantial assistance to Lidingo's violations of Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1), and is deemed to be in violation of this provision to the same extent as Lidingo.

126. Lidingo writers, including Nichols and Cassano, 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, 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).

127. Lidingo, Bjorlin and Hodge knowingly or recklessly provided substantial assistance to violations by Lidingo writers, including Nichols and Cassano, 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 the writers.

128. By reason of the foregoing, Lidingo, Bjorlin and Hodge 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 IX

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

(Against Lidingo, Bjorlin and Hodge)

129. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

130. Lidingo, 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, recklessly or 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).

131. Bjorlin knowingly or recklessly provided substantial assistance to Lidingo's violations of Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2), and is deemed to be in violation of this provision to the same extent as Lidingo.

132. Lidingo writers, including Nichols and Cassano, 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, recklessly or 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).

133. Lidingo, Bjorlin and Hodge knowingly or recklessly provided substantial assistance to violations by Lidingo writers, including Nichols and Cassano, 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 the writers.

134. By reason of the foregoing, Lidingo, Bjorlin and Hodge 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 X

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

(Against Lidingo, Bjorlin and Hodge)

135. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

136. Lidingo, 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, recklessly or 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).

137. Bjorlin knowingly or recklessly provided substantial assistance to Lidingo's violations of Section 17(a)(3) of the Securities Act, 15 U.S.C. § 77q(a)(3), and is deemed to be in violation of this provision to the same extent as Lidingo.

138. Lidingo writers, including Nichols and Cassano, 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, recklessly or 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).

139. Lidingo, Bjorlin and Hodge knowingly or recklessly provided substantial assistance to violations by Lidingo writers, including Nichols and Cassano, 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 the writers.

140. By reason of the foregoing, Lidingo, Bjorlin and Hodge 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 XI

Aiding and Abetting Fraud in Violation of Section 10(b) and Rule 10b-5(a) of the Exchange Act (Against Lidingo, Bjorlin and Hodge)

141. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

142. Lidingo directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly 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).

143. Bjorlin knowingly or recklessly provided substantial assistance to Lidingo's 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 is deemed to be in violation of this provision to the same extent as Lidingo.

144. Lidingo writers, including Nichols and Cassano, directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly 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).

145. Lidingo, Bjorlin and Hodge knowingly or recklessly provided substantial assistance to violations by Lidingo writers, including Nichols and Cassano, 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 this provision to the same extent as the writers.

146. By reason of the foregoing, Lidingo, Bjorlin and Hodge 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 XII

Aiding and Abetting Fraud in Violation of Section 10(b) and Rule 10b-5(b) of the Exchange Act (Against Lidingo, Bjorlin and Hodge)

147. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

148. Lidingo directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly 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).

149. Bjorlin knowingly or recklessly provided substantial assistance to Lidingo's 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 is deemed to be in violation of this provision to the same extent as Lidingo.

150. Lidingo writers, including Nichols and Cassano, directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly 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).

151. Lidingo, Bjorlin and Hodge knowingly or recklessly provided substantial assistance to violations by Lidingo writers, including Nichols and Cassano, 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 this provision to the same extent as the writers.

152. By reason of the foregoing, Lidingo, Bjorlin and Hodge 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 XIII

Aiding and Abetting Fraud in Violation of
Section 10(b) and Rule 10b-5(c) of the Exchange Act
(Against Lidingo, Bjorlin and Hodge)

153. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

154. Lidingo directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly 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).

155. Bjorlin knowingly or recklessly provided substantial assistance to Lidingo's 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 is deemed to be in violation of this provision to the same extent as Lidingo.

156. Lidingo writers, including Nichols and Cassano, directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly 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).

157. Lidingo, Bjorlin and Hodge knowingly or recklessly provided substantial assistance to violations by Lidingo writers, including Nichols and Cassano, 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 this provision to the same extent as the writers.

158. By reason of the foregoing, Lidingo, Bjorlin and Hodge 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 XIV

Aiding and Abetting Failure to Disclose Compensation in Violation of Section 17(b) of the Securities Act

(Against Lidingo, Bjorlin, Hodge and Nichols)

159. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

160. Lidingo, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, published, gave publicity to, or circulated any notice, circular, advertisement, newspaper, article, letter, investment service, or communication which, though not purporting to offer a security for sale, described such security for a consideration received or to be received, directly or indirectly, from an issuer, underwriter, or dealer, without fully disclosing the receipt, whether past or prospective, of such consideration and the amount thereof.

161. Bjorlin and Nichols knowingly or recklessly provided substantial assistance to Lidingo's violations of Section 17(b) of the Securities Act, 15 U.S.C. § 77q(b), and are deemed to be in violation of this provision to the same extent as Lidingo.

162. Lidingo writers, including Nichols and Cassano, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the

mails, published, gave publicity to, or circulated any notice, circular, advertisement, newspaper, article, letter, investment service, or communication which, though not purporting to offer a security for sale, described such security for a consideration received or to be received, directly or indirectly, from an issuer, underwriter, or dealer, without fully disclosing the receipt, whether past or prospective, of such consideration and the amount thereof.

163. Lidingo, Bjorlin and Hodge knowingly or recklessly provided substantial assistance to violations by Lidingo writers, including Nichols and Cassano, of Section 17(b) of the Securities Act, 15 U.S.C. § 77q(b), and are deemed to be in violation of this provision to the same extent as the writers.

164. By reason of the foregoing, Lidingo, Bjorlin, Hodge and Nichols aided and abetted and, unless enjoined, are reasonably likely to continue to aid and abet, violations of Section 17(b) of the Securities Act, 15 U.S.C. § 77q(b).

COUNT XV

Control Person Violations of Section 10(b) and Rule 10b-5 of the Exchange Act Pursuant to Section 20(a) of the Exchange Act

(Against Bjorlin)

165. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

166. Lidingo directly or indirectly violated, or aided and abetted violations of, Section 10(b) and Rule 10b-5 of the Exchange Act, 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5.

167. As the person who, directly or indirectly, controlled Lidingo, Bjorlin is liable jointly and severally with and to the same extent as Lidingo for its violations of Section 10(b) and Rule 10b-5 of the Exchange Act, 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5.

168. As the person who, directly or indirectly, controlled Lidingo, Bjorlin did not act in good faith, and directly or indirectly induced the act or acts that constituted Lidingo's violations

of Section 10(b) and Rule 10b-5 of the Exchange Act, 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5.

169. By reason of the foregoing, Bjorlin violated, and, unless enjoined, is reasonably likely to continue to violate, Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a).

COUNT XVI

Violations of Section 20(b) of the Exchange Act

(In the Alternative)

(Against Lidingo and Bjorlin)

170. The Commission repeats and realleges Paragraphs 1 through 101 of its Complaint.

171. Lidingo writers, including Nichols and Cassano, directly or indirectly violated, or aided and abetted violations of, Section 10(b) and Rule 10b-5 of the Exchange Act, 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5.

172. Lidingo and Bjorlin, directly or indirectly, through or by means of Lidingo writers, including Nichols and Cassano, did acts or things which it would have been unlawful for Lidingo and Bjorlin to do under Section 10(b) and Rule 10b-5 of the Exchange Act, 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5.

173. By reason of the foregoing, Lidingo and Bjorlin 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 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 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 Bjorlin and Hodge 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 Bjorlin from acting as an officer or director 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.

Respectfully submitted,

DATED: April 10, 2017

SECURITIES AND EXCHANGE COMMISSION

By: /s/ Derek S. Bentsen

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