

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

Case No. _____

UNITED STATES SECURITIES AND :
EXCHANGE COMMISSION, :
 :
Plaintiff, :
 :
vs. :
 :
MATHIAS FRANCISCO SANDOVAL :
HERRERA, :
 :
MARIA D. CIDRE, and :
 :
JOSE ANTONIO MIRANDA GONZALEZ, :
 :
Defendants. :

COMPLAINT

Plaintiff United States Securities and Exchange Commission (“Commission” or “SEC”) alleges:

SUMMARY

1. This case arises from the unlawful concealment of the manipulation of accounting systems at the Brazilian operations of a global manufacturer of wire and cable products. In 2012, Defendants Mathias Francisco Sandoval Herrera (“Sandoval”) and Maria D. Cidre (“Cidre”) were the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), respectively, of the Latin American operations of General Cable Corporation (“GCC” or “Company”). For months, Sandoval and Cidre actively concealed from GCC executive management material inventory accounting errors at the company’s subsidiary in Brazil (“GCC Brazil”), including the

overstatement of inventory by tens of millions of dollars and allegations of a massive theft by GCC Brazil employees. Instead of disclosing the accounting errors and suspected theft to executive management, and in violation of Company policy, Sandoval and Cidre directed their subordinates to destroy documents and to conceal the accounting problems from others, including GCC's internal and external auditors. In the end, the improper accounting of GCC Brazil's inventory caused the Company to overstate its inventory and net income by millions of dollars and resulted in a restatement of its financial statements.

2. In late 2011, the CFO and the Controller of GCC Brazil uncovered substantial inventory accounting errors that they suspected were linked to the theft of copper perpetrated by GCC Brazil personnel. GCC Brazil's CFO and Controller preliminarily determined that these personnel had likely exploited weaknesses in GCC Brazil's accounting systems to conceal millions of dollars in missing inventory.

3. In January 2012, GCC Brazil's CFO and Controller reported their findings to Cidre, the CFO of GCC's "Rest of World" ("ROW") segment, which included GCC Brazil. GCC Brazil's CFO and Controller advised Cidre that they had initially identified a potential \$12 million overstatement of GCC Brazil's inventory, which they suspected could be linked to an inventory theft. Acknowledging in an email "the detrimental consequences this might have for all of us if this is certain[,]” Cidre scheduled a video conference call to discuss the matter with Sandoval, the President and CEO of ROW. During the call, in which both Sandoval and Cidre participated, GCC Brazil's CFO and Controller reiterated their findings and requested assistance in order to continue their investigation. In response, Sandoval expressed his disbelief in—and displeasure with—their findings. Cognizant that GCC was preparing to release its financial statements to the public within days, Sandoval instructed GCC Brazil's CFO and Controller not

to inform anyone else—including executives at GCC’s corporate headquarters—of their findings and admonished them to pretend that the video conference call had never happened.

4. In February 2012, Cidre called Defendant Jose Antonio Miranda Gonzalez (“Miranda”), ROW’s Senior Vice President for Latin America. Cidre instructed Miranda to tell GCC Brazil’s CFO and Controller to destroy all documents relating to the alleged theft of copper. Cidre advised Miranda that the directive to destroy documents came from Sandoval. Miranda followed the directive and told GCC Brazil’s Controller to destroy any such documents in her possession. The Controller refused to comply, but Miranda personally destroyed emails in his possession.

5. On February 13, 2012, GCC Brazil’s Controller emailed Cidre, advising her that, among other things, Miranda “told me you requested to delete all emails regarding and/or the one that mention ...[,]” a reference to Sandoval and Cidre’s order to destroy documents. Cidre did not deny having issued the directive and instead simply responded, “Don’t worry ... thanks[.]”

6. In the following months, as GCC Brazil’s CFO and Controller continued their investigation, they determined, and advised Sandoval and Cidre, that the magnitude of the accounting discrepancy was larger than they had initially reported. Nonetheless, on three occasions after being advised of the inventory accounting errors, Sandoval and Cidre—who were carrying on a romantic relationship throughout this time period—signed and submitted to GCC’s CEO and CFO sub-certifications of ROW’s financial statements that they knew or were reckless in not knowing were materially false and misleading. These sub-certifications included representations by Sandoval and Cidre that they had disclosed all known “fraud or suspected fraud” affecting ROW, when in fact they had intentionally concealed from GCC’s executive

management the improper accounting of GCC Brazil's inventory and the tens of millions of dollars in missing inventory that had been uncovered by GCC Brazil's CFO and Controller.

7. Due to the improper inventory accounting described above, GCC Brazil's financial statements for the fiscal years 2009 through 2011, and the first two quarters of 2012, contained materially false and misleading information, including overstated inventory balances and understated costs of sales. These false and misleading financial data were included in GCC's consolidated financial statements, which were filed with the Commission.

8. In March 2013, GCC restated its financial statements from 2008 through the second quarter of 2012. During this period, the missing inventory in Brazil caused GCC to materially overstate its inventory by \$46.7 million and overstate its net income available to common shareholders by 21.6% (for the annual period ended December 31, 2011), 11.3% (2010), and 29.8% (2009), and 13.8% and 8.8% for the quarterly periods ended June 30 and March 31, 2012, respectively.

9. Thus, beginning in January 2012, by engaging in the misconduct described herein:

a. Sandoval and Cidre violated Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)]. In addition, pursuant to Section 15(b) of the Securities Act [15 U.S.C. § 77o(b)], Sandoval and Cidre aided and abetted GCC's and each other's violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

b. Sandoval and Cidre violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; and Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] and Rules 13b2-1 and 13b2-2 thereunder [17 C.F.R. §§

240.13b2-1 & 240.13b2-2]. In addition, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Sandoval and Cidre aided and abetted GCC's and each other's violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; and GCC's violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11, and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 & 240.13a-13]; and Section 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A) & (b)(2)(B)].

c. Miranda violated Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] and Rule 13b2-1 thereunder [17 C.F.R. § 240.13b2-1]. In addition, pursuant to Section 15(b) of the Securities Act [15 U.S.C. § 77o(b)] and Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Miranda aided and abetted GCC's and Sandoval's and Cidre's violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)]; and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; and GCC's violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, & 240.13]; and Section 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A) & (b)(2)(B)].

10. Each Defendant will continue to violate the foregoing statutes and rules unless restrained or enjoined by this Court.

11. The Commission seeks injunctive relief, disgorgement of ill-gotten gains, prejudgment interest, civil penalties and other appropriate and necessary equitable relief from all Defendants.

JURISDICTION AND VENUE

12. This Court has jurisdiction over this action pursuant to Sections 20 and 22 of the Securities Act [15 U.S.C. §§ 77t & 77v] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), & 78aa].

13. Sandoval, Cidre, and Miranda, directly or indirectly, made use of the means or instrumentalities of interstate commerce, or of the mails, or the facilities of a national securities exchange in connection with the transactions, acts, practices, and courses of business alleged herein.

14. Venue in this District is proper pursuant to Section 22 of the Securities Act [15 U.S.C. § 77v] and Section 27 of the Exchange Act [15 U.S.C. § 78aa] both because a substantial portion of the conduct alleged herein occurred in the Southern District of Florida and because Sandoval, Cidre, and Miranda reside and transact business in this District.

DEFENDANTS

15. Defendant Mathias Francisco Sandoval Herrera, age 56, resides in Doral, Florida. From October 2007 until his resignation in November 2012, Sandoval served as an Executive Vice President of GCC and the President and CEO of GCC's ROW segment. Sandoval reported directly to GCC's President and CEO and his bonus incentive structure was linked to the performance of GCC, which in turn depended in part upon the performance of ROW. Sandoval received annual bonuses from 2009 to 2012. During the relevant time period, Sandoval engaged in

a continuing discussion with GCC's CEO concerning promotional opportunities at GCC. Sandoval's primary office was located in Doral, Florida.

16. Defendant Maria D. Cidre, age 51, resides in Weston, Florida. From November 2008 until her resignation in November 2012, Cidre served as the CFO of GCC's ROW segment and as a Senior Vice President of GCC. Cidre reported directly to Sandoval and her bonus incentive structure was linked to the performance of ROW. Cidre received annual bonuses from 2009 to 2012. During the relevant time period, Cidre was being considered for a promotion to an operational management role in ROW. Cidre's primary office was located in Doral, Florida. From August 1989 to December 1992, Cidre was licensed as a Certified Public Accountant in Puerto Rico.

17. Upon information and belief, despite the fact that Cidre reported directly to Sandoval, Sandoval and Cidre engaged in a romantic relationship during the relevant time period. Their relationship made each less likely to ensure that the other adhered to and complied with the Company's internal accounting controls, and made it less likely that either would report improper conduct by the other, as required by GCC's Code of Ethics.

18. Defendant Jose Antonio Miranda Gonzalez, age 61, resides in Doral, Florida. From November 2007 until March 2013, Miranda was the Senior Vice President for Latin America in GCC's ROW segment. During the relevant period, Miranda reported to Sandoval.

OTHER RELEVANT ENTITY

19. General Cable Corporation is a global manufacturer of copper, aluminum, and fiber optic wire and cable products. GCC is headquartered in Highland Heights, Kentucky. In October 2007, GCC acquired Phelps Dodge International Corp., thereby creating GCC's ROW segment, which was based in Doral, Florida. ROW included GCC's operations in Brazil and other parts of

Latin America, as well as Africa and Asia. GCC Brazil operated manufacturing facilities in Poços de Caldas (“Poços”) and Serra, Brazil. At all relevant times, GCC’s class of common stock was registered with the Commission under Section 12 of the Exchange Act [15 U.S.C. § 78I], and its shares were listed and traded on the New York Stock Exchange. The books and records of ROW, which included GCC Brazil, were included in GCC’s books and records and consolidated financial statements filed with the Commission.

FACTUAL ALLEGATIONS

GCC Brazil’s CFO and Controller Uncover Substantial Accounting Issues, Including a Potential Theft of Copper, at GCC Brazil

20. During the relevant period, GCC’s Code of Ethics and Compliance Guidelines (“Code of Ethics”) provided that “[t]he Company is required by SEC rules in the United States to maintain effective ‘disclosure controls and procedures’ so that financial and non-financial information required to be reported to the SEC is timely and accurately reported both to *our senior management* and in public filings the Company makes. All associates are expected, within the scope of their employment duties, to support the effectiveness of these disclosure controls and procedures.” (emphasis added).

21. In the fall and winter of 2011, Sandoval and Cidre felt pressure for ROW to meet its targets for operating income and other financial performance metrics for the fourth quarter of 2011. In December 2011, for example, Sandoval sent Cidre an email, stating: “We have a major issue on our hands. The IV quarter is down today by \$3.0 M dollars and given the situation in Thailand [a GCC subsidiary within ROW] it can be down further \$4.0 M.”

22. In late 2011, while completing newly required tax documentation for local regulators, GCC Brazil’s Controller discovered significant inconsistencies between GCC Brazil’s general ledger and supporting documentation for intercompany sales. To further investigate these

discrepancies, the Controller, in consultation with GCC Brazil's CFO, conducted an extensive review of internal records concerning transfers of copper between GCC Brazil's plants in Poços and Serra in 2011. By December 2011, after attempting to reconcile GCC Brazil's general ledger with existing documentation, GCC Brazil's Controller and CFO suspected that the value of GCC Brazil's inventory was vastly overstated, due to the potential manipulation of GCC Brazil's accounting systems and an inventory theft involving GCC Brazil personnel.

23. On January 25, 2012, after being alerted to the situation by GCC Brazil's CFO and Controller, Cidre sent an email to Miranda, GCC Brazil's Country Manager, GCC Brazil's CFO, and GCC Brazil's Controller, with a copy to Sandoval, stating, "It has come to my attention today by [GCC Brazil's CFO and Controller] a potential inventory shortfall in Pocos of the magnitude of \$12M." Cidre further noted, "[D]ue to the potential major impact and the proximity date for the corporation to release 2011 results, we are calling an URGENT video call be tomorrow at 8am EST." Cidre further acknowledged, "Needless to say the detrimental consequences this might have for all of us if this is certain."

24. Later that day, Cidre emailed GCC Brazil's Controller requesting a call "tomorrow to understand the issue better." GCC Brazil's Controller responded, "I reviewed ALL inventory transactions at past 2 years (metal RM and FG) and also made tests (re calculated manually our cost calculation based on GMs)." The GCC Brazil Controller also stated, "And before you ask me: there were no way to hide all those variances without someone in finance – definitely no way." GCC Brazil's Controller added, "We ... are terribly impacted by this and we need help-support to ensure what we did – we do know exactly the consequences of this (Unit, business and our careers at this Company) and it simply destroyed all our work of years and years"

**Sandoval and Cidre Override Controls and Conceal the Accounting Issues
from GCC's Executive Management**

25. In 2012, GCC's Code of Ethics provided that "all associates [are expected to] *immediately* report to the appropriate Company personnel evidence of *any* improper conduct, violation of law or regulations of this Code. Responsible Persons are required to report violations reported to them to the General Counsel." (emphasis added). GCC's Code of Ethics further provided that "[v]arious federal laws, including federal securities laws, require the Company to maintain books, records and accounts that accurately and fairly reflect transactions and the safeguarding of assets"

26. On January 26, 2012, Sandoval and Cidre participated in a video conference call from Florida with GCC Brazil's CFO, Controller, and Country Manager, and Miranda, who were in Brazil. The GCC Brazil CFO and Controller told Sandoval and Cidre that they had identified a \$12 million accounting discrepancy and that they suspected that GCC Brazil personnel were stealing copper and creating false manual accounting entries to hide the theft. During the call, Sandoval expressed disbelief in—and displeasure with—the findings of GCC Brazil's CFO and Controller; ultimately, however, he agreed that the investigation should continue. At the urging of GCC Brazil's CFO and Controller, Sandoval also promised to send someone from ROW to assist them in their continuing investigation. Sandoval refused, however, to disclose the suspected improper accounting or theft of copper to GCC executives in Highland Heights, Kentucky. Sandoval further instructed the participants on the call to keep the matter confidential and not to make any disclosures to GCC's internal or external auditors. Neither Sandoval nor Cidre provided guidance on how to ensure that GCC Brazil's financial statements were accurate or that GCC Brazil personnel were not circumventing internal controls or committing an accounting fraud. Indeed, on the video conference call, they instructed GCC Brazil's CFO to sign and submit a sub-

certification of GCC Brazil's financial statements that was due shortly thereafter, knowing that the sub-certification required the GCC Brazil CFO to certify that she did not know of any "fraud or suspected fraud" at the subsidiary.

27. Beginning in early February 2012, GCC's internal audit department conducted an on-site inspection at GCC Brazil. GCC's Code of Ethics at the time provided that "[a]ssociates must ... not take any action to fraudulently influence, coerce, manipulate, or *mislead* any member of the Company's internal auditors engaged in the performance of an internal audit or investigation." (emphasis added). Notwithstanding this Company policy, Cidre directed GCC Brazil personnel, including GCC Brazil's CFO, not to disclose the improper inventory accounting and ongoing investigation into missing inventory to GCC's internal audit department.

28. In a February 10, 2012 email to Cidre and others concerning the status of the GCC internal audit, GCC Brazil's Controller reported that "our 'main concerns' have been under control so far." Cidre forwarded that email to Sandoval, who replied, "We just need to be careful she does not start thinking those assholes are her friends ... hope she is smarter than that!!!!" Then—intertwining their business and romantic relationships—Sandoval wrote in Spanish, "I miss you Anafrito ... I'll see you later. A squeeze [hug]." Cidre responded, "I think you are right. See you soon. My meeting was fun[.]"

29. Also during February 2012, Cidre called Miranda, who had traveled from Florida to Brazil at the time. Although GCC's Code of Ethics expressly provided that "[r]ecords should be retained or destroyed only in accordance with the Company's document retention policies," Cidre told Miranda to find GCC Brazil's CFO and Controller and to direct them to destroy all documents referencing the suspected theft of copper in Brazil. Cidre told Miranda that Sandoval had issued

the directive to destroy such documents and noted that such documents could have negative consequences for the Company.

30. In response to Cidre's call, Miranda spoke to GCC Brazil's Controller and relayed Sandoval and Cidre's instruction. The Controller refused to destroy any documents, but Miranda followed Sandoval and Cidre's orders and personally destroyed emails discussing the issue.

31. On February 13, 2012, in an email about the ongoing internal audit of GCC Brazil, GCC Brazil's Controller advised Cidre, "I just met Miranda here at Plant and he told me you requested to delete all emails regarding and/or the one that mention" (ellipsis in original). Instead of denying that she had issued the directive, Cidre simply responded, "Don't worry ... Thanks[.]"

**ROW's Cost Accountant Confirms the Accounting Errors to Sandoval and Cidre
as the Magnitude Grows**

32. In mid-May 2012—over three months after Sandoval had agreed to send someone from ROW to assist GCC Brazil's CFO and Controller with their investigation—Cidre eventually authorized a ROW Cost Accountant to travel to Brazil and to assist the GCC Brazil CFO and Controller's ongoing investigation of the improper inventory accounting. In less than two weeks, the ROW Cost Accountant not only corroborated the GCC Brazil CFO and Controller's findings, but advised Cidre that the magnitude of the inventory accounting errors was much larger than initially reported and was approximately \$30 million.

33. The GCC Brazil CFO and Controller continued their own internal investigation, independent of the work by the ROW Cost Accountant, and also concluded in May 2012 that the inventory overstatement was at least \$23 million and potentially much higher.

34. On July 10, 2012, the ROW Cost Accountant submitted a written report to Cidre confirming that GCC Brazil's inventory had been overstated by approximately \$29 million.

35. In late September 2012, Sandoval and Cidre met with the ROW Cost Accountant, as well as Miranda, GCC Brazil's CFO, and GCC Brazil's Controller. The ROW Cost Accountant informed them that GCC Brazil had an accounting discrepancy in the amount of approximately \$40 million.

36. Also in late September 2012, GCC Brazil's CFO informed Sandoval and Cidre that she intended to disclose the accounting overstatement to GCC's executive management and external auditors, who were preparing for the upcoming fiscal year audit.

37. Shortly thereafter, Sandoval and Miranda traveled to Argentina with GCC's CEO. During that trip, Sandoval alerted GCC's executive management for the first time to a multi-million dollar overstatement of inventory in GCC Brazil's accounting records. GCC's executive management immediately directed an internal investigation of the inventory issues.

Sandoval and Cidre Make Multiple Misstatements and Omissions in Sub-Certifications and Reports to GCC's Executive Management

38. At all relevant times, GCC's Code of Ethics provided that "[t]he making of false or misleading records or documentation is strictly prohibited."

39. Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 [15 U.S.C. § 7241], GCC's CEO and CFO were required throughout the relevant period to certify the financial and other information contained in GCC's quarterly and annual reports filed with the Commission. GCC's CEO and CFO relied on information provided by Sandoval and Cidre in making their certifications to the Commission.

40. During this time period, both Sandoval and Cidre signed and submitted to GCC's CEO and CFO three false and misleading sub-certification letters for the quarters ended December 31, 2011, March 31, 2012, and June 30, 2012. These sub-certifications, which are specified in the following table, were provided "in connection with the financial statements and related

supplemental financial data of [ROW] ... which are included in the consolidated financial statements of General Cable Corporation.” GCC’s CEO and CFO relied on these sub-certifications when certifying GCC’s consolidated financial statements filed with the Commission.

Date of False and Misleading Subcertification by Sandoval and Cidre	GCC Filing Containing Material Misstatements and Omissions	Relevant Period
February 1, 2012	Form 8-K filed on February 8, 2012	4Q2011
	Form 10-K filed on February 23, 2012	FY2011
April 23, 2012	Form 8-K filed on April 30, 2012	1Q2012
	Form 10-Q filed on May 4, 2012	1Q2012
July 23, 2012	Form 8-K filed on July 30, 2012	2Q2012
	Form 10-Q filed on August 3, 2012	2Q2012

41. In particular, in all three of these sub-certifications, Sandoval and Cidre falsely certified:

We have no knowledge of any fraud or *suspected fraud* affecting the GC Rest of the World business units involving (1) management, (2) employees who have significant roles in internal control over financial reporting, or (3) others where the fraud could have a material effect on the financial information.

(emphasis added).

We have no knowledge of any allegations of fraud or *suspected fraud* affecting the GC Rest of the World business units in communications from employees, former employees, regulators, or others.

(emphasis added).

There are no reportable conditions, including significant deficiencies and/or material weaknesses, in the design or operation of internal control that could adversely affect our ability to initiate, record, process, and report financial information.

There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the Financial Statements or as a basis for recording a loss contingency.

42. For each month in 2012 (until his resignation), Sandoval also submitted a report to GCC’s executive management discussing, among other things, financial results and operational

issues in ROW, including country-specific issues. GCC's CEO and CFO relied on these reports to understand key issues in ROW, including issues that could impact GCC's filings with the Commission.

43. Sandoval failed to disclose the accounting issues raised by GCC Brazil's CFO and Controller in January 2012 and later confirmed by the ROW Cost Accountant, including the millions of dollars in missing inventory and the suspected theft of copper by Company employees, in any of the monthly reports Sandoval sent to GCC's executive management in 2012.

44. Throughout the relevant period, GCC Brazil's CFO was also required to submit sub-certification letters concerning GCC Brazil's financial data. During the January 26, 2012, video conference call, Sandoval and Cidre instructed GCC Brazil's CFO to sign and submit a false and misleading sub-certification letter certifying that she had no knowledge of any fraud or suspected fraud affecting GCC Brazil's financial reporting, even though the GCC Brazil CFO had asked about reporting the accounting discrepancy to GCC executive management in her certification. On subsequent occasions in 2012, Cidre again instructed GCC Brazil's CFO to sign and submit additional false and misleading sub-certifications regarding GCC Brazil's financial data.

45. On September 25, 2012, GCC completed the sale of \$600 million of 5.750% Senior Notes due 2022 in a private placement offering ("Note Offering"). The offering memorandum incorporated by reference GCC's financial statements in its 2011 Form 10-K, First Quarter 2012 Form 10-Q, and Second Quarter 2012 Form 10-Q, which contained the material misstatements and omissions discussed above.

Miranda Participates in the Fraud Perpetuated by Sandoval and Cidre

46. On January 26, 2012, Miranda participated in the video conference call with Sandoval, Cidre, GCC Brazil's CFO, and GCC Brazil's Controller and learned of the findings of GCC Brazil's CFO and Controller. Sandoval instructed Miranda and others on the call to keep the inventory accounting issues confidential.

47. In February 2012, at Sandoval and Cidre's direction, Miranda instructed GCC Brazil's Controller to destroy any documents relating to missing inventory in Brazil. Miranda also personally destroyed emails that were in his possession.

48. Miranda failed to report the inventory accounting issues in Brazil to anyone else within GCC, including GCC's internal audit personnel or executive management.

GCC Restates Its Financial Statements with the Commission

49. On October 29, 2012, in a Form 8-K filed with the Commission, GCC announced that its prior financial statements for 2009 through 2011 and the first two quarters of 2012 should not be relied upon due to historical accounting errors relating to inventory at GCC Brazil.

50. On March 1, 2013, GCC filed a Form 10-K/A with the Commission, announcing its belief that "the inventory accounting issues [were], to a significant extent, attributable to a complex theft scheme in Brazil" In that report, GCC identified "control deficiencies in the processes, procedures, and controls related to ... the ROW segment executive management oversight, which were overridden; these deficiencies, which prevented the timely detection of theft of a substantial quantity of inventory and the detection and internal reporting of the inventory accounting errors, collectively constituted a material weakness in inventory controls at Brazil and a material weakness in the controls related to the ROW segment executive management."

51. In the March 1, 2013 Form 10-K/A, GCC restated its earnings for the annual periods from 2009 to 2011 and the first two quarters of 2012. The cumulative overstatement of GCC Brazil's inventory was more than \$47 million, and GCC's net income attributable to common shareholders was also overstated for each affected period, resulting in a material impact on GCC's financial statements. For the year ending December 31, 2011, GCC's restatement revealed that its inventory balance had been overstated by \$43.2 million, and its net income attributable to common shareholders had been overstated by \$18.1 million (21.6%). For the three months ending March 30, 2012, GCC's inventory balance had been overstated by \$47.1 million and net income attributable to common shareholders by \$2.2 million (8.8%). For the six months ending June 29, 2012, GCC's inventory balance had been overstated by \$46.7 million and net income attributable to common shareholders had been overstated by \$3 million (13.8%). For each restated period, the overstatement was also material to ROW's financial statements.

52. During the Commission's investigation of this matter preceding the filing of this Complaint, both Sandoval and Cidre asserted their respective Fifth Amendment privilege against self-incrimination and refused to testify pursuant to a subpoena on the ground that such testimony may tend to incriminate them.

FIRST CLAIM FOR RELIEF

Sandoval and Cidre Violated Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

53. Paragraphs 1 through 52 are re-alleged and incorporated herein by reference.

54. Sandoval and Cidre, in connection with the purchase or sale of a security, by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, directly or indirectly, with scienter: (a) employed devices, schemes,

or artifices to defraud; and (b) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

55. Beginning in January 2012 and continuing until September 2012, Sandoval and Cidre perpetuated a scheme to defraud GCC's executive management and investors by signing and submitting false and misleading sub-certifications concerning ROW's financial statements, without disclosing the overstatement of GCC Brazil's inventory by tens of millions of dollars or the suspected manipulation of GCC Brazil's accounting systems by Company employees. Sandoval and Cidre instructed their subordinates not to disclose the improper accounting for inventory to GCC's internal audit personnel or external auditors and in fact ordered subordinates to destroy any documents relating to the missing inventory. Sandoval and Cidre also directed GCC Brazil's CFO not to disclose the improper accounting for inventory in the sub-certifications she signed and submitted for GCC Brazil's financial statements, thereby rendering them false and misleading. After becoming aware of the improper accounting in late January 2012, Sandoval also submitted false and misleading monthly reports to GCC's executive management during each month in 2012, which similarly failed to disclose any of the above. These acts, practices, and courses of business operated or would operate as a fraud or deceit upon GCC, GCC's executive management, and its investors.

56. While engaging in the conduct described above, Sandoval and Cidre acted knowingly or recklessly.

57. By engaging in the conduct described above, Sandoval and Cidre violated, and unless restrained and enjoined will again violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

SECOND CLAIM FOR RELIEF

Sandoval and Cidre Violated Section 17(a) of the Securities Act

58. Paragraphs 1 through 52 are re-alleged and incorporated herein by reference.

59. Sandoval and Cidre, in the offer or sale of securities and by the use of means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly: (a) with scienter, employed devices, schemes, or artifices to defraud; (b) with negligence, obtained money or property by means of untrue statements of material fact or by omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) with negligence, engaged in transactions, practices, or courses of business which operated or would have operated as a fraud or deceit upon purchasers of GCC's securities.

60. Beginning in January 2012 and continuing until September 2012, Sandoval and Cidre perpetuated a scheme to defraud GCC's executive management and investors by signing and submitting false and misleading sub-certifications concerning ROW's financial statements, without disclosing the overstatement of GCC Brazil's inventory by tens of millions of dollars or the suspected manipulation of GCC Brazil's accounting systems by Company employees. Sandoval and Cidre instructed their subordinates not to disclose the improper accounting for inventory to GCC's internal audit personnel or external auditors and in fact ordered subordinates to destroy any documents relating to the missing inventory. Sandoval and Cidre also directed GCC Brazil's CFO not to disclose the improper accounting for inventory in the sub-certifications she signed and submitted for GCC Brazil's financial statements, thereby rendering them false and misleading. After becoming aware of the improper accounting in late January 2012, Sandoval also submitted false and misleading monthly reports to GCC's executive management during each month in 2012,

which similarly failed to disclose any of the above. These acts, practices, and course of business operated or would operate as a fraud or deceit upon purchasers of GCC's securities.

61. Sandoval and Cidre signed and submitted false and misleading sub-certifications concerning ROW's financial statements, thereby resulting in GCC filing the Forms 8-K, 10-K, and 10-Q specified in paragraph 40 above, which contained material misstatements and omissions. As a result of the material omissions and misstatements in GCC's filings, Sandoval and Cidre directly or indirectly obtained money or property in that each received a bonus as part of their 2012 compensation, which was tied in part to the financial performance of GCC and/or ROW. Sandoval and Cidre also directly or indirectly obtained money or property for their employer, GCC, in that on or about September 25, 2012, GCC completed the sale of a \$600 million Note Offering with under an offering memorandum that incorporated the misstatements described in paragraph 40 by reference.

62. While engaging in the conduct described above, Sandoval and Cidre acted knowingly, recklessly, or negligently.

63. By engaging in the conduct described above, Sandoval and Cidre violated, and unless restrained and enjoined will again violate, Sections 17(a)(1), (a)(2), and (a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(1), (2), (3)].

THIRD CLAIM FOR RELIEF

Sandoval and Cidre Violated Section 13(b)(5) of the Exchange Act

64. Paragraphs 1 through 52 are re-alleged and incorporated herein by reference.

65. Sandoval and Cidre knowingly circumvented or knowingly failed to implement a system of internal accounting controls or knowingly falsified books, records, or accounts that GCC was required to maintain under Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)].

66. Beginning in January 2012 and continuing until September 2012, Sandoval and Cidre signed and submitted false and misleading sub-certifications concerning ROW's financial statements, instructed their subordinates not to disclose the improper accounting for inventory to GCC's internal audit personnel or external auditors, ordered subordinates to destroy any documents relating to the missing inventory, and directed GCC Brazil's CFO not to disclose the improper accounting for inventory in the sub-certifications she signed and submitted for GCC Brazil's financial statements. Sandoval also submitted false and misleading monthly reports to GCC's executive management during each month in 2012.

67. While engaging in the conduct described above, Sandoval and Cidre acted knowingly.

68. By engaging in the conduct described above, Sandoval and Cidre violated, and unless restrained and enjoined will again violate, Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)].

FOURTH CLAIM FOR RELIEF

Sandoval and Cidre Violated Rules 13b2-1 and 13b2-2 of the Exchange Act

69. Paragraphs 1 through 52 are re-alleged and incorporated herein by reference.

70. Sandoval and Cidre, directly or indirectly, falsified or caused to be falsified GCC's books, records, or accounts subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)].

71. Sandoval and Cidre, directly or indirectly, (a) made or caused to be made materially false or misleading statements to accountants; or (b) omitted to state, or caused another person to omit to state, material facts necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading, to accountants in

connection with (1) an audit, review, or examination of financial statements required by the Exchange Act or rules thereunder; or (2) the preparation or filing of a document or report required to be filed with the Commission.

72. Beginning in January 2012 and continuing until September 2012, Sandoval and Cidre signed and submitted false and misleading sub-certifications concerning ROW's financial statements, instructed their subordinates not to disclose the improper accounting for inventory to GCC's internal audit personnel or external auditors, ordered subordinates to destroy any documents relating to the missing inventory, and directed GCC Brazil's CFO not to disclose the improper accounting for inventory in the sub-certifications she signed and submitted for GCC Brazil's financial statements. Sandoval also submitted false and misleading monthly reports to GCC's executive management during each month in 2012.

73. By engaging in the conduct described above, Sandoval and Cidre violated, and unless restrained and enjoined will again violate, Rules 13b2-1 and 13b2-2 of the Exchange Act [17 C.F.R. §§ 240.13b2-1 & 13b2-2].

FIFTH CLAIM FOR RELIEF

Sandoval and Cidre Aided and Abetted GCC's and Each Other's Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

74. Paragraphs 1 through 52 are re-alleged and incorporated herein by reference.

75. Based upon the conduct described above, GCC, Sandoval, and Cidre violated the federal securities laws. GCC, Sandoval, and Cidre, in connection with the purchase or sale of a security, by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, directly or indirectly, with scienter: (a) employed devices, schemes, or artifices to defraud; and (c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons, in violation of

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

76. Sandoval and Cidre knowingly or recklessly provided substantial assistance that aided GCC's and each other's violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

77. Beginning in January 2012 and continuing until September 2012, Sandoval and Cidre signed and submitted false and misleading sub-certifications concerning ROW's financial statements, instructed their subordinates not to disclose the improper accounting for inventory to GCC's internal audit personnel or external auditors, ordered subordinates to destroy any documents relating to the missing inventory, and directed GCC Brazil's CFO not to disclose the improper accounting for inventory in the sub-certifications she signed and submitted for GCC Brazil's financial statements. Sandoval also submitted false and misleading monthly reports to GCC's executive management during each month in 2012.

78. By engaging in the conduct described above, and pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Sandoval and Cidre aided and abetted GCC's and each other's violations, and unless restrained and enjoined will again aid and abet violations, of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

SIXTH CLAIM FOR RELIEF

Sandoval and Cidre Aided and Abetted GCC's and Each Other's Violations of Section 17(a) of the Securities Act

79. Paragraphs 1 through 52 are re-alleged and incorporated herein by reference.

80. Based upon the conduct described above, GCC, Sandoval, and Cidre violated the federal securities laws. GCC, Sandoval, and Cidre, in the offer or sale of securities and by the use

of means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly: (a) with scienter, employed devices, schemes, or artifices to defraud; (b) with negligence, obtained money or property by means of untrue statements of material fact or by omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) with negligence, engaged in transactions, practices, or courses of business which operated or would have operated as a fraud or deceit upon purchasers of GCC's securities, in violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

81. Sandoval and Cidre knowingly or recklessly provided substantial assistance that aided GCC's and each other's violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

82. Beginning in January 2012 and continuing until September 2012, Sandoval and Cidre signed and submitted false and misleading sub-certifications concerning ROW's financial statements, instructed their subordinates not to disclose the improper accounting for inventory to GCC's internal audit personnel or external auditors, ordered subordinates to destroy any documents relating to the missing inventory, and directed GCC Brazil's CFO not to disclose the improper accounting for inventory in the sub-certifications she signed and submitted for GCC Brazil's financial statements. Sandoval also submitted false and misleading monthly reports to GCC's executive management during each month in 2012.

83. By engaging in the conduct described above, and pursuant to Section 15(b) of the Securities Act [15 U.S.C. § 77o(b)], Sandoval and Cidre aided and abetted GCC's and each other's violations, and unless restrained and enjoined will again aid and abet violations, of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

SEVENTH CLAIM FOR RELIEF

Sandoval and Cidre Aided and Abetted GCC's Violation of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11, and 13a-13 Thereunder

84. Paragraphs 1 through 52 are re-alleged and incorporated herein by reference.

85. GCC violated Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-1 thereunder by filing with the Commission on February 23, 2012, a materially false and misleading annual report on Form 10-K. GCC also violated Rules 12b-20 and 13a-11 of the Exchange Act by filing with the Commission on February 8, 2012, April 30, 2012, and July 30, 2012, materially false and misleading reports on Forms 8-K announcing false and misleading financial results for quarters ending December 31, 2011, March 31, 2012, and June 30, 2012. GCC also violated Rules 12b-20 and 13a-13 of the Exchange Act by filing with the Commission on May 4, 2012, and August 3, 2012, materially false and misleading quarterly reports on Forms 10-Q.

86. Sandoval and Cidre knowingly and recklessly provided substantial assistance to GCC in making these materially false public filings.

87. Beginning in January 2012 and continuing until September 2012, Sandoval and Cidre signed and submitted false and misleading sub-certifications concerning ROW's financial statements, instructed their subordinates not to disclose the improper accounting for inventory to GCC's internal audit personnel or external auditors, ordered subordinates to destroy any documents relating to the missing inventory, and directed GCC Brazil's CFO not to disclose the improper accounting for inventory in the sub-certifications she signed and submitted for GCC Brazil's financial statements. Sandoval also submitted false and misleading monthly reports to GCC's executive management during each month in 2012.

88. By engaging in the conduct described above, and pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Sandoval and Cidre aided and abetted GCC's violations, and unless restrained and enjoined will again aid and abet violations, of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)], and Rules 12b-20, 13a-1, 13a-11, and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 & 240.13a-13].

EIGHTH CLAIM FOR RELIEF

Sandoval and Cidre Aided and Abetted GCC's Violation of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act

89. Paragraphs 1 through 52 are re-alleged and incorporated herein by reference.

90. GCC violated Section 13(b)(2)(A) of the Exchange Act by failing to make or keep books, records and accounts that in reasonable detail accurately and fairly reflected its transactions and disposition of its assets. GCC further violated Section 13(b)(2)(B) of the Exchange Act by failing to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions were recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability of assets.

91. Sandoval and Cidre knowingly and recklessly provided substantial assistance to GCC in its violations of Section 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act.

92. Beginning in January 2012 and continuing until September 2012, Sandoval and Cidre signed and submitted false and misleading sub-certifications concerning ROW's financial statements, instructed their subordinates not to disclose the improper accounting for inventory to GCC's internal audit personnel or external auditors, ordered subordinates to destroy any documents relating to the missing inventory, and directed GCC Brazil's CFO not to disclose the improper accounting for inventory in the sub-certifications she signed and submitted for GCC

Brazil's financial statements. Sandoval also submitted false and misleading monthly reports to GCC's executive management during each month in 2012.

93. By engaging in the conduct described above, and pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Sandoval and Cidre aided and abetted GCC's violations, and unless enjoined will again 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) & (b)(2)(B)].

NINTH CLAIM FOR RELIEF

Miranda Violated Section Section 13(b)(5) of the Exchange Act and Rule 13b2-1 Thereunder

94. Paragraphs 1 through 52 are re-alleged and incorporated herein by reference.

95. Miranda knowingly circumvented or knowingly failed to implement a system of internal accounting controls or knowingly falsified books, records, or accounts that GCC was required to maintain under Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)].

96. Miranda, directly or indirectly, falsified or caused to be falsified GCC's books, records, or accounts subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)].

97. By engaging in the conduct described above, Miranda violated, and unless restrained and enjoined will again violate, Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] and Rule 13b2-1 thereunder [17 C.F.R. § 240.13b2-1].

TENTH CLAIM FOR RELIEF

Miranda Aided and Abetted GCC's and Sandoval's and Cidre's Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

98. Paragraphs 1 through 52 are re-alleged and incorporated herein by reference.

99. Based upon the conduct described above, GCC, Sandoval, and Cidre violated the federal securities laws. GCC, Sandoval, and Cidre, in connection with the purchase or sale of a security, by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, directly or indirectly, with scienter: (a) employed devices, schemes, or artifices to defraud; and (c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons, in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

100. Miranda knowingly or recklessly provided substantial assistance that aided GCC's and Sandoval's and Cidre's violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

101. By engaging in the conduct described above, and pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Miranda aided and abetted GCC's and Sandoval's and Cidre's violations, and unless restrained and enjoined will again aid and abet violations, of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

ELEVENTH CLAIM FOR RELIEF

Miranda Aided and Abetted GCC's and Sandoval's and Cidre's Violations of Section 17(a) of the Securities Act

102. Paragraphs 1 through 52 are re-alleged and incorporated herein by reference.

103. Based upon the conduct described above, GCC, Sandoval, and Cidre violated the federal securities laws. GCC, Sandoval, and Cidre, in the offer or sale of securities and by the use of means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly: (a) with scienter, employed devices, schemes, or artifices to

defraud; (b) with negligence, obtained money or property by means of untrue statements of material fact or by omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) with negligence, engaged in transactions, practices, or courses of business which operated or would have operated as a fraud or deceit upon purchasers of GCC's securities, in violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

104. Miranda knowingly or recklessly provided substantial assistance that aided GCC's and Sandoval's and Cidre's violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

105. By engaging in the conduct described above, and pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Miranda aided and abetted GCC's and Sandoval's and Cidre's violations, and unless restrained and enjoined will again aid and abet violations, of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

TWELFTH CLAIM FOR RELIEF

Miranda Aided and Abetted GCC's Violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 Thereunder

106. Paragraphs 1 through 52 are re-alleged and incorporated herein by reference.

107. GCC violated Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-1 thereunder by filing with the Commission on February 23, 2012, a materially false and misleading annual report on Form 10-K. GCC also violated Rules 12b-20 and 13a-13 of the Exchange Act by filing with the Commission on May 4, 2012, and August 3, 2012, materially false and misleading quarterly reports on Forms 10-Q.

108. Miranda knowingly or recklessly provided substantial assistance to GCC in making these materially false public filings.

109. By engaging in the conduct described above, and pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Miranda aided and abetted GCC's violations, and unless restrained and enjoined will again aid and abet violations, of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)], and Rules 12b-20, 13a-1, and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, & 240.13a-13].

THIRTEENTH CLAIM FOR RELIEF

Miranda Aided and Abetted GCC's Violation of Section 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act

110. Paragraphs 1 through 52 are re-alleged and incorporated herein by reference.

111. GCC violated Section 13(b)(2)(A) of the Exchange Act by failing to make or keep books, records and accounts that in reasonable detail accurately and fairly reflected its transactions and disposition of its assets. GCC further violated Section 13(b)(2)(B) of the Exchange Act by failing to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions were recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability of assets.

112. Miranda knowingly and recklessly provided substantial assistance to GCC in its violations of Section 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act.

113. By engaging in the conduct described above, and pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Miranda aided and abetted GCC's violations, and unless enjoined will again 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) & (b)(2)(B)].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court enter a judgment:

A. Finding that Sandoval and Cidre violated the provisions of the securities laws set forth in the First through Eighth Claims set forth above;

B. Finding that Miranda violated the provisions of the securities laws set forth in the Ninth through Thirteenth claims set forth above;

C. Permanently restraining and enjoining Sandoval, Cidre, and Miranda, and all persons in active concert or participation with them, from violating the aforementioned Sections and Rules;

D. Ordering Sandoval and Cidre to disgorge all ill-gotten gains obtained and losses avoided as a result of their unlawful conduct, plus prejudgment interest;

E. Ordering Sandoval, Cidre, and Miranda to pay civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)];

F. 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)], prohibiting Sandoval, Cidre, and Miranda from acting as an officer or director of any issuer that has a class of securities registered pursuant to Exchange Act Section 12 [15 U.S.C. § 78l], or that is required to file reports pursuant to Exchange Act Section 15(d) [15 U.S.C. § 78o(d)]; and

G. Granting such other and further equitable relief as the Court deems just and appropriate or necessary for the benefit of investors.

JURY TRIAL DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the Commission demands a jury trial on all the issues so triable.

Dated: January 24, 2017

Respectfully submitted,

s/ David S. Johnson

David S. Johnson, Special Bar No. A5502126

Olivia S. Choe, Special Bar No. A5501503

Mark M. Oh, Special Bar No. A5502125

U.S. Securities and Exchange Commission

100 F Street N.E.

Washington, D.C. 20549

Telephone: (202) 551-2218 (Johnson)

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Email: johnsonds@sec.gov

*Counsel for Plaintiff United States Securities
and Exchange Commission*

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.) NOTICE: Attorneys MUST Indicate All Re-filed Cases Below.

I. (a) PLAINTIFFS U.S. Securities and Exchange Commission DEFENDANTS Mathias Francisco Sandoval Herrera, Maria D. Cidre, and Jose Antonio Miranda Gonzalez

(b) County of Residence of First Listed Plaintiff (EXCEPT IN U.S. PLAINTIFF CASES) County of Residence of First Listed Defendant Miami-Dade (IN U.S. PLAINTIFF CASES ONLY)

(c) Attorneys (Firm Name, Address, and Telephone Number) David S. Johnson (202-551-2218), Olivia S. Choe, Mark M. Oh, SEC, 100 F St. N.E., Washington, D.C. 20549 Attorneys (If Known) See Attachment

(d) Check County Where Action Arose: MIAMI-DADE MONROE BROWARD PALM BEACH MARTIN ST. LUCIE INDIAN RIVER OKEECHOBEE HIGHLANDS

II. BASIS OF JURISDICTION (Place an "X" in One Box Only) III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

1 U.S. Government Plaintiff 2 U.S. Government Defendant 3 Federal Question (U.S. Government Not a Party) 4 Diversity (Indicate Citizenship of Parties in Item III) PTF DEF 1 Citizen of This State 2 Citizen of Another State 3 Citizen or Subject of a Foreign Country 4 Incorporated or Principal Place of Business In This State 5 Incorporated and Principal Place of Business In Another State 6 Foreign Nation

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT 110 Insurance 120 Marine 130 Miller Act 140 Negotiable Instrument 150 Recovery of Overpayment & Enforcement of Judgment 151 Medicare Act 152 Recovery of Defaulted Student Loans (Excl. Veterans) 153 Recovery of Overpayment of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise REAL PROPERTY 210 Land Condemnation 220 Foreclosure 230 Rent Lease & Ejectment 240 Torts to Land 245 Tort Product Liability 290 All Other Real Property PERSONAL INJURY 310 Airplane 315 Airplane Product Liability 320 Assault, Libel & Slander 330 Federal Employers' Liability 340 Marine 345 Marine Product Liability 350 Motor Vehicle 355 Motor Vehicle Product Liability 360 Other Personal Injury 362 Personal Injury - Med. Malpractice CIVIL RIGHTS 440 Other Civil Rights 441 Voting 442 Employment 443 Housing/Accommodations 445 Amer. w/Disabilities - Employment 446 Amer. w/Disabilities - Other 448 Education PRISONER PETITIONS Habeas Corpus: 463 Alien Detainee 510 Motions to Vacate Sentence Other: 530 General 535 Death Penalty 540 Mandamus & Other 550 Civil Rights 555 Prison Condition 560 Civil Detainee - Conditions of Confinement FORFEITURE/PENALTY 625 Drug Related Seizure of Property 21 USC 881 690 Other LABOR 710 Fair Labor Standards Act 720 Labor/Mgmt. Relations 740 Railway Labor Act 751 Family and Medical Leave Act 790 Other Labor Litigation 791 Empl. Ret. Inc. Security Act IMMIGRATION 462 Naturalization Application 465 Other Immigration Actions BANKRUPTCY 422 Appeal 28 USC 158 423 Withdrawal 28 USC 157 SOCIAL SECURITY 861 HIA (1395ff) 862 Black Lung (923) 863 DIWC/DIWW (405(g)) 864 SSID Title XVI 865 RSI (405(g)) FEDERAL TAX SUITS 870 Taxes (U.S. Plaintiff or Defendant) 871 IRS-Third Party 26 USC 7609 OTHER STATUTES 375 False Claims Act 376 Qui Tam (31 USC 3729 (a)) 400 State Reapportionment 410 Antitrust 430 Banks and Banking 450 Commerce 460 Deportation 470 Racketeer Influenced and Corrupt Organizations 480 Consumer Credit 490 Cable/Sat TV 850 Securities/Commodities/Exchange 890 Other Statutory Actions 891 Agricultural Acts 893 Environmental Matters 895 Freedom of Information Act 896 Arbitration 899 Administrative Procedure Act/Review or Appeal of Agency Decision 950 Constitutionality of State Statutes

V. ORIGIN (Place an "X" in One Box Only) 1 Original Proceeding 2 Removed from State Court 3 Re-filed (See VI below) 4 Reinstated or Reopened 5 Transferred from another district (specify) 6 Multidistrict Litigation Transfer 7 Appeal to District Judge from Magistrate Judgment 8 Multidistrict Litigation - Direct File 9 Remanded from Appellate Court

VI. RELATED/RE-FILED CASE(S) (See instructions): a) Re-filed Case YES NO b) Related Cases YES NO JUDGE: DOCKET NUMBER:

VII. CAUSE OF ACTION Cite the U.S. Civil Statute under which you are filing and Write a Brief Statement of Cause (Do not cite jurisdictional statutes unless diversity): 15 U.S.C. §§ 77o, 77q, 78j, 78m, 78t; 17 C.F.R. §§ 240.10b-5(a, c), 240.13b2-1, 240.13b2-2 LENGTH OF TRIAL via 5-7 days estimated (for both sides to try entire case)

VIII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

ABOVE INFORMATION IS TRUE & CORRECT TO THE BEST OF MY KNOWLEDGE DATE January 24, 2017 SIGNATURE OF ATTORNEY OF RECORD s/ David S. Johnson

Attachment to Civil Cover Sheet

**U.S. Securities and Exchange Commission vs. Mathias Francisco Sandoval Herrera,
Maria D. Cidre, and Jose Antonio Miranda Gonzalez**

Attorneys for Defendants

Defendant Sandoval:

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Susan W. Van Dusen
Marrero Bozorgi
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305-577-9711

Defendant Cidre:

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Defendant Miranda:

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Gunster
Brickell World Plaza
600 Brickell Ave.
Suite 3500
Miami, FL 33131
305-376-6043

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Southern District of Florida

U.S. Securities and Exchange Commission,

Plaintiff(s)

v.

Mathias Francisco Sandoval Herrera, Maria D. Cidre, and Jose Antonio Miranda Gonzalez,

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Mathias Francisco Sandoval Herrera c/o Susan Bozorgi Marrero Bozorgi 777 Brickell Ave. Suite 800 Miami, FL 33131

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Olivia S. Choe U.S. Securities and Exchange Commission 100 F St. N.E. Washington, D.C. 20549

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date: _____

Signature of Clerk or Deputy Clerk

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____.

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____, and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____, who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____; or

I returned the summons unexecuted because _____; or

Other *(specify)*:

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00 _____.

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Southern District of Florida

U.S. Securities and Exchange Commission,

Plaintiff(s)

v.

Mathias Francisco Sandoval Herrera, Maria D. Cidre, and Jose Antonio Miranda Gonzalez,

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Maria D. Cidre
c/o Susan E. Brune
Brune Law P.C.
450 Park Avenue
New York, New York 10022

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Olivia S. Choe
U.S. Securities and Exchange Commission
100 F St. N.E.
Washington, D.C. 20549

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date:

Signature of Clerk or Deputy Clerk

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____ .

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____ , who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*:

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00 .

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Southern District of Florida

U.S. Securities and Exchange Commission,

Plaintiff(s)

v.

Mathias Francisco Sandoval Herrera, Maria D. Cidre, and Jose Antonio Miranda Gonzalez,

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Jose Antonio Miranda Gonzalez
c/o Angel A. Cortinas
Gunster
Brickell World Plaza
600 Brickell Ave.
Suite 3500
Miami, FL 33131

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Olivia S. Choe
U.S. Securities and Exchange Commission
100 F St. N.E.
Washington, D.C. 20549

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date:

Signature of Clerk or Deputy Clerk

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____ .

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____ , who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*:

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00 .

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc: