

Gregory A. Kasper (NY2735405; SDNY GK6596)  
Leslie J. Hughes (Colo. 15043)  
KasperG@sec.gov  
HughesLJ@sec.gov  
SECURITIES AND EXCHANGE COMMISSION  
1961 Stout Street, Suite 1700  
Denver, Colorado 80294  
(303) 844-1000

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE COMMISSION,

Case No.

Plaintiff,

v.

VIPWALLST, INC.,  
MICHAEL TODD OSBORN,  
SHENAE CATHERINE OSBORN, and  
VIRGIL GENE WILLIAMS

COMPLAINT AND  
JURY TRIAL DEMAND

Defendants.

ECF CASE

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Plaintiff, the United States Securities and Exchange Commission (the “Commission”), for its complaint against defendants VIPWallST, Inc. (“VIP”), Michael Todd Osborn (“Michael Osborn”), Shenae Catherine Osborn (“Shenae Osborn”) and Virgil Gene Williams (“Williams”) (collectively, “Defendants”), alleges as follows:

**SUMMARY**

1. Between approximately January and July 2015, VIP, Michael Osborn, Shenae Osborn and Williams obtained over \$400,000 from investors in a fictitious investment scheme. Defendants claimed to use investors’ money to purchase notes convertible into penny stocks of various public companies, which they would purportedly then sell into the market for a quick

profit to be split with investors. But Defendants obtain few notes, failed to convert notes to securities, and therefore generated no profits. Instead, the Defendants simply misappropriated most of the money for their own purposes and investors lost everything they invested.

2. Michael Osborn owned and controlled VIP. Along with Williams, Michael Osborn used a VIP-owned website called “AgedDebt” to solicit investors and tout their scheme. Through this website, direct communications, or investment contracts with investors, each of the Defendants made false statements about their non-existent investment plan and, later, about non-existent trading activities and profits.

3. In addition, the Defendants took actions to hide their actual use of investors’ funds, the absence of investments, and even Michael Osborn’s involvement with VIP. To hide his criminal past from prospective investors, Michael Osborn used an alias in his communications with prospective investors – calling himself Tom Furlong – and used his wife, Shenae Osborn, to sign corporate documents and investment contracts with investors.

4. During the scheme, VIP reported hundreds of thousands of dollars of fictitious investments gains to its investors. In fact, VIP never sold the penny stocks it claimed and generated no investment gains. The Osborns and Williams simply took the money to use for their own purposes.

5. In May 2015, Michael Osborn was arrested and charged with wire fraud and money laundering in connection with defrauding investors in an earlier, unrelated scheme. The arrest prompted questions from investors and eventually precipitated the collapse of the Defendants’ VIP scheme.

6. By virtue of the conduct alleged herein, the Defendants, directly or indirectly, violated the federal securities laws as follows:

- a. VIP violated anti-fraud provisions of Section 17(a) of the Securities Act of 1933 [15 U.S.C. § 77q(a)] (“Securities Act”), Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)] (“Exchange Act”) and Rule 10b-5(b) thereunder [17 C.F.R. § 240.10b-5(b)]; and
- b. Michael Osborn, Shenae Osborn, and Williams violated the anti-fraud provisions of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder, or, in the alternative, aided and abetted VIP’s violations of Sections 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder.

7. Unless the Defendants are permanently restrained and enjoined, they are likely to engage in acts, practices, and courses of business similar to those set forth in this Complaint.

**NATURE OF THE PROCEEDINGS AND REQUESTED RELIEF**

8. The Commission brings this action pursuant to the authority conferred upon it by Section 20(b) of the Securities Act [15 U.S.C. § 77t (b)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u (d)]. The Commission seeks permanent injunctions against each of the Defendants enjoining them from violating the anti-fraud provisions of the federal securities laws alleged in this Complaint; enjoining Michael Osborn and Williams from directly or indirectly, including, but not limited to, through any entity owned or controlled by Michael Osborn or Williams, participating in the issuance, purchase, offer, or sale of any security, provided, however, that such injunction shall not prevent Michael Osborn or Williams from purchasing or selling securities for their own personal accounts; disgorgement of all ill-gotten gains from the fraudulent activity alleged in this Complaint, together with prejudgment interest, and civil penalties pursuant to Section 20(d)(1) of the Securities Act and Section 21(d)(3) of the Exchange

Act [15 U.S.C. §§ 77t(d)(1), 78u(d)(3)]; and penny stock bars against VIP, Michael Osborn and Shenae Osborn pursuant to Section 20(g) of the Securities Act and Section 21(g) of the Exchange Act [15 U.S.C. §§ 77t(g), 78u(g)]. The Commission seeks any other relief the Court may deem appropriate pursuant to Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)].

**JURISDICTION AND VENUE**

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

10. Defendants, directly or indirectly, made use of the means or instrumentalities of interstate commerce, or of the mails, or of the means and instruments of transportation or communication in interstate commerce, or of any facility of a national securities exchange in connection with the acts, practices, transactions, and courses of business alleged in this Complaint.

11. Venue is proper in the Southern District of New York pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa].

12. VIP maintained its principal office at, and transacted business from, 228 Park Avenue South, Suite 90767, New York, New York.

13. During the relevant time period, the Osborns were residents of New York, New York.

14. VIP, Michael Osborn, Shenae Osborn and Williams transacted business in this District by offering and selling securities.

## **DEFENDANTS**

15. **VIPWallST, Inc.** is a Delaware corporation that transacted business from its office in New York, New York from at least November 2014 through July 2015.

16. **Michael Todd Osborn**, age 46, was at all relevant times a resident of, and transacted business in New York, New York. Michael Osborn owned and controlled VIP. On February 11, 2015, a federal grand jury indicted Michael Osborn for his role in an unrelated scheme to defraud investors in 2009 and 2010. The indictment became public with his arrest in May 2015. On December 1, 2016, Michael Osborn was sentenced to serve 77 months in prison and was taken into custody. He is now in federal custody in Pennsylvania.

17. **Shenae Catherine Osborn**, age 41, was at all relevant times a resident of, and transacted business in New York, New York. During most of the scheme, Shenae Osborn was the Chief Executive Officer and Director of VIP, and signed most of the agreements with investors.

18. **Virgil Gene Williams**, age 69, is a resident of San Diego, California, and transacted business in New York, New York. Between at least January and July 2015, Williams was Michael Osborn's partner in operating VIP and spoke with most of the investors.

## **FACTS**

### **The Creation of VIP**

19. Michael Osborn caused a business associate to incorporate VIP in Delaware on or about May 5, 2014. From at least November 20, 2014 and continuing through July 2015, Michael Osborn owned and controlled VIP.

20. Michael Osborn, Shenae Osborn and Williams jointly operated VIP during the relevant period. Each of them knew the true nature of VIP's scheme and its use of investor funds.

21. To hide his ownership and control of VIP, Michael Osborn directed another individual to open bank and brokerage accounts for VIP as its purported owner and president. In fact, that individual did not own VIP or direct its activities, and simply did as instructed by Michael Osborn before severing his involvement with VIP in December 2014.

22. On or about January 7, 2015, Michael Osborn signed a resolution as the president of VIP authorizing Shenae Osborn to act as the sole authorized signer on VIP's bank account and Shenae Osborn assumed control of VIP's financial accounts.

23. On or about January 31, 2015, Shenae Osborn, acting as the Chairman of the Board of Directors and President, signed a VIP resolution that authorized her to enter "banking relationships" and "brokerage relationships" for VIP.

24. To hide his role in VIP, Michael Osborn used an alias, Tom Furlong, to communicate with investors. He did this in part to hide his previous criminal conviction on two counts of grand theft auto and two counts of fraudulently obtaining property by false pretenses in California under the name Michael Osborn Ison, which was the name he used at the time, and to avoid creditors to whom he owed a large judgment.

### **The AgedDebt Scheme**

25. Beginning in 2014, VIP, Michael Osborn and Williams operated and were responsible for the content of a website called the "Pumptracker" ([www.thepumptracker.com](http://www.thepumptracker.com)). The Pumptracker website purported to alert readers to ongoing promotions of penny stock so that investors could take advantage of anticipated quick price movements in the stocks it promoted.

26. In or around January 2015, VIP, Michael Osborn and Williams began operating and were responsible for the content of a website called “AgedDebt” ([www.ageddebt.net](http://www.ageddebt.net)). VIP, Michael Osborn and Williams marketed AgedDebt to readers of the Pumptracker and offered investors the opportunity to invest in notes that were convertible into securities or other rights to the securities of various microcap public companies. Specifically, VIP, Michael Osborn, Shenae Osborn, and Williams offered and sold to investors securities in the form of investment contracts.

27. Williams responded to potential investors, who contacted the AgedDebt website and expressed interest in investing. In telephone conversations with these potential investors, Williams stated that he was a partner in VIP and described the investment opportunity with VIP, stating that, among other things, VIP bought third-party owned, convertible aged-debt of various companies, offered investors the ability to finance and partner in its acquisition and conversion of the debt into equity securities, and split the profits from the sales of the securities with investors. Williams described the terms of the investment contract between the VIP and the investor, stating that an investor’s money was used to purchase a portion of a note convertible into a block of stock that would be easy to sell after the conversion. Williams also told some investors that they could expect quick profits of 100% to 130% on their invested capital. If a person was interested, Williams caused VIP to email the potential investor an investment contract, called an Equity Participation Partnership Agreement (“EPPA”).

28. Michael Osborn created the EPPAs for VIP that represented the terms of the investment between VIP and each investor. Michael Osborn sent the EPPA by email to each investor who made an investment in the AgedDebt scheme, and copied Williams on the emails. Each investor executed an EPPA and returned it to VIP in New York.

29. As detailed below, in the EPPAs and in direct communications with investors, the Defendants made false and misleading statements to investors. Each of the Defendants also took other actions, in furtherance of the fraudulent scheme, including, but not limited to, concealing Michael Osborn's involvement with the scheme, falsely suggesting that VIP was pursuing and succeeding in its stated investment plan, and inducing investors to invest in VIP.

30. As part of the scheme, VIP, Michael Osborn, Shenae Osborn and Williams obtained more than \$400,000 from at least seven investors who resided in various states through the offer and sale of the EPPAs.

**In the Offer and Sale of the EPPAs, Defendants Made False and Misleading Statements and Omissions of Material Facts to Investors**

Defendants Falsely Claimed to Use Proceeds to Invest in Penny Stocks.

31. Between January and May 2015, VIP, Michael Osborn, Shenae Osborn, and Williams made representations in the EPPAs that VIP would use investor funds to purchase an interest in notes convertible into stock or other rights to the stock of particular public companies. VIP, Michael Osborn, Shenae Osborn, and Williams also made representations in the EPPAs that they would sell the stock once acquired. In the EPPAs, VIP typically represented that it would split the net profits with the investors with 30% of profits to the investor and 70% to VIP.

32. Shenae Osborn signed most of the EPPAs on behalf of VIP, which were sent to investors. Williams signed at least one EPPA on behalf of VIP that was sent to an investor.

33. Michael Osborn and Williams made representations of facts similar to those in the EPPAs about VIP's use of investor funds in telephonic and electronic communications with investors between January and May 2015.

34. These representations were false. Contrary to the Defendants' representations, VIP did not use investor's funds to purchase convertible notes or other rights to penny stocks,

and never purchased or sold more than a minimal quantity of penny stocks. VIP also did not generate any investment returns.

35. In the EPPAs, VIP identified the stock of the several public companies, including, but not limited to, “Company A,” “Company B,” and “Company C,” that it agreed to acquire.

36. The securities of each of these companies were “penny stocks” as defined by Section 3(a)(51) of the Exchange Act [15 U.S.C. § 78c(a)(51)] and Rule 3a51-1 thereunder [17 C.F.R. § 240.3a51-1].

37. Contrary to their representations, VIP used only \$5,000, of the more than \$400,000 obtained from investors, to purchase a portion of one note, which was never converted into stock.

38. Instead of using investor funds to purchase notes or securities as described in the EPPAs and other communications with investors, Michael Osborn and Shenae Osborn used the vast majority of investor funds to pay personal expenses, including expenses for extended stays at a New York hotel where they resided and the payment of a legal judgment owed by Michael Osborn. Shenae Osborn authorized financial transactions that enabled the Osborns to misappropriate investor funds.

39. Defendants knew, were reckless in not knowing, or should have known that these statements were false. Due to their joint participation in the scheme, each knew VIP’s true use of proceeds. Moreover, Michael Osborn and Shenae Osborn controlled VIP’s financial accounts and knew investor funds were not used to purchase convertible notes or other rights to securities, but were instead used to pay personal and other expenses.

Defendants Failed to Disclose the True Use of the Proceeds.

40. The EPPAs contained no provision that permitted the use of any investor funds for any purpose other than purchasing convertible notes or other rights to penny stocks as described above.

41. VIP, Michael Osborn, Shenae Osborn and Williams failed to disclose the fact that investor funds were being used to pay personal and other expenses contrary to the representations in the EPPAs and not authorized by investors. This omission rendered the statements in the EPPA misleading.

42. Defendants knew, were reckless in not knowing, or should have known that these omissions made the statements about use of investors' funds misleading.

Defendants Falsely Represented that VIP Had Significant Returns.

43. Between January and May 2015, VIP, Michael Osborn, Williams, and Shenae Osborn falsely told investors in telephone conversations, text messages, emails, or in EPPAs that VIP was generating significant returns.

44. Between January and May 2015, Michael Osborn, using the alias Tom Furlong, sent emails to prospective investors falsely representing facts that VIP had purchased seven or more convertible notes and that investors had received profits of "120%", "130%" or "triple digit returns" on their investments.

45. For example, on January 30, 2015, on behalf of VIP, Michael Osborn, using the alias Tom Furlong, sent an email to a prospective investor in Florida stating in part,

This is a quick email to let you know that **we recently closed out our last 7 notes at over 130% profit** to our partners. We now have 4 new notes that are ready to be partnered. . . . To get symbol information please go to <http://www.agedDEBT.net> and fill out "BECOME PARTNER": Because of the success of our last 7 notes, these are going [to] go fast as several of our previous partners have already expressed their intent. Please let us know if you have any interest. [Emphasis added.]

46. These statements were false. As of January 30, 2015, VIP had not acquired and closed out seven notes, converted any notes into securities that were deposited into its brokerage account, or sold the securities for a profit that VIP shared with its “partners.” There were no profits.

47. Michael Osborn sent out numerous similar emails, including on February 7, February 26, March 12, April 19, and April 23, 2015. On certain similar emails to investors, Williams was copied.

48. Between January and May 2015, Williams made similar representations in telephone calls with investors that investments in various convertible notes would deliver profits of 100% to 130%.

49. In April 2015, Williams and Michael Osborn personally met with at least one prospective investor in New York and orally reiterated claims similar to those made in Michael Osborn’s emails that the investor’s funds would be used to purchase convertible debt, the debt would be converted into stock, and then sold for quick profits.

50. Williams did not advise any investor that the statements in these investor emails were false.

51. Between January and July 2015, Williams spoke with investors by telephone making similar misrepresentations about VIP’s acquisition of notes and profits. Williams falsely told investors that VIP had acquired securities, sold the securities, and was holding profits in the investors’ accounts that could be reinvested in a new transaction. These false statements lulled investors and were a tactic to forestall attempts by investors to withdraw their ostensible profits.

52. Similarly during the same period, VIP and Shenae Osborn issued new EPPAs to investors that falsely represented profits from earlier investments would be used as payment for

new convertible note purchases. In fact, there were not profits to fund the new convertible note purchases.

53. For example, on March 9, 2015, VIP and Shenae Osborn represented in an EPPA with a Florida investor that \$12,325 in proceeds from the investor's earlier agreement to invest in the convertible debt of Company A, along with \$15,000 returned from a failed investment in the convertible debt of Company B, were being contributed to purchase a new EPPA for investment in the convertible debt of Company C. In fact, there were not proceeds from the Company A investment.

54. In response to these communications with VIP, Michael Osborn, Williams, or Shenae Osborn, certain investors made investments with VIP.

55. VIP, Michael Osborn, Williams and Shenae Osborn knew, were reckless in not knowing, or should have known that these statements were false. Michael Osborn, Williams and Shenae Osborn were aware that VIP had not made the investments represented to investors and knew there were no profits.

VIP, Michael Osborn and Williams Made False Statements to Investors About the Status of their Investment.

56. On behalf of VIP, Michael Osborn and Williams repeatedly made false claims to investors about the status of their investments and made excuses for delays in paying purported profits to investors. VIP, Michael Osborn and Williams urged investors to reinvest their fictional investment gains into subsequent investments and to make additional investments with cash.

57. For example, on February 3, 2015, on behalf of VIP, Michael Osborn, using the alias Tom Furlong, sent a letter to a California investor falsely representing that a note he invested in had been converted into 30,000,000 shares of Company A, of which VIP had sold

18,239,160 shares resulting in profits of \$28,088.31. The letter was sent at Williams's direction and was copied to him.

58. These representations were false. VIP did not purchase a convertible note, convert a note into 30,000,000 shares of Company A, or sell any Company A shares that would result in a profit to the investor.

59. After receiving these representations and other communications with Michael Osborn and Williams, the California investor agreed to make additional investments of at least \$25,000 with VIP on or about February 4, 2015.

60. In addition, VIP, Michael Osborn, and Williams created false account statements for investors on the AgedDebt.net website. In the account statements, VIP, Michael Osborn and Williams falsely represented, among other things, facts about the rights to securities including the face amount of the note that VIP purportedly purchased, the conversion of the note into a certain number of shares, the sale price of shares liquidated, and the value of the investor's account.

61. For example, on or about January 26, 2015, VIP, Michael Osborn and Williams represented on an account statement delivered to a Florida investor that VIP had converted a note into 12,500,000 Company A shares, of which 10,000,000 shares had been liquidated for a profit of \$11,712.90 resulting in an increase in the account value to \$21,712.90.

62. These representations were false. VIP did not convert a note with Company A into 12.5 million shares or sell any of the converted shares for a profit.

63. After receiving these representations in the account statements and other communications with Michael Osborn and Williams, the Florida investor invested an additional \$15,000 with VIP on or about February 12, 2015.

64. VIP, Michael Osborn, and Williams made similar misrepresentations in account statements and other communications with investors to create the appearance of profits, to induce additional investments, and to delay investors' requests for withdrawals.

65. VIP, Michael Osborn and Williams knew, were reckless in not knowing, or should have known that these statements were false. Both Michael Osborn and Williams were aware of the true status of the investors' accounts.

In Furtherance of the Scheme, VIP and Williams Falsely Represented That Investors' Funds Would Be Returned.

66. In May 2015, Michael Osborn was arrested and charged with wire fraud and money laundering in connection with defrauding investors in an earlier, unrelated scheme. His arrest attracted attention from investors and precipitated the end of the AgedDebt scam.

67. In furtherance of the scheme, on May 23, 2015, Williams emailed VIP's investors and wrote: "We will be concluding ALL note liquidation and any and ALL notes that have been converted. ALL said notes will be cancelled and partner contributions will be returned."

68. In updates on VIP's website on May 29, 2015, VIP claimed, among other things, that it was cancelling all EPPAs and had begun liquidating the remaining assets and would return funds to investors. One website notice stated:

For those of you that are unaware of the current situation, the back office designer/architect of our aged debt pricing model was indicted on an unrelated matter[,] therefore, we have elected to liquidate current contracts and terminate the existing model . . . Rest assured, all partner agreements are secured by the underlining [sic] equity and as the liquidation of these securities continues, the proceeds will be distributed to the partnership pursuant to the terms of the EPPA.

69. On July 8, 2015, VIP represented on its website that it had begun payouts and distributions. It stated, "As of today's date, we have paid out the largest partners and are now down to 7 partners remaining."

70. In fact, VIP and the individual Defendants had no ability to return any funds to investors because VIP had not acquired the securities as represented and the Osborns had spent virtually all of the money. Aside from small payments to at least two investors, VIP did not return money to investors. These small payments were not profits from transactions as falsely represented by VIP, but were instead funds obtained from other investors.

71. VIP and Williams knew, were reckless in not knowing, or should have known that these statements were false. Williams was aware that no payouts would be made or had been made.

Each of these statements and omissions was material.

72. The statements and omissions alleged above were material to investors. The Defendants' representations about VIP's intended use of investors' funds to purchase convertible notes or other rights to securities, omissions of the fact that the Defendants used investors' funds to pay personal and other expenses, and representations about purported profits received were all material facts that would have been viewed by the reasonable investor as having significantly altered the total mix of information made available to them. Investors would not have made the investment with VIP had they known the truth about how their funds would be used.

Defendants Knew, Were Reckless in Not Knowing, or Should Have Known that the Statements Each Made Were False.

73. Michael Osborn, Shenae Osborn and Williams knew, were reckless in not knowing, or should have known that the statements attributed to them above were false or misleading. Each of them knew the true nature of the VIP scheme and its use of investor funds.

74. The knowledge of Michael Osborn, Shenae Osborn and Williams is attributed to VIP.

**Defendants Took Other Acts in Furtherance of Their Fraudulent Scheme**

75. VIP, Michael Osborn, Shenae Osborn and Williams engaged in transactions, practices, and courses of business that operated as a fraud upon the purchasers of VIP's investment contracts.

76. As detailed above, VIP, Michael Osborn, Shenae Osborn, and Williams made false or misleading statements to investors. These statements furthered their fraudulent scheme. In addition to these false and misleading statements or omissions, the Defendants took actions, distinct from those false statements, in furtherance of the scheme.

77. Michael Osborn hid his involvement with VIP from most investors by using the alias "Tom Furlong" in emails and other communications with investors.

78. Shenae Osborn or Williams signed the EPPAs to hide Michael Osborn's ownership and control of VIP.

79. Shenae Osborn opened a brokerage account in the name of VIP with Interactive Brokers LLC to create the false appearance that VIP would operate a trading account for the benefit of investors.

80. VIP, Michael Osborn, and Williams also created fictitious account statements for each investor on the AgedDebt website. As discussed above, these statements were communicated to investors to create the appearance that securities had been acquired, sales had occurred, and profits obtained. VIP, Michael Osborn, and Williams used these fictitious account statements to entice investors to make additional investments.

81. To create the appearance that VIP had engaged in profitable trading and entice investors to make additional investments, Michael Osborn and Shenae Osborn caused VIP to transfer funds, which VIP fraudulently obtained from other investors, to at least two investors as

purported profits on their investments. In fact, VIP did not obtain profits from securities transactions to pay these investors.

**Defendants Obtained Money Through False Statements And Omissions**

82. Between January and May 2015, VIP, Michael Osborn, Shenae Osborn and Williams obtained more than \$400,000 from at least seven investors who sent funds to VIP solely for the purchase of investment contracts offered by VIP.

83. VIP, Michael Osborn, Shenae Osborn and Williams obtained these funds from investors by means of the false and misleading statements of material fact and omissions described above in the EPPAs sent to investors and other communications.

84. To fulfill the terms of the EPPAs, each of the investors sent funds by wire transfer to VIP's bank account.

85. Shenae Osborn had signatory authority over VIP's bank account that received funds from investors. She withdrew at least \$250,000 in cash or cashier's checks, paid at least \$20,000 to a creditor of Michael Osborn, and authorized payments for personal and other expenses out of the funds that VIP received from investors.

86. Williams was compensated for his role in the fraud.

**The Defendants Offered and Sold Securities**

87. The investments offered in the EPPAs were securities in the form of investment contracts and therefore are securities under Section 2(a)(1) of the Securities Act and Section 3(a)(1) of the Exchange Act [15 U.S.C. §§ 77b (a)(1) and 78c (a)(1)]. The EPPAs are investment contracts because investors made an investment of money, in a common enterprise, with the expectation of profits to be derived solely from the efforts of VIP.

88. Although VIP termed the arrangements in the EPPAs as “joint ventures,” investors had no control over the purported joint ventures and relied exclusively upon the efforts of VIP. Among other things, investors had no control over the terms by which VIP would acquire or sell the penny stocks and did not possess basic information about the details of the transactions by which VIP promised to generate returns.

89. VIP commingled all investors’ funds in VIP’s bank account and never opened individual bank or brokerage accounts for each investor.

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

90. The Commission realleges and incorporates by reference paragraphs 1 through 89, as though fully set forth herein.

91. As a result of the conduct alleged herein, Defendants VIP, Michael Osborn, Shenae Osborn and Williams, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails:

- (1) with scienter, employed a device, scheme, or artifice to defraud;
- (2) obtained money or property by means of untrue statement of material fact or by omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (3) engaged in any transaction, practice, or course of business which operated as a fraud or deceit upon the purchaser of securities in violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q (a)].

92. Defendants VIP, Michael Osborn, Shenae Osborn and Williams engaged in the above conduct knowingly, recklessly or negligently.

93. Defendants VIP, Michael Osborn, Shenae Osborn and Williams have violated, and unless restrained and enjoined will in the future violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

**SECOND CLAIM FOR RELIEF**

**Fraud -- Aiding and Abetting VIP's Violations of  
Securities Act Section 17(a) [15 U.S.C. § 77q(a)]  
(Alternatively, Against Michael Osborn, Shenae Osborn and Williams)**

94. The Commission realleges and incorporates by reference paragraphs 1 through 89, as though fully set forth herein.

95. As a result of the conduct alleged herein, Defendant VIP, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails:

- (1) with scienter employed a device, scheme, or artifice to defraud;
- (2) obtained money or property by means of untrue statements of material fact or by omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (3) engaged in any transaction, practice, or course of business which operated as a fraud or deceit upon the purchasers of securities in violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q (a)].

96. By engaging in the acts and conduct alleged in this Complaint, Michael Osborn, Shenae Osborn and Williams, pursuant to Section 15(b) of the Securities Act [15 U.S.C. § 77o(b)], each aided and abetted the fraud violations of VIP, in that each knowingly or recklessly provided substantial assistance to VIP in committing these violations.

97. By reason of the foregoing, Michael Osborn, Shenae Osborn and Williams have aided and abetted, and unless restrained and enjoined will again aid and abet, VIP's violations of Section 17(a) of the Securities Act.

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

98. The Commission realleges and incorporates by reference paragraphs 1 through 89, as though fully set forth herein.

99. Defendants VIP, Michael Osborn, Shenae Osborn and Williams, directly or indirectly, by use of the means or instrumentality of interstate commerce, or of the mails, or of any facility of a national securities exchange, used or employed, in connection with the purchase or sale of a security, any manipulative or deceptive device or contrivance in contravention of the rules and regulations of the Commission; employed a device, scheme or artifice to defraud; made an untrue statement of material fact or omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; or engaged in any act, practice or course of business which operated or would operate as a fraud or deceit upon any person, 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. Defendants VIP, Michael Osborn, Shenae Osborn and Williams engaged in the above conduct knowingly or recklessly.

101. Defendants VIP, Michael Osborn, Shenae Osborn and Williams have violated, and unless restrained and enjoined will in the future 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].

**FOURTH CLAIM FOR RELIEF**

**Fraud – Aiding and Abetting VIP’s Violations of  
Exchange Act Section 10(b) and Rule 10b-5 Thereunder  
[15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5]  
(Alternatively, Against Michael Osborn, Shenae Osborn and Williams)**

102. The Commission realleges and incorporates by reference paragraphs 1 through 89, as though fully set forth herein.

103. Defendant VIP, directly or indirectly, by use of the means or instrumentality of interstate commerce, or of the mails, or of any facility of a national securities exchange, used or employed, in connection with the purchase or sale of a security, any manipulative or deceptive device or contrivance in contravention of the rules and regulations of the Commission; employed a device, scheme or artifice to defraud; made an untrue statement of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or engaged in any act, practice or course of business which operated or would operate as a fraud or deceit upon any person, 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].

104. By engaging in the acts and conduct described in this Complaint, Michael Osborn, Shenae Osborn and Williams, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], each aided and abetted the fraud violations of VIP, in that each knowingly or recklessly provided substantial assistance to VIP in committing these violations.

105. By reason of the foregoing, Michael Osborn, Shenae Osborn and Williams have aided and abetted, and unless restrained and enjoined will again aid and abet, VIP’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].

**RELIEF REQUESTED**

**WHEREFORE**, the Commission respectfully requests that this Court enter a Final Judgment:

**I.**

Finding that the Defendants VIP, Michael Osborn, Shenae Osborn and Williams violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder or in the alternative that Michael Osborn, Shenae Osborn and Williams aided and abetted VIP's violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

**II.**

Permanently restraining and enjoining VIP, Michael Osborn, Shenae Osborn and Williams from violating, directly or indirectly, the laws and rules alleged in this Complaint.

**III.**

Permanently restraining and enjoining Michael Osborn and Williams from directly or indirectly, including, but not limited to, through any entity owned or controlled by Michael Osborn or Williams, participating in the issuance, purchase, offer, or sale of any security; provided, however, that such injunction shall not prevent Michael Osborn or Williams from purchasing or selling securities for their own personal accounts.

**IV.**

Directing each of the Defendants to disgorge all ill-gotten gains, including prejudgment interest.

**V.**

Directing each of the 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)].

**VI.**

Prohibiting VIP, Michael Osborn, and Shenae Osborn from engaging in any offering of a penny stock pursuant to Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)].

**VII.**

Granting such other and further relief as the Court may deem just and proper.

**JURY DEMAND**

The Commission demands a trial by jury on all claims so triable.

Respectfully submitted March 9, 2017.

s/ Leslie J. Hughes \_\_\_\_\_  
Leslie J. Hughes (Colo. Bar No. 15043)  
Gregory A. Kasper (NY2735405; SDNY GK6596)  
Attorneys for Securities and Exchange Commission