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9 UNITED STATES DISTRICT COURT
10 SOUTHERN DISTRICT OF CALIFORNIA

11
12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 v.

16 CASH CAPITAL, LLC,
17 AMERICA’S STRATEGIC ORE
18 PROPERTIES, LLC, and
19 ROBERT W. WILSON,

20 Defendants.

Case No.: [Case No.] **'17CV1536 L AGS**

COMPLAINT

21 Plaintiff Securities and Exchange Commission (the “Commission”) alleges:

I. SUMMARY

22 1. This matter involves material misrepresentations and omissions in the offer
23 and sale of securities, as well as a scheme to defraud investors by two purported mining
24 ventures — Cash Capital, LLC (“Cash Capital”) and America’s Strategic Ore Properties,
25 LLC (“ASOP”) — and the sole manager, member, and principal of both entities, Robert
26 W. Wilson (“Wilson”) (collectively, “Defendants”).

27 2. From January 2015 and continuing through at least August 2016, Wilson,
28 through Cash Capital, ASOP, and personally, engaged in a scheme whereby he publicly

1 offered and sold more than \$1.8 million in unregistered securities, including “gold
2 purchase contracts,” “guaranteed purchase contracts,” and promissory notes to
3 approximately seventy mostly non-accredited investors located primarily in Arizona and
4 California.

5 3. Wilson told investors that Cash Capital, ASOP or he would use their money
6 to “upgrad[e]” a mining project in Yuma, Arizona for the purpose of preparing it for sale
7 to, or to partner with, a yet-to-be-identified large investor. Typically, Cash Capital,
8 ASOP, and Wilson guaranteed a 20 percent return on investment in 18 months. Cash
9 Capital and ASOP additionally promised to provide investors with an option to later
10 convert the investment and guaranteed returns into equity interests in a to-be-formed
11 special-purpose entity that would profit from sale or development of the mining claims.
12 Wilson represented to investors that Cash Capital, and later, ASOP, had assets of \$18
13 billion (and later \$30 billion), which he based largely on his unsupported speculation as
14 to the amount of graphite and “graphene” deposits he believed were located on the mine
15 property and recoverable. Wilson also represented to numerous investors that their
16 investment would be secured through a UCC-1 filing providing a lien on those assets.

17 4. In truth, however, Wilson, Cash Capital, and ASOP: (1) had no significant
18 assets other than an option to purchase unpatented mining claims on federal lands; (2)
19 had not completed an adequate analysis to estimate the value or amount of recoverable
20 deposits on the mine property; (3) did not have the resources other than investor funds to
21 ensure payment of option payments as they came due; and (4) had no intent to secure any
22 investments through a UCC-1 filing.

23 5. Wilson was at least reckless in telling his investors that the graphitic and
24 other mineral deposits in the mine were worth anywhere close to \$18 billion. For
25 example, he estimated the size of the ore deposit in part by taking readings from his
26 vehicle’s odometer as he drove around the federal land that was the subject of the
27 unpatented mining claims. Wilson also knew, or was at least reckless in not knowing, but
28 failed to disclose to investors, that there is currently no known method to mine

1 industrially significant quantities of graphene in usable form from *in situ* mineral
2 deposits. In fact, the Yuma King project manager had asked a University of Arizona
3 researcher to begin research to develop a method. Additionally, Wilson knew, but did
4 not disclose, that he had withdrawn the only UCC-1 filing he ever made relating to the
5 mine, and that the filing never covered any of his investors or secured any assets.

6 6. Wilson also defrauded investors by using at least \$100,000 of investor funds
7 for personal expenses, including the rent for his residence (as well as for a separate
8 office), a membership to a massage spa, medical and dental expenses, frequent restaurant
9 expenses, and payments to investors in Wilson's previous failed enterprises. Wilson also
10 took out more than \$700,000 of investor funds in cash withdrawals and cashier's checks
11 made out to Wilson or his wife and for which Wilson has no receipts to demonstrate that
12 the funds were spent on the Yuma King project.

13 7. Wilson, Cash Capital, and ASOP also offered and sold securities without a
14 registration statement for the respective offerings or any applicable exemption from
15 registration.

16 8. As more fully outlined below, Wilson, Cash Capital, and ASOP directly or
17 indirectly engaged in transactions, acts, or courses of business that constitute violations of
18 Sections 5(a) and (c) and 17(a)(1)–(3) of the Securities Act of 1933 (“Securities Act”) [15
19 U.S.C. §§ 77e(a), 77e(c) & 77q(a)] and Section 10(b) of the Securities Exchange Act of
20 1934 (“Exchange Act”) and Rules 10b-5(a)–(c) thereunder [15 U.S.C. § 78j(b) and 17
21 C.F.R. § 240.10b-5]. Wilson is also liable for Cash Capital's and ASOP's violations of
22 Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rules 10b-
23 5(a)–(c) thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5] as a control person
24 under Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)].

25 II. JURISDICTION AND VENUE

26 9. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d),
27 and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d), and 77v(a)] and Sections
28 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

1 10. Defendants, directly or indirectly, made use of the means or instruments of
2 transportation or communication in interstate commerce, the means and instrumentalities
3 of interstate commerce, or of the mails, in connection with the acts, practices, and courses
4 of business set forth in this Complaint.

5 11. Venue lies in this Court pursuant to Section 22(a) of the Securities Act and
6 Section 27(a) of the Exchange Act. Defendant Wilson resides in this District and many of
7 the acts, practices, transactions, and courses of business alleged in this Complaint
8 occurred within the District.

9 **III. DEFENDANTS**

10 12. **Robert W. Wilson** (“Wilson”) is the sole owner, member, and manager of
11 Cash Capital and ASOP. Wilson offered and sold unregistered securities in the form of
12 promissory notes, as well as in the form investment contracts through Cash Capital and
13 ASOP. He personally made or authorized all of the misrepresentations and omissions
14 alleged below. Wilson is subject to a desist-and-refrain order issued by the California
15 Corporations Commission on May 3, 2011, for violations of sections 25110 and 25401 of
16 the California Corporations Code, barring him from, among other things, offering or
17 selling unqualified, non-exempt securities in the State of California, and from offering or
18 selling securities by means of any written or oral communication that includes an untrue
19 statement of material fact or omits to state a material fact necessary in order to make the
20 statements made not misleading.

21 13. **Cash Capital, LLC** (“Cash Capital”), is a Wyoming limited liability
22 company. Wilson is and always has been Cash Capital’s sole member, manager, and
23 owner, and wholly controls its operations. Cash Capital does not have significant
24 business operations other than Wilson’s fundraising efforts (frequently in California) and
25 its option to purchase certain mining claims near Yuma, Arizona. Neither Cash Capital
26 nor its securities has ever been registered with the Commission in any capacity. Cash
27 Capital is an alter ego of Wilson.
28

1 14. **America’s Strategic Ore Properties, LLC** (“ASOP”) is a Wyoming
 2 limited liability company. Wilson is and always has been ASOP’s sole member, manager,
 3 and owner, and wholly controls its operations. ASOP does not appear to have significant
 4 business operations other than Wilson’s fundraising efforts (frequently in California).
 5 Neither ASOP nor its securities has ever been registered with the Commission in any
 6 capacity. ASOP is an alter ego of Wilson.

7 **IV. FACTS**

8 **A. WILSON OFFERED AND SOLD UNREGISTERED SECURITIES.**

9 15. From approximately January 2015 through at least August 2016, Wilson
 10 publicly offered and sold unregistered securities to finance the “valuation enhancement”
 11 of a mining property outside of Yuma, Arizona (the “Yuma King” project).

12 16. Wilson raised more than \$1.8 million from roughly 70 investors through
 13 “gold purchase contracts” issued by Cash Capital, “guaranteed purchase contracts” issued
 14 by ASOP, and promissory notes he issued in his own name, all purportedly to finance the
 15 Yuma King project.

16 17. Most, if not all, of these investments offered the same basic promise: a 20
 17 percent return on investment after 18 months.

18 18. The Cash Capital and ASOP investments also promised that: (1) within the
 19 18 month investment period, Wilson would form a special-purpose entity that would
 20 develop or sell the property, and investors would be given the option to convert their
 21 investment and return into equity in that entity; and (2) Wilson would file a UCC-1
 22 financing statement backed by the supposedly substantial assets of the relevant company
 23 that would name the investor as a secured party.

24 **Cash Capital sold at least seven investment contracts, raising at least \$117,000.**

25 19. Between approximately July 28, 2015, and February 10, 2016, Cash Capital
 26 raised at least \$117,000 from at least seven sets of investors.

27 20. Wilson’s investment solicitation on behalf of Cash Capital began in
 28 approximately January 2015. By April 2015, Wilson developed a website for Cash

1 Capital, which was hosted under the domain ‘www.cashcapitalllc.com.’ The website
2 initially touted the mine as a gold mine, advertised “guaranteed profits” of up to 20%
3 after 18 months, and included such statements as: “We have over 18 billion USD in
4 assets. Your purchase contract is secured by a lien on a security interest in these assets.”
5 Wilson also solicited investments in Cash Capital gold purchase contracts by issuing at
6 least one press release via the website PRWeb.

7 21. The standard Cash Capital gold purchase contract included numerous
8 representations about the value of the assets Cash Capital possessed, and the security of
9 any investment in those assets. The standard Cash Capital contract claimed the
10 following:

- 11 • That mining properties Cash Capital controlled had “billions of tons of ore to
12 produce” numerous minerals and graphite.
- 13 • That “[the] 1.3 billion ton deposit represents the largest graphite deposit in North
14 America”
- 15 • To “finance the valuation enhancement of the graphite deposits,” Cash Capital
16 sought to raise “a first round \$8,000,000 to fund the mapping, drilling, and
17 assaying of the mineral deposits to prepare the property for sale or development.”
- 18 • The buyer [investor] had “a guaranteed and secured 20% profit for 18 months.”
- 19 • At the end of the 18 months, the buyer could choose to receive the promised return
20 in either cash or refined gold, or, alternatively, “[a]t the buyer’s sole option, the
21 purchase price—plus the 20% profit—can be converted into equity in the special
22 purpose LLC that will have the charter to sell or JV-develop the properties. At the
23 time of conversion, the buyer’s cash equity will be valued at 1 ½ times the
24 purchase price plus the 20% profit.”
- 25 • That, in consideration of the investment amount, Cash Capital “shall provide a
26 UCC1 Financing Statement. This provides the Buyer with an interim lien on a
27 portion of 20% ownership of Cash Capital LLC **which has assets exceeding 18**
28 **billion USD**” (emphasis in original, which was also highlighted in yellow).

- 1 • Upon default by Cash Capital, the buyer “shall automatically be entitled to exercise
2 any and all remedies provided to a secured party under the Wyoming Uniform
3 Commercial Code, pursuant to the UCC1”

4 22. The Cash Capital contract also provided wire instructions to send investment
5 funds to a bank account Wilson controlled and held in the name of SW Management
6 Company, Inc. (“SW Management”). SW Management was a Nevada corporation until
7 its status was permanently revoked some time before May 2011. Wilson was SW
8 Management’s sole owner, director, and officer, and had wholly controlled its operations.

9 23. Wilson and SW Management were previously involved in a securities
10 offering in or around 2008 relating to purported contracts between suppliers and buyers
11 of low quality fuel oil. SW Management had no business operations in 2015 or
12 thereafter.

13 24. Most of the funds raised by Cash Capital were deposited into the SW
14 Management account. Wilson opened bank accounts in the name of Cash Capital, but
15 never used them for business operations.

16 **ASOP sold at least 59 investment contracts, raising at least \$700,000.**

17 25. As early as October 2015, Wilson began offering and selling investments in
18 the same Yuma King mining project through a new entity: ASOP. From approximately
19 October 2015 through May 2016, ASOP raised at least \$700,245 through at least 59
20 guaranteed purchase contracts executed with at least 44 sets of investors.

21 26. More than \$300,000 raised through ASOP was deposited initially into the
22 SW Management bank account; most or all of the remaining funds were deposited into a
23 bank account Wilson controlled and held in ASOP’s name.

24 27. Some of Wilson’s promotional materials stated that ASOP was “doing
25 business through” Cash Capital.

26 28. Advertisements and handouts made available on a second website developed
27 at Wilson’s direction (and hosted under the domain name ‘www.o4reg.com’) stated that
28 Wilson, through ASOP, sought to raise \$8 million in a “first round” through the sale of

1 gold purchase contracts, which he later called “guaranteed purchase contracts.” These
2 promotional materials also represented that “[w]hen you purchase your guaranteed
3 purchase contract, you become one of the secured parties to a lien on the assets of the
4 mining property.”

5 29. The standard ASOP contract offered the same terms as the Cash Capital
6 contract, including a promise that investors’ interests would be secured by a UCC-1
7 statement.

8 30. Wilson made representations as to the value of the ore and/or the venture to
9 many, if not all, of the ASOP investors. For example, Wilson sent the following emails
10 to prospective ASOP investors:

- 11 • An October 2015 email claiming that the graphite “deposit may be upwards of **4**
12 **billion tons!**” and quoting a current sale price of “about \$2500 per ton” (emphasis
13 in original, which was also highlighted in yellow).
- 14 • A November 2015 email stating that his venture might be worth more than \$375
15 billion, and suggesting that it might cost only about \$100 million to “get” a billion
16 tons of ore out of the ground.
- 17 • A January 2016 email stating, “as our engineers and geologists tell us, our graphite
18 ores now exceed 3 billion tons.” Wilson claimed that graphite ore “goes for about
19 \$2500 a ton for the kind of high-quality graphite we have.”

20 31. Wilson also held several live presentations in Arizona and California at
21 which he discussed his offering with investors and prospective investors. During at least
22 some of these presentations, Wilson presented information about his plan to develop the
23 Yuma King mining property. Slides that Wilson used during his presentations
24 represented the following:

- 25 • That ASOP would “conduct a drilling and assay program to enhance the
26 properties’ estimated value of \$30 billion”
- 27 • That the various mining properties contained over 1.5 billion metric tons of
28 minerals, and that each contract would be secured by a “government recorded lien

1 on a security interest in the over \$18 billion assets of the company—assets of
2 mineral rights, leases, claims and equipment.”

- 3 • That Wilson planned to make a “standard SEC-approved” private-placement
4 offering or other similar offering within 18 months, through which his investors
5 could obtain equity in an unspecified entity.

6 **Wilson sold at least 21 promissory notes related to the Yuma King mining project,**
7 **raising at least \$610,000.**

8 32. From June through August 2016, Wilson appears to have raised at least
9 \$610,000 through the sale of promissory notes. While the notes purported to be personal
10 notes, and contained no explicit reference to or representations about the Yuma King
11 mining project, Wilson told at least some of his investors that he would use the money to
12 pay expenses related to the mine, and those investors understood that Wilson’s ability to
13 pay back the notes rested on the success of the mining project.

14 33. Wilson did not have the financial resources to repay the promissory notes at
15 any time since he first accepted investor funds for the Yuma King project. Wilson’s only
16 source of income, other than investor funds relating to the Yuma King project, is from
17 Social Security.

18 34. Wilson, Cash Capital, and ASOP never registered any securities offering
19 with the Commission.

20 **B. THE CASH CAPITAL GOLD PURCHASE CONTRACTS, ASOP GUARANTEED**
21 **PURCHASE CONTRACTS, AND PROMISSORY NOTES ARE ALL SECURITIES.**

22 35. Investors all invested money in a common enterprise — the Yuma King
23 project — and were led to expect profits solely from the efforts of Wilson, Cash Capital,
24 and ASOP or their agents and contractors. Investor returns are linked to Wilson, Cash
25 Capital, and/or ASOP’s fortunes. The promised returns could only be paid if the Yuma
26 King project were ultimately successful and Wilson, Cash Capital, and ASOP were able
27 to earn tangible returns on their investments in the project. Moreover, Wilson pooled
28 investor monies into common bank accounts and used these monies to fund the mining

1 operation. As a result, it is impossible to attribute profits or losses to each investor's
2 particular investment.

3 36. Wilson alone had authority to direct the operations of Cash Capital and
4 ASOP, and he alone had authority to direct the operations of the Yuma King project.

5 37. Investors had no authority or power to direct the operations of Cash Capital,
6 ASOP, or the Yuma King mining operation. Investors had no voting power or
7 management authority in any relevant entity. Investors were not partners or joint
8 venturers with Wilson, Cash Capital, or ASOP. Most investors had no mining experience
9 or expertise.

10 38. The only potential source for the promised returns on investors' investments
11 was the Yuma King project. Investors were dependent solely on the success of the Yuma
12 King project for their profits.

13 39. Investors were therefore completely dependent on the efforts of Wilson,
14 Cash Capital, and ASOP to realize the promised returns on their investment.

15 40. Cash Capital contracts and ASOP contracts also had terms of maturity
16 longer than 9 months, evinced a promise to pay a determinate amount after a specified
17 amount of time, and were not contingent on any event or condition. Further, Wilson,
18 Cash Capital, and ASOP sold the notes and contracts to finance investments in the Yuma
19 King mining project, which constituted the general operations of their business
20 enterprises.

21 41. Most, if not all, of the investors in the Cash Capital contracts, ASOP
22 contracts, and Wilson's promissory notes were motivated to invest primarily by the
23 promised return on investment. Most, if not all, of the investors considered their notes or
24 contracts to be investments.

25 42. The notes and contracts are not protected by any other significant regulatory
26 scheme that would justify exempting them from the securities laws.

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1 **C. WILSON, CASH CAPITAL, AND ASOP MISREPRESENTED OR OMITTED SEVERAL**
2 **MATERIAL ASPECTS OF THE OFFERINGS.**

3 43. Many of Wilson’s representations about the Yuma King mining project were
4 false. Wilson also omitted material facts that were either necessary to make several of his
5 statements, in light of the circumstances under which they were made, not misleading, or
6 that contradict what a reasonable investor would have taken from Wilson’s statements.

7 **Wilson, Cash Capital, and ASOP misrepresented the values of the mining property,**
8 **and failed to disclose important risks and other material facts.**

9 44. As discussed above, Wilson made various representations concerning the
10 values of the mining property, including:

- 11 • That mining properties Cash Capital controlled had “billions of tons of ore to
12 produce” numerous minerals and graphite.
- 13 • That “[the] 1.3 billion ton deposit represents the largest graphite deposit in North
14 America”
- 15 • That ASOP would “conduct a drilling and assay program to enhance the
16 properties’ estimated value of \$30 billion”
- 17 • That the various mining properties contained over 1.5 billion metric tons of
18 minerals, and that each contract would be secured by a “government recorded lien
19 on a security interest in the over \$18 billion assets of the company—assets of
20 mineral rights, leases, claims and equipment.”
- 21 • An October 2015 email claiming that the graphite “deposit may be upwards of **4**
22 **billion tons!**” and quoting a current sale price of “about \$2500 per ton” (emphasis
23 in original, which was also highlighted in yellow).
- 24 • A November 2015 email stating that his venture might be worth more than \$375
25 billion, and suggesting that it might cost only about \$100 million to “get” a billion
26 tons of ore out of the ground.

- 1 • A January 2016 email stating, “as our engineers and geologists tell us, our graphite
2 ores now exceed 3 billion tons.” Wilson claimed that graphite ore “goes for about
3 \$2500 a ton for the kind of high-quality graphite we have.”

4 45. Wilson’s statements about the values of the Yuma King ores were false
5 when made, and Wilson knew, or was at least reckless in not knowing, and was negligent
6 in not knowing, that his statements concerning the valuation of the mining property were
7 false and misleading. Wilson omitted to state material facts that were necessary to render
8 his statements about the mine’s value not misleading. And Wilson omitted to state
9 material facts about his inquiry into or knowledge concerning the statements, and those
10 facts conflict with what a reasonable investor would take from Wilson’s statements
11 themselves.

12 46. Wilson, who has no education or training in mine valuation techniques,
13 developed his valuations through back-of-the-envelope calculations that did not follow
14 any accepted valuation methodology. Wilson took rough guesses as to the amount of
15 ores that *might* be located on the property and then multiplied these amounts by his
16 estimate of spot market prices for ores. His guesses about the amount of ores present
17 were typically based on heavily qualified estimates from geologists and his own
18 measurements taken with a vehicle odometer and by walking around the property. And
19 following his speculation as to the amount of ores and the spot prices it would yield if
20 recoverable, Wilson did not account for *any* operational costs, including mining,
21 extraction, refinement, or transportation of the ores.

22 47. Wilson’s methods for developing his valuations are not generally recognized
23 in the mining industry as reliable.

24 48. Wilson did not obtain an independent, third-party valuation of the mining
25 property, and instead relied on prior, heavily qualified opinions and estimates. The most
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1 recent NI 43-101¹ report relating to the Yuma King property explicitly disclaimed the
2 existence of any reliable valuation of the property and stated that its historical production
3 figures “should not be relied upon as they have not been verified or classified according
4 to CIM or SME resource/reserve categories by a Qualified Person.” Wilson omitted this
5 statement from his statements about the value of the mining property.

6 49. According to a geologist who Wilson hired to prepare an updated NI 43-101
7 report, the available estimates of mineral content at the mine were far too preliminary to
8 make any unqualified assertion of what ores might be present. Wilson omitted this
9 statement from his statements about the value of the mining property.

10 50. A report prepared by other geologists, on which Wilson relied for some
11 estimates of the amount of ores present, stated that, due to “limited data (5 samples), [the]
12 graphene-graphite grade is largely unknown.” Wilson omitted this statement from his
13 statements about the value of the mining property.

14 51. Further, Wilson expected that it would cost roughly half the value of the
15 minerals to extract them from the ground, but he did not discount his valuation by his
16 expected mining and associated costs, nor did he disclose these costs to investors.

17 52. Even this cost estimate was misleading. Wilson based some of his valuation
18 claims on the purported presence of substantial amounts of graphene — a special two-
19 dimensional form of graphite that consists of single-atom-thick flat sheets of carbon.
20 According to a professor at the University of Arizona, there is currently no known
21 method for obtaining industrial-grade graphene from *in situ* graphitic mineral deposits
22 (other than exfoliation of small quantities or using the ore as raw materials to synthesize
23 graphene in a lab). In fact, as Wilson knew, Wilson’s project manager had contacted the
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26 ¹ An NI 43-101 report is a technical mining report prepared under disclosure standards
27 published by the Canadian Securities Administrators for use in securities offerings
28 relating to mineral projects.

1 professor about the possibility of developing a method for mining graphene.
2 Accordingly, Wilson had no reasonable basis to believe with any confidence that the
3 mine contained any particular amount or any particular quality of graphite or other ores.
4 Wilson omitted this statement from his statements about the value of the mining property.

5 53. Wilson failed to disclose to investors any of the information above that
6 supposedly formed the basis for his statements concerning the value of the properties.
7 Without such disclosures and given the full context of Wilson's statements about the
8 value of the mining property, a reasonable investor would have understood Wilson's
9 concrete statements about the value of the Yuma King ores to suggest the following: the
10 valuations had been developed through methods generally recognized in the mining
11 industry as reliable; that Wilson had obtained an independent, third-party valuation of the
12 mining property; that it is possible and economically feasible to obtain usable graphene
13 from *in situ* graphitic mineral deposits and that Wilson knew or had determined that it is
14 possible and economically feasible to do so; and that the valuations accounted for
15 significant costs, such as the costs of mining and extraction.

16 54. Wilson's representations about the value of the Yuma King ores were
17 material because a reasonable investor would have considered the value of the mining
18 assets to be important in making his or her investment decisions.

19 55. Wilson knew, or was at least reckless in not knowing, and was negligent in
20 not knowing, that his valuation of the Yuma King ores was false and misleading.

21 56. Wilson knew, or was at least reckless in not knowing, and was negligent in
22 not knowing, that his statements valuing the Yuma King ores omitted to state facts
23 necessary to make his statements of valuation not misleading.

24 57. Wilson knew, or was at least reckless in not knowing, and was negligent in
25 not knowing, that his statements valuing the Yuma King ores omitted to state facts about
26 his knowledge or inquiry that a reasonable investor would have taken from his
27 statements.
28

1 **Wilson, Cash Capital, and ASOP misrepresented the values of the companies,**
2 **and failed to disclose important risks and other material facts.**

3 58. Wilson's statements concerning the value of the assets Cash Capital, and
4 later ASOP (*i.e.*, assets worth \$18 billion or more) were false when made, and Wilson
5 knew, or was at least reckless in not knowing, and was negligent in not knowing, that his
6 statements concerning these asset values were false and misleading. Wilson omitted to
7 state material facts that were necessary to render his statements about the values of his
8 entities' assets not misleading. And Wilson omitted to state material facts about his
9 inquiry into or knowledge concerning the statements, and those facts conflict with what a
10 reasonable investor would take from Wilson's statements themselves.

11 59. First, as discussed above, Wilson had no reasonable bases for his valuations
12 of the Yuma King ores, and therefore also lacked a reasonable basis for asserting that
13 Cash Capital, and later ASOP, had assets worth \$18 billion or more.

14 60. Second, Cash Capital and ASOP never had any assets at all except for the
15 investor funds and Cash Capital's option to purchase certain unpatented mining claims
16 covering the Yuma King property. The value of the option to purchase the mining claims
17 was Wilson's sole basis for asserting any values for the companies' assets.

18 61. The Cash Capital purchase contracts, which Wilson authored, or at least
19 authorized the contents of, implicitly valued the option agreement at only \$40 to \$50
20 million (as opposed to \$18 billion or more) because the contracts included a calculation
21 that assumed the \$8 million in investor funds he sought to raise would be secured by a
22 20% equity stake in the company. Moreover, Wilson executed the option agreement on
23 behalf of Cash Capital; ASOP never had any interest in the option, and therefore never
24 had any assets.

25 62. The option agreement required Cash Capital to make quarterly payments of
26 \$32,500, with a total exercise price of \$2.8 million within two years. Wilson omitted to
27 state to Cash Capital and ASOP investors and to promissory note purchasers that he,
28 Cash Capital, and ASOP lacked the resources to ensure that Cash Capital could remain

1 current on the option payments, much less come up with the full exercise price within the
2 specified timeframe.

3 63. The first two quarterly option payments were paid by third parties due to
4 Wilson's lack of funds, and at least one of the payments was late.

5 64. The option agreement required payment on the first day of each quarter,
6 starting July 1, 2015. The first quarterly payment was made by the first investor in Cash
7 Capital, who wired the payment directly to the option seller on or around July 29, 2015,
8 almost a month late. For several months before Wilson received that first investment,
9 Wilson never had more than a few hundred dollars in any of his bank accounts, and
10 frequently had negative balances.

11 65. Wilson was also unable to pay the October 1, 2015 payment, as he had less
12 than \$6,000 in his accounts until October 14, 2015, when he received a \$45,000 investor
13 check. Wilson borrowed the funds for the October 2015 payment from a friend, which he
14 paid back from investor funds in late October and mid-November.

15 66. Wilson's, Cash Capital's, and ASOP's cash flow derived almost exclusively
16 from new investor funds, making it necessary for Wilson to raise additional capital to
17 simply keep the option payment current.

18 67. Wilson's omission of the risk of failing to remain current on the option
19 payments rendered his statements about the values of Cash Capital and ASOP's assets
20 misleading because those statements of value rested on an implicit assumption that Cash
21 Capital would be able to retain its option to purchase the mining claims through the
22 duration of the Yuma King project or would be able to purchase the claims outright.

23 68. On information and belief, Wilson never disclosed to investors the risks
24 known to Wilsons that it might not be possible to mine graphene or that Cash Capital
25 might be unable to remain current on the option payments, and he did not factor them
26 into his calculations of the project's value.

27 69. A reasonable investor would have taken from Wilson's statements of the
28 value of Cash Capital's and ASOP's assets that: Wilson or others had developed

1 valuations through methods generally recognized in the mining industry as reliable; Cash
2 Capital had assets sufficient to ensure that it could stay current on its option payments
3 and, if necessary, to exercise the option; and that ASOP had assets other than investor
4 funds.

5 70. Wilson's representations about the value of Cash Capital's and ASOP's
6 assets were material because a reasonable investor would have considered the value of
7 the companies' assets, which purportedly provided security for the investments, to be
8 important in making his or her investment decisions.

9 71. Wilson's omission of the difficulty of mining graphene was material because
10 the value of the purported graphene ore at the mining property was a significant factor in
11 Wilson's estimates of the value of the property and therefore of the companies' assets, all
12 of which a reasonable investor would have considered important in making his or her
13 investment decisions.

14 72. Wilson's omission of the risk of failing to remain current on the option
15 payments was material because a reasonable investor would have considered the risk of
16 Wilson, Cash Capital, and ASOP losing all rights to the mining property to be important
17 in making his or her investment decisions.

18 73. Moreover, Wilson provided sworn testimony that he believed the \$8 million
19 he sought to raise "wouldn't begin to cover" the cost of the Yuma King project. Wilson
20 never disclosed to investors that the money he sought to raise would not be enough to
21 cover the cost of the project.

22 74. Wilson's omission of the insufficiency of his fundraising efforts rendered his
23 statements about the values of Cash Capital and ASOP's assets misleading because those
24 statements of value rested on an implicit assumption that the Yuma King project could
25 be, and would be, completed.

26 75. Wilson's omission of the insufficiency of his fundraising efforts was
27 material because a reasonable investor would have considered Wilson's expectation that
28

1 the project would require more capital than he planned to raise to be important in making
2 his or her investment decision.

3 **Wilson, Cash Capital, and ASOP misrepresented the security of the investments.**

4 76. Wilson's statements that investors would have security through a UCC-1
5 statement were false when made, and Wilson knew, or was at least reckless in not
6 knowing, and was negligent in not knowing, that his statements concerning the security
7 of investors' investments were false and misleading. Wilson omitted to state material
8 facts that were necessary to render his statements about the security of the investments
9 not misleading. And Wilson omitted to state material facts about his inquiry into or
10 knowledge concerning the statements, and those facts conflict with what a reasonable
11 investor would take from Wilson's statements themselves.

12 77. Despite his representations in the standard Cash Capital and ASOP
13 contracts, Wilson never filed an effective UCC-1 financing statement that provided any
14 security to investors.

15 78. At all relevant times, Wilson knew that he had never filed an effective UCC-
16 1 financing statement that provided any security to investors.

17 79. In December 2015, Wilson caused a UCC-1 to be filed in Arizona (but not in
18 Wyoming, as promised). The UCC-1 listed ASOP as the debtor and "The ASOP Buying
19 Group" as the secured party.

20 80. Because ASOP never had any assets, the UCC-1 was ineffective as security.

21 81. Wilson intended the "The ASOP Buying Group" to refer to a yet-to-be-
22 formed entity in which he would later offer his investors equity interests. In other words,
23 the UCC-1 statement that Wilson filed identified as the secured party an entity that did
24 not, and still does not, exist.

25 82. Because "The ASOP Buying Group" never existed, the UCC-1 was
26 ineffective as security.

1 83. Investors had no recourse through the UCC-1 filing. Wilson knew that
2 investors would have to sue Cash Capital, ASOP, or him personally to recover their
3 investments.

4 84. Wilson terminated his UCC-1 filing in May 2016, despite promises in the
5 Cash Capital contracts that the “lien ownership interest shall expire when the 100% of the
6 Capital has been returned to the Buyer.” As of May 2016, substantially less than 100%
7 of investor capital had been returned to Cash Capital investors.

8 85. Wilson’s representations about the promised security of the investments
9 were material because a reasonable investor would have considered it important in
10 making his or her investment decision to have recourse to meaningful assets as security
11 for the investment.

12 **Wilson, Cash Capital, and ASOP may each be held liable for their statements and**
13 **omissions.**

14 86. All of the misrepresentations and omissions detailed above were made in
15 connection with the offer, purchase, or sale of the Cash Capital contracts, the ASOP
16 contracts, or Wilson’s promissory notes.

17 87. Wilson, Cash Capital, and ASOP all obtained money by means of the
18 misrepresentations and omissions detailed above.

19 88. Cash Capital and ASOP both received investments in the form of investment
20 contracts that contained material misrepresentations and that omitted material facts.

21 89. Wilson obtained money both through the sale of promissory notes and by
22 misappropriating funds invested in Cash Capital and ASOP.

23 90. Wilson made material misrepresentations and omissions during live
24 presentations to groups of prospective investors, following which several investors made
25 investments in Cash Capital and ASOP.

26 91. Many investors, including purchasers of Cash Capital investment contracts,
27 ASOP investment contracts, and Wilson’s promissory notes, understood Wilson’s
28 “guarantee” of a 20% return on investment after 18 months to be meaningful and reliable.

1 Wilson's failure to disclose material risks relating to these investments facilitated the
2 investments.

3 92. Wilson made each misrepresentation and omission detailed above.

4 93. Wilson, and Wilson alone, determined the content of and had ultimate
5 authority over the gold purchase contracts issued by Cash Capital, the guaranteed
6 purchase contracts issued by ASOP, and the promissory notes, as well as marketing
7 materials, internet websites, press releases, other documents, and emails used to solicit
8 prospective investors. Wilson had sole control of both Cash Capital and ASOP, and he
9 personally made all of the oral representations discussed above.

10 94. Similarly, Cash Capital and ASOP each made the representations Wilson
11 made relating to each entity, respectively. Wilson had authority to make representations
12 on behalf of Cash Capital and ASOP, and did in fact make representations on behalf of
13 Cash Capital and ASOP.

14 95. At all times, Wilson, Cash Capital, and ASOP acted with the requisite
15 scienter.

16 **D. WILSON, CASH CAPITAL, AND ASOP ENGAGED IN A SCHEME TO DEFRAUD**
17 **INVESTORS.**

18 96. Wilson, Cash Capital, and ASOP engaged in deceptive acts and a course of
19 business that operated as a fraud or deceit. In addition to the conduct detailed above,
20 Wilson, Cash Capital, and ASOP engaged in the following acts in furtherance of the
21 fraudulent scheme:

22 **Wilson misappropriated and misused investor funds.**

23 97. Despite the representations in the Cash Capital contracts that Wilson was
24 seeking investor funds to "finance the valuation enhancement of the graphite deposits"
25 and to "fund the mapping, drilling, and assaying of the mineral deposits to prepare the
26 property for sale or development," Wilson spent significant portions of investor funds on
27 personal expenses, including the rent for his residence (as well as for a separate office), a
28 membership to a massage spa, medical and dental expenses, frequent restaurant expenses,

1 and payments to participants of previous investment offerings. None of these expenses
2 related to the intended use of proceeds that Wilson had disclosed to Cash Capital
3 investors.

4 98. Wilson paid at least \$75,000 (\$5000 per month) of Cash Capital and ASOP
5 investor funds to a woman whom had lent him money for a separate transaction
6 unconnected to Cash Capital and ASOP. Similarly, Wilson paid an investor in a previous
7 scheme at least \$6000 out of Cash Capital and ASOP investor funds. And Wilson paid
8 an associate from the previous scheme, who had no involvement in Cash Capital, ASOP,
9 or the Yuma King mining project, at least \$2,800 of investor funds.

10 99. Wilson spent at least \$100,000 of investor funds on expenses unrelated to
11 the Yuma King project. Wilson also took out more than \$700,000 of investor funds in
12 cash withdrawals and cashier's checks made out to Wilson or his wife. Upon information
13 and belief, Wilson used at least some of these funds for personal expenses that were
14 unrelated to the intended uses of proceeds disclosed to Cash Capital, ASOP and
15 promissory notes investors.

16 100. None of the contracts or promissory notes that Wilson executed disclosed
17 that any funds would be used to compensate Wilson, or discussed Wilson's compensation
18 in any way.

19 101. Wilson never disclosed to any of his investors or prospective investors that
20 money he received from the sale of purchase contracts would be used for anything other
21 than expenses toward the Yuma King project.

22 102. Wilson also omitted that he would use investor funds for personal expenses
23 or for anything other than expenses related to the Yuma King project.

24 103. Wilson's failure to tell investors anything regarding his personal
25 appropriation and use of investor assets was material because a reasonable investor would
26 have considered it important in making his or her investment decisions to know whether
27 and to what extent the investment would actually be used to further the mining project.
28

1 **Wilson opened a personal bank account and switched to selling promissory notes to**
2 **deceive investors and evade detection.**

3 104. Commission staff initially contacted Wilson in April 2016, and Wilson soon
4 thereafter retained counsel. A May 4, 2016 email told investors that Wilson had been
5 advised to “[s]top all funding presentations and referrals,” “[s]top all funds from being
6 sent in as of today,” and “[d]o not allow any current Purchase Contract holders to
7 increase their amounts as of today.” The email explained that the advice meant ASOP
8 was “‘sold out’ for lack of a better term!” and requested that investors not send any
9 further funds and not share the investment opportunity with any other prospective
10 investors. Wilson cancelled two presentations scheduled later in May.

11 105. By late May, however, after Commission staff had requested documents
12 relating to Cash Capital and ASOP, Wilson had once again begun raising funds from
13 investors. On May 27, 2016, Wilson opened a personal bank account in his own name
14 and began soliciting investors through the sale of promissory notes pursuant to what an
15 associate of Wilson called the “Promissory Note plan.”

16 106. Wilson sold these promissory notes for the purpose of financing the Yuma
17 King project. Despite the fact that Wilson opened a separate bank account that he used to
18 receive the promissory note funds, he occasionally transferred funds between his personal
19 bank account and the accounts he used for Cash Capital and ASOP. Wilson comingled
20 funds received from the sale of promissory notes with funds received from the sale of
21 purchase contracts by Cash Capital or ASOP.

22 107. On information and belief, the purpose of Wilson’s “Promissory Note plan”
23 was to conceal Wilson’s continued fundraising from the Commission and to permit
24 Wilson to raise at least an additional \$610,000 from investors.

25 108. Wilson also switched to selling promissory notes to fund the Yuma King
26 project to deceive investors about the nature of their investments. Wilson claimed to at
27 least one investor that his promissory notes were not securities and therefore not subject
28 to securities laws or Commission oversight.

1 109. Virtually all of the investor funds that Wilson received from the Cash
2 Capital, ASOP and promissory notes offering have been spent.

3 110. On information and belief, Cash Capital has failed to repay investors as their
4 gold purchase contracts have matured.

5 **E. CASH CAPITAL, ASOP, AND WILSON ENGAGED IN THE OFFER AND SALE OF**
6 **UNREGISTERED SECURITIES.**

7 111. Cash Capital, ASOP, and Wilson offered and sold securities in the form of
8 notes or investment contracts from at least January 2015 through at least August 2016
9 through the use of the internet, email, telephone calls, and live meetings with investors
10 from several states.

11 112. No registration statement was ever filed for the Cash Capital investment
12 contracts, the ASOP investments contracts, or promissory notes.

13 **The Cash Capital investment contracts, ASOP investment contracts, and**
14 **promissory notes may all be considered a single, integrated securities offering.**

15 113. The Cash Capital contracts, ASOP contracts, and promissory notes were all
16 effectively issued by the same issuer.

17 114. Wilson alone held the key to success or failure of the Yuma King project in
18 which the investors were invested, and Wilson had sole control of both Cash Capital and
19 ASOP.

20 115. Wilson disregarded the corporate form of both Cash Capital and ASOP.
21 Wilson regularly comingled funds between the two entities, and used Cash Capital and
22 ASOP funds for personal expenses. In fact, Wilson had no personal bank account in his
23 name until May 2016. Instead, he used accounts held in the names of his various entities
24 for his personal banking. Neither Cash Capital nor ASOP maintained any corporate
25 books or records, had balance sheets or profit and loss statements prepared, or ever filed
26 any tax returns.

27 116. Cash Capital and ASOP were engaged in the same type of business and did
28 not have distinct business operations. Each entity purported to be developing the Yuma

1 King project, and neither had any significant business operations other than developing
2 the Yuma King project. ASOP raised funds for the Yuma King project, even though
3 Cash Capital holds the option on the relevant unpatented mining claim. Some of ASOP's
4 marketing materials even represented that ASOP was "doing business through" Cash
5 Capital. Wilson, too, purported to be developing the Yuma King project himself, and he
6 sold promissory notes for the purpose of funding the Yuma King project. Wilson had no
7 formal contracts with Cash Capital or ASOP, and neither entity had executed any
8 contracts with the other.

9 117. The Cash Capital contracts, ASOP contracts, and Wilson's promissory notes
10 may all be considered as a single securities offering.

11 118. The Cash Capital contracts, ASOP contracts, and Wilson's promissory notes
12 were all part of a single plan of financing for the Yuma King project and were made for
13 the same general purpose.

14 119. Wilson represented to investors that he sought to raise \$8 million in his "first
15 round" of financing, and raised less than \$8 million combined through the sale of
16 purchase contracts through Cash Capital and ASOP and promissory notes.

17 120. The Cash Capital contracts, ASOP contracts, and Wilson's promissory notes
18 all effectively sold the same class of security, as all three promised to pay fixed returns
19 over a fixed time horizon. All of Wilson's investors received essentially the same
20 consideration: a promise by Wilson to pay 20% interest over 18 months. Effectively,
21 each security is a note or bond. None conveyed any voting rights to investors and none
22 formally takes precedence over the others in priority for creditor claims upon default.

23 121. The offerings overlapped in time and together constituted a continuous effort
24 by Wilson to raise funds for the Yuma King project.

25 **The Cash Capital contracts, ASOP contracts, and promissory notes are not exempt**
26 **from registration.**

27 122. The Cash Capital contracts, ASOP contracts, and Wilson's promissory notes
28 are not exempt from registration.

1 123. Wilson, Cash Capital, and ASOP offered and sold securities in multiple
2 states, including at least California and Arizona.

3 124. Wilson, Cash Capital, and ASOP sought and raised more than \$1 million.

4 125. Wilson, Cash Capital, and ASOP sold investments to more than 35
5 investors, many of them non-accredited, and did not, within a reasonable time before
6 sale, furnish to each non-accredited investor the information specified in Securities Act
7 Rule 502(b)(2) [17 C.F.R. § 230.502(b)(2)], including at least an audited balance sheet.

8 126. At least some of the investors were non-accredited and did not have such
9 knowledge and experience in financial and business matters that they were capable of
10 evaluating the merits and risks of the prospective investment. Nor did Wilson, Cash
11 Capital, or ASOP have reason to believe, immediately prior to the sale of the
12 investments, that each investor had such knowledge and experience in financial and
13 business matters that they were capable of evaluating the merits and risks of the
14 prospective investment.

15 127. To the extent that Wilson, Cash Capital or ASOP might otherwise qualify
16 for an exemption from registration, that qualification likely results from a plan or scheme
17 to evade the registration provisions. Cash Capital and ASOP specifically promised to
18 form an entity in which they would later offer equity interests, but delayed the “offering”
19 of equity under Wilson’s belief that doing so would keep his contracts and notes from
20 qualifying as securities that must be registered.

21 128. The Cash Capital contracts, ASOP contracts, and Wilson’s promissory notes
22 were public offerings. The Cash Capital contracts, ASOP contracts, and Wilson’s
23 promissory notes were not “private placements” subject to exemption.

24 129. Wilson, Cash Capital, and ASOP collectively received more than \$1.8
25 million from more than 70 investors located in at least three states through offerings that
26 were intended to raise \$8 million or more.

27 130. The offerings were conducted, at least in part, through general public
28 solicitations at live presentations and over the internet.

1 131. Wilson did not know many of his investors prior to their attendance at one of
2 his investment pitches. On information and belief, Wilson placed no meaningful
3 restrictions on who could participate in the offerings.

4 **F. WILSON WAS PREVIOUSLY SANCTIONED FOR SECURITIES VIOLATIONS.**

5 132. Wilson is subject to a desist-and-refrain order issued by the California
6 Corporations Commission on May 3, 2011. The California order found that Wilson had
7 violated sections 25110 and 25401 of the California Corporations Code, California’s state
8 analogues of Sections 5 and 17(a)(2) of the Securities Act — that is, that Wilson had sold
9 non-exempt securities without “qualification” (which is akin to registration) and that
10 Wilson offered and sold securities by means of written or oral communications that
11 included untrue statements or omissions of material facts.

12 133. The California Corporations Commission found that, beginning on or before
13 January 2008, Wilson, an associate, and several entities controlled by Wilson offered and
14 sold securities in the form of notes, investment contracts, and interests in a limited
15 liability company. The securities were offered and sold to the public in California
16 through general solicitations and cold-calling without a permit or other form of
17 qualification. The order further found that, in connection with the offer and sale of
18 securities, Wilson’s associate misrepresented that there were signed contracts and letters
19 of credit from buyers and sellers already in place, and that Wilson “omitted to disclose
20 that the signed contracts and letters of credit did not yet exist and that there was an
21 investment risk.”

22 134. The California order bars Wilson from, among other things, offering or
23 selling unqualified, non-exempt securities in the State of California, and from offering or
24 selling securities by means of any written or oral communication that includes an untrue
25 statement of material fact or omits to state a material fact necessary in order to make the
26 statements made not misleading. SW Management was also subject to the same desist-
27 and-refrain order. As alleged herein, Wilson offered and sold unregistered securities in
28 California and numerous other states.

1 **CLAIMS FOR RELIEF**

2 **FIRST CLAIM FOR RELIEF**

3 **Fraud (Scheme): Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c)**

4 **[15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(a) and (c)]**

5 **(All Defendants)**

6 135. The Commission realleges and incorporates by reference paragraphs 1
7 through 134, as though fully set forth herein.

8 136. Wilson, Cash Capital, and ASOP, directly or indirectly, acting with scienter,
9 by use of the means or instrumentalities of interstate commerce, or of the mails, or of a
10 facility of a national securities exchange, in connection with the purchase or sale of a
11 security: employed devices, schemes, or artifices to defraud; or engaged in acts, practices,
12 or courses of business which operated or would operate as a fraud or deceit upon another
13 person.

14 137. By virtue of the foregoing, Wilson, Cash Capital, and ASOP, directly or
15 indirectly, each violated, and, unless restrained and enjoined, will again violate Section
16 10(b) of the Exchange Act and Rule 10b-5(a) and (c) thereunder.

17 **SECOND CLAIM FOR RELIEF**

18 **Fraud (Scheme): Control Person Liability Under Section 20(a) of the Exchange Act**

19 **[15 U.S.C. § 78t(a)] for Cash Capital and ASOP's Violations of Section 10(b) of the**

20 **Exchange Act and Rule 10b-5(a) and (c)**

21 **[15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(a) and (c)]**

22 **(Wilson, alternatively)**

23 138. The Commission realleges and incorporates by reference paragraphs 1
24 through 134, as though fully set forth herein.

25 139. Cash Capital and ASOP, directly or indirectly, acting with scienter, by use of
26 the means or instrumentalities of interstate commerce, or of the mails, or of a facility of a
27 national securities exchange, in connection with the purchase or sale of a security, made
28 untrue statements of material fact or omitted to state material facts necessary in order to

1 make the statements made, in light of the circumstances under which they were made, not
2 misleading.

3 140. Wilson exercised control over the management, general operations, and
4 policies of Cash Capital and ASOP, as well as the specific activities upon which Cash
5 Capital's and ASOP's violations are based.

6 141. By virtue of the foregoing, Wilson is liable as a control person under Section
7 20(a) of the Exchange Act for Cash Capital's and ASOP's violations of Section 10(b) of
8 the Exchange Act and Rule 10b-5(b) thereunder.

9 **THIRD CLAIM FOR RELIEF**

10 **Fraud (Scheme): Section 17(a)(1) and (3) of the Securities Act**

11 **[15 U.S.C. § 77q(a)(1) and (3)]**

12 **(All Defendants)**

13 142. The Commission realleges and incorporates by reference paragraphs 1
14 through 134, as though fully set forth herein.

15 143. Wilson, Cash Capital, and ASOP, directly or indirectly, in the offer or sale
16 of securities, by use of the means or instruments of transportation or communication in
17 interstate commerce or by use of the mails, acting with the requisite state of mind,
18 employed a device, scheme, or artifice to defraud and engaged in transactions, practices,
19 or a course of business which operated or would operate as a fraud or deceit upon
20 purchasers.

21 144. By virtue of the foregoing, Wilson, Cash Capital, and ASOP, directly or
22 indirectly, violated and, unless restrained and enjoined, will again violate Section
23 17(a)(1) and (3) of the Securities Act.

FOURTH CLAIM FOR RELIEF

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

(All Defendants)

145. The Commission realleges and incorporates by reference paragraphs 1 through 134, as though fully set forth herein.

146. Wilson, Cash Capital, and ASOP, directly or indirectly, acting with scienter, by use of the means or instrumentalities of interstate commerce, or of the mails, or of a facility of a national securities exchange, in connection with the purchase or sale of a security, made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

147. By virtue of the foregoing, Wilson, Cash Capital, and ASOP, directly or indirectly, violated and, unless restrained and enjoined, will again violate Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder.

FIFTH CLAIM FOR RELIEF

Fraud (Misstatements and Omissions): Control Person Liability Under Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)] for Cash Capital and ASOP's Violations of Section 10(b) of the Exchange Act and Rule 10b-5(b) [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(b)]

(Wilson, alternatively)

148. The Commission realleges and incorporates by reference paragraphs 1 through 134, as though fully set forth herein.

149. Cash Capital and ASOP, directly or indirectly, acting with scienter, by use of the means or instrumentalities of interstate commerce, or of the mails, or of a facility of a national securities exchange, in connection with the purchase or sale of a security, made untrue statements of material fact or omitted to state material facts necessary in order to

1 make the statements made, in light of the circumstances under which they were made, not
2 misleading.

3 150. Wilson exercised control over the management, general operations, and
4 policies of Cash Capital and ASOP, as well as the specific activities upon which Cash
5 Capital's and ASOP's violations are based.

6 151. By virtue of the foregoing, Wilson is liable as a control person under Section
7 20(a) of the Exchange Act for Cash Capital's and ASOP's violations of Section 10(b) of
8 the Exchange Act and Rule 10b-5(b) thereunder.

9 **SIXTH CLAIM FOR RELIEF**

10 **Fraud (Misstatements and Omissions): Section 17(a)(2) of the Securities Act**

11 **[15 U.S.C. § 77q(a)(2)]**

12 **(All Defendants)**

13 152. The Commission realleges and incorporates by reference paragraphs 1
14 through 134, as though fully set forth herein.

15 153. Wilson, Cash Capital, and ASOP, directly or indirectly, in the offer or sale
16 of securities, by use of the means or instruments of transportation or communication in
17 interstate commerce or by use of the mails, acting with the requisite state of mind,
18 obtained money or property by means of an untrue statement of material fact or omission
19 to state a material fact necessary in order to make the statements made, in light of the
20 circumstances under which they were made, not misleading.

21 154. By virtue of the foregoing, Wilson, Cash Capital, and ASOP, directly or
22 indirectly, violated and, unless restrained and enjoined, will again violate Section
23 17(a)(2) of the Securities Act.

1 **SEVENTH CLAIM FOR RELIEF**

2 **Sale of Unregistered Securities: Sections 5(a) and (c) of the Securities Act**

3 **[15 U.S.C. § 77e(a) and (c)]**

4 **(All Defendants)**

5 155. The Commission realleges and incorporates by reference paragraphs 1
6 through 134, as though fully set forth herein.

7 156. Wilson, Cash Capital, and ASOP, directly or indirectly, by use of the means
8 or instrumentalities of interstate commerce, or of the mails, in connection with the
9 purchase or sale of a security, offered and sold securities or carried or caused such
10 securities to be carried through the mails or in interstate commerce, for the purpose of
11 sale or delivery after sale, when no registration statement had been filed or was in effect
12 as to such securities.

13 157. By virtue of the foregoing, Wilson, Cash Capital, and ASOP, directly or
14 indirectly, violated and, unless restrained and enjoined, will again violate Sections 5(a)
15 and (c) of the Securities Act.

16 **PRAYER FOR RELIEF**

17 WHEREFORE, the Plaintiff United States Securities and Exchange Commission
18 respectfully requests that the Court:

19 **I.**

20 Find that each of the Defendants committed the violations alleged in this
21 Complaint;

22 **II.**

23 Enter an injunction, in a form consistent with Rule 65(d) of the Federal Rules of
24 Civil Procedure, permanently restraining and enjoining each of the Defendants from
25 violating, directly or indirectly, the laws and rules alleged in this Complaint to have been
26 violated;

1 **III.**

2 Order that each of the Defendants disgorge any and all ill-gotten gains, together
3 with pre- and post-judgment interest, derived from the improper conduct set forth in this
4 Complaint;

5 **IV.**

6 Order that each of the Defendants pay civil money penalties pursuant to Section
7 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act
8 [15 U.S.C. § 78u(d)] in amounts to be determined by the Court, plus post-judgment
9 interest; and

10 **V.**

11 Order such other relief as this Court may deem just or appropriate.

12 **JURY DEMAND**

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

14
15 Dated: July 28, 2017

16
17 */s/ Terry R. Miller*

18 _____
Terry R. Miller

19 Attorney for Plaintiff
20 Securities and Exchange Commission
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