

Derek S. Bentsen
Ann H. Petalas*
Antonia Chion
Kevin Guerrero*
Patrick L. Feeney*
Attorneys for Plaintiff
U.S. SECURITIES AND EXCHANGE COMMISSION
100 F Street, N.E.
Washington, DC 20549
(202) 551-6246 (Bentsen)
***Not Admitted in New York**

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

**U.S. SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

-against-

DENNIS J. MANCINO,
WILLIAM T. HIRSCHY,
DJK INVESTMENTS 10 INC.,
TJM INVESTMENTS INC., and
WT CONSULTING GROUP, LLC,

Defendants.

COMPLAINT

18 Civ. 1316 ()

JURY TRIAL DEMANDED

Plaintiff United States Securities and Exchange Commission (the “Commission”) alleges
as follows:

SUMMARY

1. From at least February 2017 through the present, Defendants Dennis J. Mancino and William T. Hirschy, along with the entities they controlled, DJK Investments 10 Inc., TJM Investments Inc., and WT Consulting Group, LLC, intentionally engaged in a fraudulent scheme to

manipulate the market for the stock of two micro-cap companies – HD View 360, Inc. (“HD View”) and West Coast Ventures Group Corp. (“West Coast”) and profit from that manipulation.

2. Beginning in at least February 2017, Defendants engaged in manipulative trading, including “matched trading” whereby they traded the securities of HD View and West Coast between brokerage accounts they controlled – among them accounts maintained in the names of TJM Investments Inc., DJK Investments 10 Inc., and WT Consulting Group, LLC – to create the appearance of an active market in HD View and West Coast and inflate their share prices.

3. In many instances, the Defendants and their associates entered offsetting buy and sell orders close in time for substantially the same number of shares at substantially the same price, using brokerage accounts that were accessed using the same Internet Protocol (“IP”) addresses and sometimes even the same device.

4. In addition, starting in the fall of 2017, an undercover agent (the “Undercover”) with the Federal Bureau of Investigation presented himself to Mancino and Hirschy as a stock promoter with connections to a group of offshore brokers with trading discretion over customers’ accounts that could buy stock in exchange for a kickback. The Undercover, Mancino, and Hirschy also discussed how the Undercover’s brokers would “put the stock away,” meaning they would prevent their clients from selling any of the stock they purchased from Mancino and Hirschy. This would have the effect of artificially stabilizing the stock at an inflated value and enable Mancino and Hirschy to profit by liquidating their holdings at artificially high prices.

5. In a series of phone calls with the Undercover between November 2017 and February 2018, Mancino and Hirschy agreed that the Undercover would utilize his network of offshore brokers to buy the Defendants’ shares of HD View stock in exchange for a kickback of 40% of the proceeds to be paid by Mancino and Hirschy. Mancino agreed to generate press releases

during the period of fraudulent prearranged trading to provide the Undercover's brokers a justification for recommending the stock to their customers. The Defendants conducted a test trade with the Undercover in order to make sure the Undercover's brokers were able to buy the Defendants' shares of HD View stock.

VIOLATIONS

6. As a result of the conduct described in this Complaint, Defendants violated Section 17(a)(1) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)(1)]; and Sections 9(a)(1), 9(a)(2), and 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78i(a)(1), 78i(a)(2), and 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

JURISDICTION AND VENUE

7. 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 Sections 21(d) of the Exchange Act [15 U.S.C. § 78u(d)] seeking permanently to enjoin the Defendants from engaging in the transactions, acts, practices, and courses of business alleged in this Complaint. The Commission also seeks a final judgment ordering the Defendants to disgorge their ill-gotten gains, together with prejudgment interest thereon. The Commission seeks a final judgment ordering 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)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. The Commission also seeks a judgment prohibiting Defendants Mancino and Hirschy from participating in an offering of penny stock pursuant to Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)]. The Commission further seeks a final judgment, pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] barring Mancino from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the

Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

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

9. Venue in this District is proper 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] because certain of the acts or transactions constituting the violations alleged herein occurred within the Eastern District of New York.

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

DEFENDANTS AND RELEVANT ENTITIES

A. Defendants

11. **Dennis J. Mancino**, age 46, resides in Miami, Florida. During the relevant time period, Mancino was the President, Chief Executive Officer, and Director of HD View, and controlled TJM Investments Inc. and DJK Investments 10 Inc.

12. **William T. Hirschy**, age 40, resides in Ocala, Florida. During the relevant time period, Hirschy was the Chief Executive Officer of WT Consulting Group, LLC.

13. **TJM Investments Inc. (“TJM”)** is an inactive Nevada corporation through which Mancino conducted some of his trading activities. TJM’s business license expired in October 2016. Mancino was listed as TJM’s president, secretary, treasurer, director, and registered agent on its

Nevada incorporation documents. According to HD View's amended registration statement, signed by Mancino and filed with the Commission on July 14, 2017, Mancino served as the Chief Executive Officer of TJM until December 10, 2013. However, in April 2016, Mancino opened a brokerage account for TJM, indicating that he was the President of TJM.

14. **DJK Investments 10 Inc. ("DJK")** is a Florida corporation through which Mancino conducted some of his trading activities. DJK was incorporated on December 31, 2016. Mancino is the president and registered agent of DJK. In February 2017, Mancino opened a brokerage account for DJK.

15. **WT Consulting Group, LLC ("WT Consulting")** is a Florida corporation through which Hirschy conducted his trading activities. Hirschy is the Chief Executive Officer, manager, and registered agent of WT Consulting. Hirschy opened a brokerage account in the name of WT Consulting in May 2016.

B. Relevant Entities

16. **HD View 360, Inc. ("HD View")** is a Florida corporation with its principal place of business in Miami, Florida. HD View purports to design and install closed-circuit television systems and distribute network video recorders, HD cameras, and accessories. Its shares are traded on OTC Link (previously known as the "Pink Sheets") under the symbol "HDVW." HD View's common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act [15 U.S.C. § 78l], and HD View is therefore subject to 13(a) reporting obligations. HD View is a "penny stock," as defined by Rule 3a51-1 of the Exchange Act [17 CFR § 240.3851-1] and rules thereunder, that, with few exceptions, traded below \$5.00 during the time period alleged in this Complaint.

17. **West Coast Ventures Group Corp. (“West Coast”)** is a Nevada corporation with its principal place of business in Arvada, Colorado. West Coast operates restaurants in the Denver metropolitan area. West Coast’s shares of common stock are traded on OTC Link under the symbol “WCVC.” West Coast’s common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act [15 U.S.C. § 78l], and West Coast is therefore subject to 13(a) reporting obligations. West Coast is a “penny stock” as defined by Rule 3a51-1 of the Exchange Act [17 CFR § 240.3851-1] and rules thereunder that, with few exceptions, traded below \$5.00 during the time period alleged in this Complaint.

18. **Beaufort Securities Limited (“Beaufort”)** is a U.K.-based brokerage firm. It is not registered with the Commission.

FACTS

A. The Manipulation of the Market for HD View Shares

19. As described below, from at least February 2017 through the present, Defendants and their associates engaged in a number of practices in order to create a false or misleading appearance regarding the price and/or liquidity of HD View shares, including conducting coordinated trading and arranging to have the Undercover’s network of brokers buy and hold Mancino’s and Hirschy’s shares in the accounts of the brokers’ unwitting customers.

20. On December 31, 2015, Mancino took HD View public with the filing of a Form S-1 that was declared effective by the Commission on February 12, 2016. According to the registration statement, Mancino held 7.2 million shares or 78% of HD View’s outstanding stock.

21. On or about July 26, 2017, HD View issued to WT Consulting, which was controlled by Hirschy, 500,000 freely tradable common shares.

Matched Trades

22. From at least February through at least September 2017, Defendants Mancino and Hirschy manipulated the market for HD View shares using brokerage accounts that they owned, controlled, or were associated with to create a false or misleading impression with respect to the price and liquidity of HD View stock. According to Internet log-in records, many of these accounts were often accessed using the same IP address and sometimes even the same device.¹

23. In many instances, the Defendants and their associates entered offsetting purchase and sale orders close in time for substantially the same amount of HD View stock at substantially the same price. These trades artificially increased the price and trading volume of the stock.

24. For example, HD View stock first traded on February 13, 2017. At the opening of the market on that day, there were no public price quotations for HD View, other than an offer to buy stock at the nominal amount of \$0.01. At 10:03 a.m., Mancino, using his TJM account, placed an online order to buy 1,000 shares of HD View at \$1.50 per share, but the order was rejected by the broker. At approximately 10:16 a.m., an order was placed over the phone to sell 1,000 shares of HD View at \$2.00 per share from an account in the name of Individual A, a close associate of Mancino. Less than ten minutes later, Mancino entered another online order to purchase 250 shares of HD View stock at \$2.00 per share. This order was executed, and 250 shares of HD View were sold from Individual A's account to Mancino's TJM account at \$2.00 per share.

25. Similarly, on September 6, 2017, Hirschy, using his WT Consulting account, purchased 100 shares of HD View at \$4.82 per share from an account in the name of Individual B. On that date, at 11:23:07 a.m., Hirschy placed an online order to buy 100 shares of HD View stock

¹ Online brokers generally record the IP address used to access an online account prior to the placement of any trade or order. An IP address is a unique number required for online activity conducted by a computer, phone, or other device connected to the Internet. The IP address is determined by the Internet access point or network a device uses to access the Internet.

at \$4.90 per share. Less than a minute later, at 11:23:47 a.m., an online order was placed from Individual B's account to sell 100 shares of HD View at \$4.82 per share, and the trade was executed seconds later. According to Internet log-in records, both brokerage accounts were accessed from the same IP address to place these orders. The physical addresses associated with these two brokerage accounts are identical.

The Kickback Arrangement and Test Trade

26. In the fall of 2017, the Undercover presented himself to Mancino and Hirschy as a stock promoter with connections to a group of offshore brokers with trading discretion over customers' accounts that could buy stock in exchange for a kickback (the "Buying Program"). In reality, the Undercover was an agent with the Federal Bureau of Investigation. The Undercover often communicated with Mancino and Hirschy by telephone while located in the Eastern District of New York. The Undercover told Mancino and Hirschy that he was based in New York, and Mancino and Hirschy often referenced the Undercover being in New York during their calls. In one call, Mancino offered to fly to New York to meet with the Undercover and put together some deals.

27. On or about November 15, 2017, Mancino and the Undercover had a telephone conversation in which the Undercover described the details of the Buying Program. The Undercover explained that he was in touch with a network of brokers with discretionary accounts who could buy stock and hold it in exchange for a 40-50% kickback. This would have the effect of artificially stabilizing the stock at an inflated value, enabling Mancino and Hirschy to profit by selling their holdings at artificially inflated prices. Mancino identified two companies for the Buying Program: HD View and West Coast.

28. On December 29, 2017, Mancino again spoke to the Undercover by telephone. Mancino indicated that the West Coast deal was over, but that he still had HD View and another company whose stock the Buying Program could be used to purchase.

29. During a telephone call on January 2, 2018, Mancino introduced the Undercover to Hirschy. Mancino, Hirschy, and the Undercover then discussed the scheme to manipulate the market for the stock of HD View.

30. Specifically, Mancino, Hirschy, and the Undercover discussed the plan for the Undercover's overseas brokers to buy the stock controlled by Hirschy in exchange for a 40% kickback. Mancino and Hirschy indicated that they wanted the Buying Program to begin once they were able to increase the price of HD stock, as the price had fallen in the past couple of months.

31. Hirschy informed the Undercover that they were currently in "accumulation mode." Mancino added that they were going to bring the price of the stock back up. Mancino and Hirschy discussed the fact that they owned close to 80% of the "float" of HD View stock.² Mancino and Hirschy then detailed some of their prior efforts to inflate the price of HD View stock. Specifically, Mancino and Hirschy discussed the fact that they had previously employed a "call room" that had taken the stock up to \$5.65, before an internal spat in the call room collapsed the price of the stock.³ Hirschy emphasized the need to make sure that the Undercover's network of brokers purchased only HD View shares controlled by Hirschy. Hirschy stated that he would remain on the phone with the Undercover once the buying began to make sure they coordinated their orders. The Undercover, Mancino, and Hirschy also discussed the possibility of conducting small test trades in order to make sure that the Undercover's brokers' purchases were of Hirschy's shares.

² The "float" refers to the number of shares available for trading of a particular stock.

³ A call room typically refers to a group of telemarketers who call potential customers to attempt to persuade them to purchase stocks, often using aggressive sales methods.

32. In another recorded phone call on January 25, 2018, Mancino, Hirschy, and the Undercover further discussed the details of the test trades and the Buying Program. Mancino and Hirschy suggested that the Undercover sign up for an encrypted phone application called Signal so that their communications would be safer. Signal uses end-to-end encryption to secure communications to other Signal users and allows users to set a message timer that will cause messages to be deleted from both the sender's and receiver's devices after a specified amount of time.

33. In the January 25 call, the Undercover, Mancino, and Hirschy also discussed the need to have news about HD View released during the Buying Program to provide the brokers with a justification for their purchases of HD View. Mancino and Hirschy discussed the fact that they would have news out every week once the Buying Program began.

34. On January 31, 2018, Mancino, Hirschy and the Undercover conducted a test trade to make sure that the Undercover's brokers were able to purchase Hirschy's shares of HD View in the market. On that date, in another recorded call, Hirschy and the Undercover spoke by phone to arrange the trade. The Undercover made clear that Hirschy's order would be matched by the Undercover's broker. While on the call, Hirschy informed the Undercover that he had just placed a sell order for 1,000 shares of HD View stock at \$0.63 per share, and the order was in the system.

35. The Undercover then directed an overseas broker at Beaufort to enter an order to buy 1,000 shares of HD View at \$0.63 per share. A few minutes later, the Beaufort broker entered a purchase order using an account opened and funded by the Undercover for 1,000 shares of HD View stock at a limit price of \$0.63 per share. This price was almost double HD View's closing price the day before the trade was executed. Beaufort's order was then executed at \$0.63 per share

by matching it with Hirschy's offsetting order to sell HD View shares, as the Undercover had arranged.

36. The Undercover subsequently sent a text message to Hirschy asking if the trade went through. Hirschy responded via text message, "Signal only." Accordingly, the Undercover sent the same message using Signal, and Hirschy responded "filled" and included two thumbs-up emojis.

37. HD View's stock price closed at \$0.60 on January 31, 2018. The day before, HD View's stock price closed at \$0.32 per share. The test trade accounted for approximately 50% of the trading volume in HD View stock on January 31, 2018.

38. As Mancino and Hirschy had previously discussed with the Undercover, on February 5, 2018, HD View issued a press release. The release included quotes from Mancino announcing that HD View was exploring the possibility of enhancing the SimpleFone subsidiary with blockchain technology.

B. The Manipulation of the Market for West Coast Shares

39. From at least January 2017 through at least December 2017, Mancino and Hirschy and entities they controlled engaged in manipulative, coordinated trading to create a false or misleading appearance regarding the price and/or liquidity of West Coast shares. During the period in which the Defendants were manipulating the price of the stock, they sold shares of West Coast to profit from the inflated price.

40. As noted above, Mancino originally identified West Coast to the Undercover for the Buying Program. In a recorded call on November 15, 2017, Mancino explained how he had bought West Coast as a shell company, taken it public through a reverse merger, and then handed it

to its current chief executive officer. Mancino stated that he and his associates currently owned 3 million of the 3.8 million West Coast shares outstanding.

41. As with HD View, Mancino and Hirschy manipulated the market for West Coast shares by placing orders using brokerage accounts that they owned, controlled, or were associated with, including several matched trades.

42. For example, on August 11, 2017, during a time when West Coast was very thinly traded, Mancino, using his TJM brokerage account, placed an online order to sell 15,500 shares of West Coast stock for \$2.50 per share. Less than ten minutes later, an online order to purchase 15,500 shares of West Coast stock at \$2.50 per share was placed from an account in the name of a close family member of Mancino. The order was executed and 15,500 shares of West Coast stock at \$2.50 per share were sold from TJM to the close family member of Mancino. According to Internet log-in records, both accounts were accessed using the same IP address. This transaction represented about 89% of the volume of trading in West Coast on August 11, 2017.

43. On October 10, 2017, Mancino's DJK brokerage account sold 7,500 West Coast shares at \$3.00 per share to a brokerage account in the name of Company C, which is associated with Individual A discussed above. The offsetting orders were each for 7,500 shares at \$3.00 per share and were placed online less than fifteen minutes apart, using the same device and IP address. This trade accounted for over 86% of the volume of trading for the day.

44. During the period from August 11, 2017 through December 12, 2017, Hirschy sold 368,688 shares of West Coast through his WT Consulting account for \$451,700 in proceeds and Mancino sold 508,406 shares of West Coast through his DJK account generating \$449,500 in proceeds.

FIRST CLAIM FOR RELIEF

Violations of Section 17(a) (1) of the Securities Act [15 U.S.C. § 77q(a)]

45. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 44, inclusive, as if the same were fully set forth herein.

46. From at least February 2017 through the present, Defendants, directly or indirectly, by use of the means and instruments of transportation or communication in interstate commerce and by the use of the mails, and in connection with the offer or sale of securities, have knowingly, willfully, or recklessly employed devices, schemes, or artifices to defraud.

47. By reason of the foregoing, Defendants, singly or in concert, have violated, are violating, and unless enjoined, are reasonably likely to continue to violate Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a).

SECOND CLAIM FOR RELIEF

Violations of Section 9(a) [15 U.S.C. § 78i]

48. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 44, inclusive, as if the same were fully set forth herein.

49. From at least February 2017 through December 2017, Defendants, directly or indirectly, with scienter, by the use of the mails or any means or instrumentality of interstate commerce, for the purpose of creating a false or misleading appearance of active trading in HD View and West Coast securities, or a false or misleading appearance with respect to the market for any such security, have (a) entered an order or orders for the purchase of any such security with the knowledge that an order or orders of substantially the same size, at substantially the same time, and at substantially the same price, for the sale of any such security, has been or will be entered by or for the same or different parties; or (b) entered an order or orders for the sale of any such security with the knowledge that an order or orders of substantially the same size, at substantially the same time,

and at substantially the same price, for the purchase of any such security, has been or will be entered by or for the same or different parties.

50. Defendants directly or indirectly, with scienter, by use of the mails or any means or instrumentality of interstate commerce, effected, alone or with one or more persons, a series of transactions in HD View and West Coast securities creating actual or apparent active trading in those securities, or raising the price of those securities, for the purpose of inducing the purchase or sale of those securities by others.

51. By reason of the foregoing, Defendants, singly or in concert, have violated, and unless enjoined, are reasonably likely to violate again in the future Section 9(a) of the Exchange Act [15 U.S.C. § 78i].

THIRD CLAIM FOR RELIEF

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

52. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 44, inclusive, as if the same were fully set forth herein.

53. From at least February 2017 through the present, Defendants, directly or indirectly, by use of the means and instrumentalities of interstate commerce, or of the mails, in connection with the purchase or sale of securities, knowingly, willfully or recklessly :

(a) employed devices, schemes or artifices to defraud; or

(b) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person.

54. By engaging in the foregoing conduct, Defendants, singly or in concert, have violated, are violating, and unless enjoined, are reasonably likely to continue to violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(a) and (c), [17 C.F.R. § 240.10b-5(a) and (c)] thereunder.

PRAYER FOR RELIEF

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

I.

Finding that each of the Defendants violated the securities laws and rules promulgated thereunder as alleged against them herein;

II.

Permanently restraining and enjoining Defendants, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice by personal service or otherwise, from future violations of the federal securities laws as alleged herein;

III.

Ordering Defendants to disgorge any and all ill-gotten gains they received directly or indirectly, together with prejudgment interest, as a result of the violations alleged in this Complaint;

IV.

Ordering 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)];

V.

Barring Mancino from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l], or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)], pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)];

VI.

Permanently prohibiting Defendants Mancino and Hirschy from participating in any offering of a penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock, pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)];

VII.

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

Respectfully submitted,

/s/ Derek S. Bentsen
Derek S. Bentsen
Ann H. Petalas*
Antonia Chion
Kevin Guerrero*
Patrick L. Feeney*
Attorneys for Plaintiff:

U.S. SECURITIES AND EXCHANGE COMMISSION
100 F Street, N.E.
Washington, DC 20549
Telephone: (202) 551-6246 (Bentsen)
Facsimile: (202) 772-9245

Dated: March 2, 2018

*Not admitted in New York