



2. Stanley misappropriated millions of the dollars invested in Lifepay notes. He used approximately \$1.3 million to cover his personal living expenses, and to support his lavish lifestyle, including country-club membership, ocean cruises, and spa treatments. This spending made it impossible for Lifepay to generate the promised returns on the funds invested. But Stanley kept the scheme afloat by making approximately \$1.1 million in Ponzi payments—purported interest payments derived not from real-estate profits but from the proceeds of later note sales. These payments served to convince investors that the investments were legitimate. Several investors who received Ponzi payments exchanged their mature notes for new notes in greater amounts rather than demand that Stanley return their principal when due.

3. Beginning in 2015, Stanley teamed up with Watts to orchestrate a second promissory-note scheme, this time using SMDRE, an oil-and-gas company they controlled. Stanley and Watts targeted retirement savings, raising approximately \$1.4 million by selling SMDRE promissory notes primarily to elderly investors in unregistered transactions. They lured investors with false promises of safe, above-market investment returns generated by SMDRE purchasing profitable oil-and-gas interests. They concealed important information from investors, including: (a) SMDRE's payment of a 10% to 15% commission to Stanley on nearly every SMDRE promissory note sold, (b) SMDRE's purchase of oil-and-gas interests exclusively from Watts, and (c) SMDRE's multi-million-dollar indebtedness to Watts. And they concocted sham transactions to misappropriate hundreds of thousands of investor dollars for personal use.

4. By reason of the conduct and the untrue and misleading statements described herein, Defendants Stanley, Watts, Lifepay, and SMDRE violated, and unless enjoined will continue to violate, securities-registration and antifraud provisions of the federal securities laws, specifically Sections 5(a), 5(c), and 17(a)(1)-(3) of the Securities Act of 1933 ("Securities Act")

[15 U.S.C. §§ 77e(a) and (c) and 77q(a)(1)-(3)] and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78j(b)] and Exchange Act Rule 10b-5(a)-(c) [17 C.F.R. §§ 240.10b-5(a)-(c)]; and Stanley violated, and unless enjoined will continue to violate, the broker-registration requirements of the federal securities laws, specifically Exchange Act Section 15(a) [15 U.S.C. §§ 78oj(a)].

5. In the interest of protecting the public from further violations by the Defendants, the Commission requests that the Court permanently enjoin them from violating the provisions specified above, order them to disgorge the financial gains connected to their violations, plus prejudgment interest on those gains, and impose civil monetary penalties against them.

#### **Jurisdiction and Venue**

6. Defendants offered and sold securities to investors in the form of promissory notes with maturities longer than nine months. The promissory notes are securities under Section 2(a)(1) of the Securities Act [15 U.S.C. §77b(a)(1)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. §78c(a)(10)]. As such, the Court has jurisdiction over this action pursuant to Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78(aa)].

7. Venue lies in the Southern District of Texas under Securities Act Section 22(a) and Exchange Act Section 27 [15 U.S.C. §§ 77v(a) and 78aa].

#### **The Parties**

8. Plaintiff Commission is an agency of the United States of America charged with enforcing the federal securities laws.

9. Defendant Stanley, age 66, resides in Galveston, Texas.

10. Defendant Watts, age 62, resides in Sugar Land, Texas.

11. Defendant Lifepay is a Texas limited liability company headquartered in Missouri City, Texas.

12. Defendant SMDRE, is a Texas limited liability company headquartered in Sugar Land, Texas.

## **STATEMENT OF FACTS**

### **The Lifepay Promissory-Note Offering**

13. From 2010 through 2017, Stanley orchestrated a Ponzi scheme targeting financially unsophisticated investors in their eighties and nineties through his retirement-planning and real-estate investment business, Lifepay. Plying his victims with gifts and polished sales pitches, Stanley won the trust of at least thirty elderly investors located in Louisiana and Texas. He induced them to purchase securities in the form of unsecured promissory notes, raising approximately \$2.4 million. Many investors used significant portions of their retirement savings to purchase Lifepay notes.

14. Rather than provide investors written material describing the promissory-note investment, Stanley conveyed this information orally, typically during presentations in investors' homes. He called the investments "safe." He claimed that Lifepay operated a successful business and that Lifepay would use the proceeds from the note sales to fund new real-estate projects. And he represented that Lifepay would use the profits from these projects to pay off the notes plus interest far exceeding market rates. The notes bore annual interest rates ranging from 8% to 36% and payment terms usually exceeding one year.

### **Misappropriating Lifepay Investor Funds**

15. Of the approximately \$2.4 million raised in the Lifepay note offering, Stanley misappropriated approximately \$1.3 million to cover his personal expenses. These expenses

included country-club membership, spa treatments, maid service, ocean cruises and other travel, jewelry, rent, clothing, entertainment, living expenses, and church tithes. Stanley's misappropriation made it impossible for Lifepay to generate the promised returns on the funds invested.

### **Operating a Ponzi Scheme**

16. Stanley operated Lifepay as a Ponzi scheme. He kept the scheme going for years by misappropriating approximately \$1.1 million in additional investor funds to make Ponzi payments—purported interest payments derived not from real-estate or other profits but from the proceeds of later Lifepay note sales. These payments served to convince investors that their Lifepay promissory notes were legitimate investments. Several investors who received them exchanged their mature notes for new notes in greater amounts rather than demand that Stanley return their principal when due.

17. For example, one Louisiana couple in their eighties invested \$25,000 in 2010. Over time, as Stanley made Ponzi payments on their original note and subsequent notes, he convinced the couple to increase their investment to more than \$700,000. This amount represented almost the entire amount they received when they cashed out a pension earned working decades in a petroleum refinery. And a Texas man, who suffered brain injuries from a stroke, began with a \$10,000 promissory note. Over the years, Stanley deceived him with Ponzi payments, ultimately persuading him to increase the investment amount to approximately \$600,000.

### **Using Lifepay Notes to Loot a Family Trust**

18. Stanley used Lifepay notes to loot a centenarian's family trust. In approximately 2012, Stanley convinced a then 101-year-old named Elizabeth residing in Houston, Texas, to

appoint him as trustee of her family trust. From 2013 to 2016, without making any disclosures to the trust's family beneficiaries, Stanley caused the trust to invest approximately \$60,000 in Lifepay notes. He then misappropriated the vast majority of these funds, using them primarily for Ponzi payments and personal expenses.

19. After Elizabeth died in 2016 at age 105, Stanley caused her Trust to liquidate its remaining assets to purchase \$38,000 in additional Lifepay notes. To effect this transaction, Stanley caused the trust account to wire \$38,000 to a Lifepay bank account under his control. Without disclosure to the trust beneficiaries, Stanley immediately made \$17,000 in Ponzi payments to other Lifepay investors. And he paid \$10,000 to the man who initially introduced Stanley to Elizabeth. Stanley never made an interest or principal payment to the trust on the Lifepay notes.

#### **Untrue and Misleading Statements in the Lifepay Offering**

20. The statements that Stanley made to investors about the Lifepay notes were untrue. By labeling Lifepay "successful" and the notes "safe," Stanley conveyed the impression that investors bore little or no risk of losing the dollars they invested. In reality, Lifepay was heavily indebted, had few assets, and generated insufficient revenue to repay the notes plus the promised interest. For these reasons alone, the investment was fraught with risk and therefore far from safe. But Stanley's misappropriation made it impossible for Lifepay to earn real-estate profits using the proceeds from note sales. Stanley knew or was severely reckless in not knowing that he was making untrue statements when he called Lifepay successful and the notes safe.

21. Stanley also made untrue statements to investors regarding the use of note proceeds. When Stanley spent note proceeds on real estate, most of the funds were used to pay

taxes and other costs associated with condominiums already held in his name and on a personal residence that he occupied rent-free throughout most of the Lifepay note scheme. Contrary to his representation to investors, this spending did not fund new Lifepay real-estate projects. Stanley only spent approximately \$100,000 of the note proceeds to fund new investments—two condominiums and an empty lot in Branson, Missouri—all deeded in Stanley's name, not Lifepay's. Apart from the Ponzi payments they received, the Lifepay note investors lost all of the funds they used to purchase notes from Stanley.

22. Stanley knew or was severely reckless in not knowing that Lifepay used only \$100,000 of the note proceeds to fund new real-estate projects. A reasonable investor would have considered Lifepay's actual financial condition, the safety of the notes, and the use of note proceeds important in making an investment decision about the notes. This information was, therefore, material.

#### **The SMDRE Promissory-Note Offering**

23. As Stanley continued the Lifepay scheme, he and Watts started a new investment scheme in 2015 using SMDRE, and oil-and-gas investment company. Watts and Stanley co-owned SMDRE, but Watts controlled its bank accounts and managed its oil-and-gas investments. From February 2015 through February 2017, Watts and Stanley sold 23 SMDRE promissory notes, raising \$1,389,575 from 13 investors located in Texas and Louisiana.

24. Several of these investors used a significant portion of their retirement savings to purchase the SMDRE notes. And several Lifepay investors also received new SMDRE notes in exchange for their previously issued Lifepay notes.

25. Each SMDRE note promised investors a high-interest return based on a formula tied to the market price of oil. For example one of the SMDRE notes provided that, if the price

was \$40 per barrel, then the investor would earn 8% per year on the note, and if the price was \$100 per barrel, then 20% per year. Other SMDRE notes included similar provisions. Watts and Stanley promised to pay off each note plus interest at the end of a set term—typically five or ten years—by investing the note proceeds in purportedly safe and profitable oil-and-gas investments.

### **Untrue and Misleading Statements in the SMDRE Offering**

26. Watts and Stanley solicited investors to purchase SMDRE notes in face-to-face meetings. In February 2015, they convinced the first SMDRE note investor to purchase a promissory note for \$200,000. When this investor expressed concerns about the investment's risks, they assured the investor that the investment would be "safe." Watts and Stanley told the investor that the note would be backed by stock that SMDRE owned in a publicly traded company called Hydrocarb Energy Corporation ("Hydrocarb"). This statement was misleading.

27. In reality, SMDRE owed more on the stock than it was worth. Watts and Stanley omitted to disclose that the stock was worth approximately \$600,000 and that SMDRE owed more than \$1.8 million on a note payable to Hydrocarb (the "Hydrocarb Note"), which SMDRE had issued in exchange for the stock. As a result of this indebtedness, SMDRE's liabilities greatly exceeded its assets, a fact that Watts and Stanley also omitted to disclose to the first investor. Because of these material omissions, the statements that the investment was safe and backed by stock were misleading.

### **Untrue and Misleading Statements in the Loan Agreement**

28. The initial SMDRE promissory note, which Watts and Stanley signed, was accompanied by a written loan agreement, which the investor and Stanley signed. In the loan agreement, SMDRE warranted that "it holds and will hold assets valued in excess of 125% of the note herein." This statement was misleading. In reality, SMDRE's liabilities greatly exceeded



its assets, a fact the loan agreement omitted to disclose.

29. As Watts and Stanley proceeded to offer the SMDRE promissory notes to subsequent investors, they continued to use the same form of loan agreement for each note sold. In the same period, SMDRE incurred millions of dollars in additional debt without a proportionate increase in its assets. Watts and Stanley never disclosed to subsequent SMDRE investors the Hydrocarb Note or SMDRE's substantial indebtedness, which eventually exceeded \$6.7 million, including more than \$3.5 million in undisclosed debt owed to Watts and companies he controlled.

30. This omitted information described in paragraphs 26-29, above, was material. A reasonable investor would have considered SMDRE's multi-million-dollar liabilities, including the Hydrocarb Note, and SMDRE's actual financial condition important in making an investment decision about a SMDRE promissory note. Hydrocarb declared bankruptcy in early 2016, approximately one year later than the first sale.

31. The SMDRE loan agreement contained other untrue and misleading statements. It contained a representation that SMDRE would use investor funds to acquire oil-and-gas assets. While SMDRE did use funds for that purpose, the loan agreement failed to disclose that Watts paid Stanley a 10% to 15% commission using funds from SMDRE's bank account on almost every investment. Ultimately, Stanley received approximately \$140,000 in such commissions. By failing to disclose these commissions, the loan agreement's statement regarding the use of investor funds was misleading.

32. The loan agreement also contained a representation that SMDRE guaranteed to use its specialized oil-and-gas knowledge to produce income sufficient to make principal and interest payments when due. This statement was untrue and misleading. It omitted to disclose

that SMDRE invested exclusively in oil-and-gas properties owned by Watts, which required the use of no specialized oil-and-gas knowledge.

33. The omitted information regarding Stanley's commissions and the investments in Watts's properties was material. When making an investment decision about SMDRE, a reasonable investor would consider important: (a) SMDRE's practice of purchasing properties from Watts in undisclosed related-party transactions, because he had the power to, and did, set terms in each property sale favoring himself, and (b) Stanley's receipt of undisclosed commissions, because such payments significantly reduced the funds available for oil-and-gas investment.

34. From March 2015 to August 2015, SMDRE paid approximately \$1,276,500 that it received from investors to Lifestream—an entity wholly owned and controlled by Watts—in exchange for interests in several oil-and-gas properties. These interests never generated enough income to meet SMDRE's obligation to pay principal and interest to its promissory noteholders. Over time, SMDRE paid out almost \$800,000 in additional funds to Watts and Geoserve Marketing, LLC, another entity Watts owned.

#### **Deceptive Conduct in the SMDRE Promissory Note Offering**

35. Stanley engaged in a scheme to transfer Lifepay's promissory-note liabilities onto SMDRE, thereby burdening SMDRE investors with the indebtedness from the Lifepay Ponzi scheme. On August 1, 2016, he executed a "Purchase Contract For Real Estate" between himself and SMDRE. Under the contract, SMDRE agreed to assume an obligation to repay \$2.4 million in Lifepay promissory notes in exchange for beneficial ownership of two empty lots and three condominiums in Branson, Missouri, valued collectively at a small fraction of the \$2.4 million assumed. But the contract provided that Stanley retained title to the properties in his name.

36. Stanley signed the Purchase Contract For Real Estate contract on behalf of himself and SMDRE, thereby causing SMDRE to violate its representation that it would invest solely in oil-and-gas prospects. The effect of this transaction—which Stanley never disclosed to SMDRE’s investors—was to burden SMDRE with \$2.4 million in additional liabilities in exchange for relatively worthless real-estate assets. The Lifepay investors who surrendered their notes in exchange for SMDRE notes were also kept unaware of the millions of dollars in indebtedness incurred by SMDRE, including a total of more than \$3.1 million in investor promissory notes and over \$3.5 million owed to Watts and his entities. In total, SMDRE incurred more than \$6.7 million in debt, with little to no hope of ever repaying such a large amount.

37. In August 2015—after SMDRE had already issued nearly \$1.4 million in promissory notes to investors—Hydrocarb agreed to reduce the balance payable on the Hydrocarb Note to \$619,898. SMDRE subsequently paid \$531,000 on the Hydrocarb Note, bringing the balance that SMDRE owed down to \$88,898. In January 2016, Hydrocarb wrote off this remaining balance as uncollectible and disclosed this fact on March 5, 2016, in an SEC filing.

38. In 2016, after most but not all of the SMDRE investors had purchased their notes, Watts’s company Geoserve purportedly purchased the Hydrocarb Note, so that any amount SMDRE owed on it would then be due to Geoserve rather than to Hydrocarb. On September 1, 2016, Watts and Stanley caused SMDRE to enter into a “Loan Settlement and Option Agreement” with Geoserve in which SMDRE agreed that it still owed \$1,293,179 on the Hydrocarb Note. In effect, they revived SMDRE’s payment obligation under the Hydrocarb Note, even though SMDRE had already paid more than 85% of the reduced balance and

Hydrocarb had written off the remainder as uncollectible.

39. The Loan Settlement and Option Agreement required SMDRE to execute a new note for \$1,293,179 payable to Watts or to either of his companies, Geoserve or Lifestream. SMDRE executed a new \$1,293,179 note payable to Geoserve concurrently with the agreement. The agreement also required SMDRE to assign to Lifestream substantially all the oil-and-gas properties then owned by SMDRE. These were the same properties that SMDRE had purchased from Lifestream in March 2015 with the \$1,276,500 raised from SMDRE promissory-note investors, described in paragraph 34, above. Shortly after the agreement was signed, Watts took possession of the SMDRE oil-and-gas properties and sold them to a third party for \$723,811.

40. The Loan Settlement and Option Agreement was a fraudulent device concocted and signed by Watts and Stanley to defraud the SMDRE promissory note purchasers. It served to return to Watts—in exchange for no cash compensation—the very oil-and-gas properties he had previously sold to SMDRE. This allowed him to sell those same properties again for an additional \$723,811. The SMDRE promissory-note holders received nothing from these transactions.

41. Also on September 1, 2016, Watts and Stanley caused SMDRE to purchase interests in still other oil-and-gas properties, again from a Watts-owned entity, in exchange for SMDRE executing yet another promissory note, this time in the amount of \$2,116,821. Despite this multi-million-dollar purchase price, these properties were largely depleted and of relatively little value.

42. In the aftermath of the foregoing fraudulent transactions, SMDRE was left with: (a) oil-and-gas assets of little or no value; (b) liabilities exceeding \$3.5 million owed to Watts and his entities; and (c) an obligation to pay principal and interest on more than \$3.1 million of

promissory notes owed to SMDRE and Lifepay promissory note investors. Meanwhile, Watts and Stanley took nearly every dollar deposited in SMDRE's bank accounts during this time period, including all of the investor funds.

43. No registration statement was filed with the Commission as to any of the securities transactions described in this Complaint.

### **FIRST CLAIM FOR RELIEF**

#### **Offers and Sales of Unregistered Securities: Violations of Securities Act Sections 5(a) and 5(c) [15 U.S.C. §§ 77e(a) and 77e(c)] (Against all Defendants)**

44. The Commission repeats and re-alleges Paragraphs 1 through 43 of this Complaint, as if fully set forth herein.

45. By their conduct as alleged above, Defendants Lifepay, SMDRE, Stanley, and Watts, directly or indirectly, singly or in concert with others, (i) made use of means or instruments of transportation or communication in interstate commerce or of the mails to sell, through the use or medium of a prospectus or otherwise, securities as to which no registration statement was in effect; (ii) for the purpose of sale or delivery after sale, carried or caused to be carried through the mails or in interstate commerce, by means or instruments of transportation, securities as to which no registration statement was in effect; and (iii) made use of means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy, through the use or medium of a prospectus or otherwise, securities as to which no registration statement had been filed.

46. There were no applicable exemptions from registration, and Defendants therefore violated, and unless enjoined will continue to violate, Securities Act Sections 5(a) and 5(c) [15 U.S.C. §§ 77e(a) and 77e(c)].

47. By reason of the foregoing, Defendants Lifepay, SMDRE, Stanley and Watts violated, and unless enjoined will continue to violate, Securities Act Sections 5(a) and 5(c) [15 U.S.C. §§ 77e(a) and 77e(c)].

## **SECOND CLAIM FOR RELIEF**

### **Violations of the Antifraud Provisions of the Securities Act Section 17(a)(1)-(3) of the Securities Act [15 U.S.C. § 77q(a)] [Against all Defendants]**

48. The Commission repeats and re-alleges Paragraphs 1 through 43 of this Complaint, as if fully set forth herein.

49. By reason of the foregoing, Defendants Lifepay, SMDRE, Stanley, and Watts directly or indirectly, in the offer or sale of securities and by use of the means and instrumentalities of interstate commerce or of the mails, or any facility of a national securities exchange, have: (1) employed devices, schemes, or artifices to defraud; (2) obtained money or property by means of 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; and (3) engaged in transactions, practices or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

50. With regard to their violations of Securities Act Section 17(a)(1), Defendants Lifepay, SMDRE, Stanley' and Watts acted knowingly or with severe recklessness with respect to the truth. With regard to their violations of Securities Act Sections 17(a)(2) and 17(a)(3), these Defendants acted at least negligently.

51. By reason of the foregoing, Defendants Lifepay, SMDRE, Stanley, and Watts violated, and unless enjoined will continue to violate, Securities Act Section 17(a)(1)-(3) [15 U.S.C. § 77q(a)].

### **THIRD CLAIM FOR RELIEF**

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

52. The Commission repeats and re-alleges Paragraphs 1 through 43 of this Complaint, as if fully set forth herein.

53. By reason of the foregoing, Defendants Lifepay, SMDRE, Stanley and Watts directly and indirectly, singly or in concert with others, in connection with the purchase or sale of securities, by use of the means and instrumentalities of interstate commerce or by use of the mails have: (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of a material fact and omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices, and courses of business which operated or would operate as a fraud or deceit upon purchasers, prospective purchasers, and any other persons.

54. Defendants Lifepay, SMDRE, Stanley, and Watts engaged in the foregoing conduct and made the above-referenced untrue and misleading statements knowingly or with severe recklessness.

55. By reason of the foregoing, Defendants Lifepay, SMDRE, Stanley, and Watts violated, and unless enjoined will continue to violate, Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5(a)-(c) [17 C.F.R. § 240.10b-5].

### **FOURTH CLAIM FOR RELIEF**

**Violation of Broker-Dealer Registration Provisions of the Exchange Act  
Section 15(a) [15 U.S.C. § 78o(a)]  
[Against Defendant Stanley]**

56. The Commission repeats and re-alleges Paragraphs 1 through 43 of this Complaint, as if fully set forth herein.

57. By reason of the foregoing, Defendant Stanley, directly or indirectly made use of the mails or means or instrumentalities of interstate commerce to effect transactions in, or to induce or attempt to induce, the purchase or sale of securities, without being registered as a broker or dealer, or being associated with a registered broker or dealer in accordance with Exchange Act Section 15(a)(1) [15 U.S.C. § 78o(a)(1)].

58. Accordingly, Defendant Stanley was a broker within the definition of that term in Exchange Act Section 3(a)(4), which defines “broker” as any person “engaged in the business of effecting transactions in securities for the account of others.” 15 U.S.C. § 78c(a)(4). Defendant Stanley was never so registered and, acted as a broker which included: (1) solicitation of investors to purchase securities; (2) involvement in negotiations between the issuer and the investor; and (3) receipt of transaction-related compensation.

59. By reason of the foregoing, Defendant Stanley violated and, unless enjoined, will continue to violate Exchange Act Section 15(a)(1) [15 U.S.C. § 78o(a) (1)].

**PRAYER FOR RELIEF**

For these reasons, the Commission respectfully requests that this Court enter a final judgment:

- a. Permanently enjoining Lifepay, SMDRE, Stanley and Watts from violating Securities Act Sections 5(a), 5(c), and 17(a)(1)-(3 and Exchange Act Section 10(b) and Exchange Act Rule 10b-5(a)-(c);
- b. Permanently enjoining Stanley from violating Exchange Act Section 15(a);
- c. Permanently enjoining Lifepay from directly or indirectly, including, but not limited to, through any entity owned or controlled by it, participating in the issuance, purchase, offer, or sale of any securities;
- d. Permanently enjoining SMDRE from directly or indirectly, including, but not limited to, through any entity owned or controlled by it, participating in the issuance, purchase, offer, or sale of any securities;



- e. Permanently enjoining Stanley from directly or indirectly, including, but not limited to, through any entity owned or controlled by him, participating in the issuance, purchase, offer, or sale of any securities; provided, however, that such injunction shall not prevent Stanley from purchasing or selling securities listed on a national securities exchange for his own personal account;
- f. Permanently enjoining Watts from directly or indirectly, including, but not limited to, through any entity owned or controlled by him, participating in the issuance, purchase, offer, or sale of any securities; provided, however, that such injunction shall not prevent Watts from purchasing or selling securities listed on a national securities exchange for his own personal account;
- g. Ordering Lifepay, SMDRE, Stanley, and Watts to disgorge ill-gotten funds and benefits obtained by them, or to which they were not otherwise entitled, as a result of the violations alleged herein, plus prejudgment interest thereon;
- h. Ordering Lifepay, SMDRE, Stanley, and Watts to pay civil penalties under Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Sections 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]; and
- i. Granting such additional relief as the Court deems just, appropriate, and equitable.

Dated: April 6, 2018

Respectfully submitted,

s/Timothy S. McCole

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