

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Plaintiff,	:	Civil Action No. 18-cv-04927
	:	
v.	:	Jury Trial Demanded
	:	
BHUSHAN DANDAWATE,	:	
	:	
Defendant.	:	

COMPLAINT

Plaintiff U.S. Securities and Exchange Commission (“SEC”) alleges the following against defendant Bhushan Dandawate (“Dandawate”):

NATURE OF THE ACTION

1. From at least April 2015 through May 2016, Dandawate aided and abetted a complex financial fraud committed by Nandu Thondavadi (“Thondavadi”) and Dhru Desai (“Desai”), who at the time were senior executives of Quadrant 4 System Corporation (“QFOR”), a public company headquartered in Schaumburg, Illinois.

2. From 2012 through 2016, Thondavadi and Desai deliberately misreported QFOR’s financial performance by, directly or indirectly, making false accounting entries in QFOR’s books, creating phony supporting documentation as back-up for such false entries, and providing fraudulent documents to QFOR’s outside auditors in connection with their reviews and audits of QFOR’s financial statements. Thondavadi and Desai engaged in this financial misreporting and related misconduct (“the QFOR Scheme”) in order to conceal their misappropriation of over \$4.1 million, conceal significant QFOR liabilities, and overstate

QFOR's revenue and assets. As a result, Thondavadi and Desai, and, through them, QFOR, committed numerous violations of the securities laws. On June 29, 2017, the SEC filed an action against QFOR, Thondavadi, and Desai, for the violations described herein. *SEC v. Quadrant 4 System Corporation et al.*, 17-cv-04883 (N.D. Ill.).

3. A central feature of the QFOR Scheme was the movement of money between QFOR and numerous undisclosed related entities – shell companies with little or no operations – controlled by Thondavadi and Desai. Thondavadi and Desai regularly diverted cash from QFOR to these entities for their personal benefit and caused QFOR to falsely record such disbursements as vendor payments or acquisition-related expenses. Thondavadi and Desai also used these entities to effectuate myriad “round-trip” transactions in furtherance of inflating QFOR's revenue. The essence of these transactions was a circular flow of money for no valid business purpose, through the bank accounts under their control, by which QFOR improperly recognized its own cash as payments on false accounts receivable.

4. In early 2015, Thondavadi enlisted the help of Dandawate, a past business associate with a financial interest in QFOR, to disguise these money movements after QFOR's auditor (“Auditor A”) began to question invoices and wire transfers related to the company's false revenue. In April 2015, Auditor A resigned, citing concerns over management's failure to disclose various outstanding issues. Soon after this resignation, Dandawate agreed to become the signatory on bank accounts held in the name of shell companies used by Thondavadi and Desai in the QFOR Scheme. By placing Dandawate's name on the bank account documents, Thondavadi and Desai sought to evade further auditor scrutiny by bolstering the false appearance that these entities were bona fide third parties, independent of QFOR. Between April 2015 and May 2016, Dandawate falsely portrayed himself as controlling ten entities and their

corresponding bank accounts that were actually controlled by QFOR, Thondavadi, and Desai, and used in the QFOR Scheme.

5. During this same time period, Dandawate also participated in the falsification of QFOR revenue via round-trip transactions. QFOR repeatedly routed money, through the bank accounts for which Dandawate was signatory, to other business entities associated with Dandawate. Dandawate then caused his entities to promptly return the funds to QFOR, knowing that QFOR would record the transfers as payments on outstanding invoices for services QFOR had in fact never rendered to Dandawate's entities.

6. Starting in April 2015, QFOR's new auditor ("Auditor B") sent requests to Dandawate seeking verification of select QFOR transactions involving entities seemingly or actually under his control. To further assist the QFOR Scheme, Dandawate signed and emailed two false audit confirmation letters to Auditor B, verifying the legitimacy of QFOR invoices and a QFOR loan that he knew or recklessly disregarded were in fact illegitimate.

7. Dandawate had an incentive to assist Thondavadi and Desai in their fraud. In the preceding years of the QFOR Scheme, Thondavadi and Desai had paid off substantial personal liabilities that were also jointly and severally owed by Dandawate. Dandawate was also a QFOR shareholder and stood to benefit to the extent the QFOR Scheme increased the value of his QFOR stock. Finally, Dandawate was rewarded with \$122,000 in direct payments for assisting the QFOR Scheme.

8. The QFOR Scheme, with Dandawate's assistance, resulted in the material falsification of QFOR's financial condition as reported in QFOR's public filings in 2015 and 2016. QFOR's periodic and other reports filed with the SEC misrepresented and omitted to state

material facts concerning, among other things, QFOR's revenue, liabilities, and related party transactions, as well as cash disbursements to management.

9. Through the activities alleged in this Complaint, Dandawate aided and abetted violations of: (1) the antifraud provisions set forth in Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; (2) the books-and-records provisions set forth in Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)] and Rule 13b2-1 thereunder [17 C.F.R. § 240.13b2-1]; (3) provisions prohibiting misrepresentations and misconduct by corporate officers and directors in connection with the preparation of required reports set forth in Rule 13b2-2 under the Exchange Act [17 C.F.R. § 240.13b2-2]; and (4) the reporting requirements under Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)] and Rules 12b-20, 15d-1, 15d-11, and 15d-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.15d-1, 240.15d-11, 240.15d-13].

10. Accordingly, the SEC seeks a judgment from the Court: (a) finding that Dandawate committed the violations alleged herein; (b) permanently enjoining Dandawate from violating or aiding and abetting future violations of these provisions of the federal securities laws; (c) requiring Dandawate to disgorge, with prejudgment interest, his ill-gotten gains; (d) requiring Dandawate to pay civil money penalties pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]; and (e) barring Dandawate from acting as an officer or director of a public company pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)].

JURISDICTION AND VENUE

11. The SEC brings this action pursuant to enforcement authority conferred by Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)].

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

13. In connection with the conduct alleged in this Complaint, Dandawate has directly or indirectly made use of the means or instrumentalities of transportation or communication in interstate commerce, the facilities of a national securities exchange, or the mails.

14. Venue is proper in this district under 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act [15 U.S.C. § 77aa] because the acts, practices, transactions, and courses of business constituting the underlying securities law violations, occurred in substantial part within this district and because, as set forth below, QFOR, Thondavadi, and Desai – whom Dandawate aided and abetted through his conduct – all reside in this district.

DEFENDANT

15. Bhushan Dandawate, age 62, is a resident of Fairfax, Virginia. Dandawate was never an employee or officer of QFOR. Dandawate owns and operates a number of privately-held consulting and IT solutions companies, including two used in the QFOR Scheme: Artha Vigyan Consultants, LLC and Integritas Acquisition Corp.

RELATED ENTITIES AND PERSONS

16. Quadrant 4 System Corporation is an Illinois corporation with its principal place of business in Schaumburg, Illinois. Quadrant 4 System Corporation and its subsidiaries are collectively referred to herein as “QFOR.” At all relevant times, QFOR’s common stock was traded in the over-the-counter (OTC) market and, specifically, was quoted on OTC Link (formerly “Pink Sheets”), operated by OTC Markets Group, Inc., under the symbol “QFOR.” Although QFOR does not have any class of securities registered with the SEC, it was at all relevant times a public reporting company pursuant to Section 15(d) of the Exchange Act.

17. Nandu Thondavadi, age 64, is a resident of North Barrington, Illinois. From 2010 until December 5, 2016, Thondavadi was the Chief Executive Officer (“CEO”) of QFOR and served on the company’s Board of Directors.

18. Dhru Desai, age 56, is a resident of Barrington, Illinois. From 2010 until December 5, 2016, Desai was the Chief Financial Officer (“CFO”) of QFOR and Chairman of the company’s Board of Directors.

19. Artha Vigyan Consultants, LLC (“AV Consultants”) was a privately-held Virginia limited liability company owned and controlled by Dandawate. As described below, Dandawate used AV Consultants bank accounts to assist the QFOR Scheme via round-trip transactions with QFOR.

20. Integritas Acquisition Corp. (“Integritas”) was a privately-held Virginia corporation owned and controlled by Dandawate. As described below, Dandawate used an Integritas bank account to assist the QFOR Scheme via round-trip transactions with QFOR.

21. Company A was a privately-held Virginia limited liability company for which Dandawate acted as Chief Financial Officer. Dandawate did not own or control Company A, but he controlled two bank accounts in its name. As described below, Dandawate used these Company A bank accounts to assist the QFOR Scheme via round-trip transactions with QFOR.

STATEMENT OF FACTS

A. The Nature of the QFOR Scheme and Dandawate’s Incentive to Assist

22. Between 2010 and December 2016, Thondavadi and Desai controlled QFOR’s management, direction, and day-to-day operations, including QFOR’s bank accounts. They prepared, approved, and certified QFOR’s financial statements and other public filings. Thondavadi and Desai also signed management representation letters regarding, among other

things, the proper recording of material transactions, related party transactions, and outstanding liabilities, which were sent to QFOR's auditors in connection with each annual audit and quarterly review for the periods between at least year-end 2012 and the third quarter of 2016.

23. While publicly touting QFOR as a growing information technology company worthy of external financing, Thondavadi and Desai secretly abused their positions of trust and responsibility in order to enrich themselves and deceive investors and other stakeholders. For example, Thondavadi and Desai routinely siphoned cash and stock from QFOR for their own personal benefit, including for payment of debts owed to past business associates and significant judgment creditors. These fraudulent disbursements were typically routed through undisclosed related parties to give the false appearance that QFOR had paid vendor invoices or other legitimate expenses when, in truth, the funds had been transferred to or for the benefit of Thondavadi and Desai. In total, Thondavadi and Desai misappropriated more than \$4.1 million from QFOR between 2012 and November 2016.

24. From at least 2013 through 2016, Thondavadi and Desai also caused QFOR accounting staff to record fictitious revenue and receivables into the company's accounting records. To further the QFOR Scheme, Thondavadi and Desai supported the fictitious entries with false sales documents. They then paid many of the false receivables with QFOR's money, which had been funneled through their own private shell companies in order to give the appearance of legitimate transactions.

25. In March 2015, QFOR's independent auditor, Auditor A, in connection with an audit of QFOR's 2014 financial statements, discovered that QFOR had recorded in its accounting records invoices for services never provided and that unknown individuals affiliated with QFOR

had returned fraudulent audit confirmations. Auditor A resigned on April 2, 2015, citing concerns over management's failure to disclose various outstanding issues.

26. On April 14, 2015, QFOR filed a Form 8-K that disclosed Auditor A's resignation and explained that Auditor A had determined "there were certain irregularities with regard to up to 20 sales invoices which were erroneously invoiced with inconsistent or improper supporting expense invoices from employees or subcontractors for the Company" and it appeared "that as many as 8 to 10 verifications were signed by employees or subcontractors for the Company instead of a responsible officer for the specific clients of the Company to whom the verification requests were addressed."

27. Auditor A had also determined that the detail provided on QFOR's bank statements was insufficient to adequately verify the counterparties to incoming wire transfers that were purportedly received from QFOR's customers. Auditor A had asked QFOR to obtain wire transfer details from its bank, but QFOR had not provided this information as of the time of Auditor A's resignation.

28. In April 2015, QFOR engaged a new auditor, Auditor B. Before the new firm commenced its audit work, Thondavadi enlisted Dandawate's help in creating the appearance that QFOR-related entities were independent, and thus that fake customer invoices and associated payments were genuine.

29. Dandawate had been a business associate of Thondavadi and Desai since 2009. In connection with their prior business dealings, the three men became subject to three judgments between 2012 and 2013 imposing joint-and-several liability totaling \$2.55 million. The nature of the judgments meant that each individual was independently liable for the full amount, and if paid by Thondavadi and/or Desai, one or both could potentially seek contribution from

Dandawate. Before 2015, Thondavadi and Desai had paid the entirety of these judgments, primarily via concealed payments from QFOR, without contribution from Dandawate.

30. Beyond this indebtedness, Dandawate was otherwise incentivized to assist the QFOR Scheme. Dandawate owned 3 million shares of QFOR stock worth \$1.5 million as of April 2015, which value was necessarily interrelated with the concealment (or exposure) of QFOR's financial statement fraud. And, as described below, Dandawate ultimately received \$122,000 in direct payments from QFOR controlled entities for his involvement in the scheme.

B. Dandawate Falsely Claimed to Control Entities that Were Actually Controlled by QFOR, Thondavadi, and Desai.

31. In April 2015, Dandawate agreed to become the sole signatory for the bank accounts of six entities under QFOR's control, all held at Bank A. Between 2013 and April 2015, Thondavadi and Desai had regularly used these six accounts – most frequently an account for an entity named CS Acquisition Corp. – to facilitate misappropriation, false revenue via round-trip transactions, and payment of hidden liabilities. QFOR personnel had been the signatories on these accounts before Dandawate. QFOR improperly failed to disclose related party transactions with these entities in SEC filings in 2013 through 2016.

32. Between May and October 2015, Dandawate also agreed to become the sole signatory on four new bank accounts at Bank A in the name of other undisclosed QFOR-related entities, including Cynosure Corporation (“Cynosure”) and MGL America, LTD (“MGL”).

33. Thondavadi created Cynosure in April 2015 to serve as a false QFOR customer. During this same month, Thondavadi and Desai directed QFOR employees to reclassify millions in fake invoices previously attributed to actual QFOR customers – after the invoices had drawn the attention of Auditor A – and record the invoices as attributable to Cynosure. QFOR then continued to record fictitious revenue from Cynosure. After Dandawate became sole signatory

on the Cynosure account at Bank A, Thondavadi and Desai routed approximately \$678,000 through the account in seven round-trip transactions as part of the QFOR Scheme.

34. In 2010, Thondavadi and Desai caused QFOR to record on its books a promissory note to MGL (“The MGL Note”), which had a recorded balance of approximately \$3.8 million at the beginning of 2013. Instead of making payments to MGL, Thondavadi and Desai used this liability to justify improper transfers out of QFOR, including hidden compensation to Thondavadi and Desai. They caused QFOR to falsely record these improper transfers as payments on the MGL Note. As a result, at least as of year-end 2013, QFOR’s liability on the MGL Note was materially misstated. Thondavadi and Desai used the MGL bank account at Bank A as a conduit for other round-trip transactions and compensation to Dandawate.

35. As to all ten of these undisclosed entity bank accounts, Thondavadi provided Dandawate with signature cards and other account documents pre-filled with Dandawate’s personal information; in some instances Dandawate’s home address was listed as the corporate address for the entity. Dandawate was also falsely listed as president or other corporate officer of the entities on some of the account documents. Dandawate signed, or agreed that Thondavadi could affix Dandawate’s electronic signature to, these bank records. Either Dandawate – or Thondavadi, with Dandawate’s consent – emailed the false account documents to Bank A.

36. Bank A provided Dandawate, as the sole signatory authority, with an online banking login and physical security token, so he could access these bank accounts remotely. Dandawate then provided his login, password, security questions and answers, and physical security token for these bank accounts to QFOR. QFOR then repeatedly accessed these bank accounts via online banking software using Dandawate’s login credentials.

37. From time to time, Bank A's wire operations team required verbal or email confirmation of certain outgoing wires from the ten bank accounts. On 14 separate occasions, Dandawate confirmed to Bank A – via either telephone or email – that an outgoing wire from one of the accounts was authorized. These outgoing wires – which Dandawate knew were being initiated by QFOR personnel – included transfers related to the recognition of false revenue and concealment of QFOR liabilities.

C. Dandawate Knowingly Assisted in the Falsification of QFOR Revenue.

38. In addition to serving as a front man for the QFOR-related bank accounts, Dandawate played another role in the falsification of QFOR revenue.

39. In late March 2015, a few weeks after QFOR was informed that Auditor A had concerns regarding certain customer invoices and related audit confirms, QFOR created 11 false invoices for services to three companies controlled by Dandawate: AV Consultants, Integritas and Company A. These companies had actual business operations, but none of the three ever engaged in any business with QFOR.

40. In early April 2015, QFOR changed two false invoices previously attributed to real QFOR customers and instead falsely billed AV Consultants for the same amounts.

41. On April 22, 2015, Thondavadi emailed copies of the 13 false QFOR invoices to Dandawate. The invoices totaled \$479,680 and were dated between September 2014 and March 2015. The email to Dandawate also included an Accounts Receivable aging chart that showed a false \$55,000 invoice to AV Consultants, designated as invoice “Q4S0914-182”, which was over 90 days old. In the email, Thondavadi asked Dandawate to send \$55,000 to QFOR for this invoice “by tomorrow.”

42. The next day, on April 23, 2015, Dandawate mailed to QFOR a \$55,000 check from an AV Consultants bank account, with “Q4S0914-182” written in the memo line. Also on

April 23, 2015, Dandawate emailed a copy of the check to Thondavadi – with the email subject line “Payment for Invoice Q4S0914-182.” This check constituted a fraudulent record of QFOR; the memo line falsely supported QFOR’s claim that this check was payment on invoices to AV Consultants for work performed by QFOR. In fact, as Dandawate was aware, QFOR performed no work for AV Consultants.

43. Dandawate was secretly reimbursed by QFOR for this \$55,000 check: from November 2015 through April 2016, Thondavadi and Desai sent six transfers totaling \$50,000 from CS Acquisitions to Dandawate entities, and Dandawate kept \$5,000 from one of the round-trip transfers described in the following paragraph.

44. From June 2015 through May 2016, Dandawate participated in eight round-trip transfers with QFOR totaling over \$600,000. Thondavadi caused eight transfers totaling \$606,720 to be sent from the CS Acquisitions and Cynosure bank accounts to AV Consultants, Integritas, and Company A. Each time the funds were received, Dandawate sent the funds on to QFOR in amounts matching false QFOR invoices. In connection with six of these round-trip transfers, QFOR sent a contemporaneous email to Dandawate identifying the specific false QFOR invoice associated with the transfer.

45. In addition to the transfers described above, between April and September 2016, Thondavadi caused three wires totaling \$122,000 to be sent to Dandawate, as compensation for his role in the QFOR Scheme.

D. Dandawate Also Signed False Audit Confirmations to Assist the QFOR Scheme.

46. In further substantial assistance of the QFOR Scheme, Dandawate also provided two false audit confirmations to QFOR’s new auditor, Auditor B.

47. In May 2015, Auditor B selected two of the false 2014 AV Consultants invoices for accounts receivable testing and mailed an audit confirmation for AV Consultants to Dandawate's home address, seeking verification of the amounts purportedly owed by AV Consultants to QFOR.

48. Dandawate filled out and signed the document, falsely confirming that AV Consultants owed QFOR \$112,000 as of year-end 2014 for services rendered by QFOR, and then returned the document to Auditor B by email. Dandawate knew that AV Consultants had engaged in no business with QFOR.

49. In March 2016, Auditor B sent an audit confirmation addressed to MGL to Dandawate's home – the official address listed for this entity on the MGL account at Bank A and in QFOR's records. This document sought to verify a \$3.1 million liability that QFOR claimed it owed to MGL as of the end of 2015. As alleged above, the liability on the MGL Note was materially misstated and was used to conceal misappropriation and other improper transfers out of QFOR bank accounts.

50. Dandawate filled out and signed the MGL audit confirmation, falsely representing that he was the president of MGL and confirming the \$3.1 million outstanding balance on the MGL Note as of December 31, 2015, and then returned the form to Auditor B by email. Dandawate knew, or was extremely reckless in disregarding, that: (1) he was not the president of MGL; and (2) the MGL audit confirmation was false.

51. By providing the two false audit confirmations to Auditor B, Dandawate corroborated QFOR's, Thondavadi's, and Desai's lies to Auditor B as to revenue from AV Consultants and liabilities owed to MGL. Dandawate's misconduct facilitated the QFOR Scheme

and prevented the detection of false revenue, misappropriation, and other improper payments to the ongoing detriment of investors.

E. Thondavadi's and Desai's Management of QFOR Comes to an End.

52. On October 27, 2016, QFOR filed a Form 8-K with the SEC disclosing that Auditor B had resigned on October 21, 2016, citing concerns about its ability to rely on management's representations as a result of information regarding related party transactions included in QFOR's 2015 Form 10-K/A.

53. On December 6, 2016, QFOR filed a Form 8-K with the SEC disclosing that Thondavadi and Desai had resigned the day prior from all officer and employee positions with the company and its subsidiaries. The December 6, 2016 Form 8-K further disclosed that on November 30, 2016, Thondavadi and Desai were arrested and criminally charged with, among other things, wire fraud and corporate officer certification of financial reports that do not fairly present, in all material respects, the financial condition of the company.

54. On December 15, 2016, QFOR filed a Form 8-K disclosing that the company's board of directors had concluded that QFOR's financial statements for the previous three years do not fairly present the financial condition of the company, require restatement, and should no longer be relied upon.

FIRST CLAIM FOR RELIEF

**Aiding and Abetting Violations of the Antifraud Provisions of the Exchange Act:
Section 10(b) and Rule 10b-5**

55. The SEC repeats and incorporates by reference the allegations in paragraphs 1 through 54 above.

56. By virtue of the conduct alleged herein, QFOR, Thondavadi, and Desai, directly or indirectly, acting knowingly or recklessly, in connection with the purchase or sale of

securities, by the use of means and instrumentalities of interstate commerce, or of the mails, or a facility of a national securities exchange: (a) have employed or are employing devices, schemes, or artifices to defraud; (b) have made or are making untrue statements of material fact or have omitted or are omitting to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) have engaged or are engaging in acts, practices, or courses of business which operate as a fraud or deceit upon certain persons.

57. As a result, QFOR, Thondavadi, and Desai violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

58. By virtue of the conduct alleged herein, Dandawate aided and abetted the primary violations committed by QFOR, Thondavadi, and Desai of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, because Dandawate knowingly or recklessly provided substantial assistance to QFOR's, Thondavadi's, and Desai's violations of these provisions. Unless enjoined, Dandawate will likely again aid and abet violations of these provisions.

SECOND CLAIM FOR RELIEF

Aiding and Abetting Falsification of Books and Records in Violation of: Rule 13b2-1 under the Exchange Act

59. The SEC repeats and incorporates by reference the allegations in paragraphs 1 through 54 above.

60. By virtue of the conduct alleged herein, Thondavadi and Desai directly and indirectly falsified and caused to be falsified QFOR's books, records, and accounts subject to Section 13(b)(2)(A) of the Exchange Act.

61. As a result, Thondavadi and Desai violated Rule 13b2-1 under the Exchange Act [17 C.F.R. § 240.13b2-1].

62. By virtue of the conduct alleged herein, Dandawate aided and abetted the primary violations committed by Thondavadi and Desai of Rule 13b2-1 under the Exchange Act, because Dandawate knowingly or recklessly provided substantial assistance to Thondavadi's and Desai's violations of these provisions. Unless enjoined, Dandawate will likely again aid and abet violations of these provisions.

THIRD CLAIM FOR RELIEF

**Aiding and Abetting Misrepresentations and Misconduct in Connection
with the Preparation of Required Reports in Violation of:
Rule 13b2-2 under the Exchange Act**

63. The SEC repeats and incorporates by reference the allegations in paragraphs 1 through 54 above.

64. By virtue of the conduct alleged herein, Thondavadi and Desai each made or caused to be made materially false or misleading misstatements, or omitted to state, or caused another person to omit to state, material facts necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading, to an accountant in connection with (i) an audit, review or examination of the financial statements of QFOR required to be made pursuant to SEC rules, or (ii) the preparation or filing of documents or reports required to be filed with the SEC.

65. As a result, Thondavadi and Desai violated Rule 13b2-2 under the Exchange Act [17 C.F.R. § 240.13b2-2].

66. By virtue of the conduct alleged herein, Dandawate aided and abetted the primary violations committed by Thondavadi and Desai of Rule 13b2-2 under the Exchange Act, because Dandawate knowingly or recklessly provided substantial assistance to Thondavadi's and Desai's violations of these provisions. Unless enjoined, Dandawate will likely again aid and abet violations of these provisions.

FOURTH CLAIM FOR RELIEF

**Aiding and Abetting Violations of the Books and Records Provisions of the Exchange Act:
Section 13(b)(2)(A)**

67. The SEC repeats and incorporates by reference the allegations in paragraphs 1 through 54 above.

68. By virtue of the conduct alleged herein, QFOR failed to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflected the transactions and dispositions of its assets.

69. As a result, QFOR committed violations of Section 13(b)(2)(A) of the Exchange Act.

70. By virtue of the conduct alleged herein, Dandawate aided and abetted the primary violations committed by QFOR of Section 13(b)(2)(A) of the Exchange Act, because Dandawate knowingly or recklessly provided substantial assistance to QFOR's violations of these provisions. Unless enjoined, Dandawate will likely again aid and abet violations of these provisions.

FIFTH CLAIM FOR RELIEF

**Aiding and Abetting Violations of Section 15(d) of the Exchange Act and
Rules 12b-20, 15d-1, 15d-11, and 15d-13 thereunder**

71. The SEC repeats and incorporates by reference the allegations in paragraphs 1 through 54 above.

72. Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)] and Rules 15d-1, 15d-11, and 15d-13 thereunder [17 C.F.R. §§ 240.15d-1, 240.15d-11, 240.15d-13], require certain issuers who have filed a registration statement that has become effective pursuant to the Securities Act of 1933 to file with the SEC factually accurate current, quarterly, and annual reports (on Forms 8-K, 10-Q, and 10-K respectively). Rule 12b-20 [17 C.F.R. § 240.12b-20] further provides that,

in addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they were made, not misleading.

73. As alleged herein, QFOR filed with the SEC current, quarterly, and annual reports on Forms 8-K, 10-Q, and 10-K that contained untrue statements of material fact and omitted to state material information required to be stated therein or necessary in order to make required statements, in the light of the circumstances under which they were made, not misleading. In these reports, QFOR materially misrepresented, failed to disclose, and/or made materially misleading statements concerning the company's revenues, liabilities, related party transactions, and cash disbursements to or for management.

74. By virtue of the conduct alleged herein, Dandawate aided and abetted, and is therefore liable for, the primary violations committed by QFOR of Section 15(d) of the Exchange Act and Rules 12b-20, 15d-1, 15d-11, and 15d-13 thereunder, because Dandawate knowingly or recklessly provided substantial assistance to QFOR in making materially misleading public filings in violation of these provisions. Unless enjoined, Dandawate will likely again aid and abet violations of these provisions.

PRAYER FOR RELIEF

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

A. Permanently restraining and enjoining Dandawate from violating Sections 10(b), 13(b)(2)(A), and 15(d) of the Exchange Act [15 U.S.C. §§ 78j(b), §§ 78m(b)(2)(A), 78o(d)] and Rules 10b-5, 12b-20, 13b2-1, 13b2-2, 15d-1, 15d-11, and 15d-13 thereunder [17 C.F.R. §§ 240.10b-5, 240.12b-20, 240.13b2-1, 240.13b2-2, 240.15d-1, 240.15d-11, 240.15d-13];

B. Ordering that, as provided in Federal Rule of Civil Procedure 65(d)(2), the injunctions entered against Dandawate also bind the following who receive actual notice of the injunctions by personal service or otherwise: (a) the defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with the defendant or with anyone described in (a);

C. Ordering Dandawate to disgorge his ill-gotten gains or unjust enrichment derived from the activities alleged herein, together with prejudgment interest. In the event Dandawate is a debtor in a bankruptcy proceeding, this relief shall be applicable to Dandawate to the extent the automatic stay triggered by the bankruptcy proceeding is no longer in effect or has been determined with finality not to apply. Nothing in this Complaint shall be construed as an act of collection by the SEC against Dandawate;

D. Ordering Dandawate to pay civil monetary penalties under Section 21(d)(3) of the Exchange Act 15 [U.S.C. § 78u(d)(3)]. In the event Dandawate is a debtor in a bankruptcy proceeding, this relief shall be applicable to Dandawate to the extent the automatic stay triggered by the bankruptcy proceeding is no longer in effect or has been determined with finality not to apply. Nothing in this Complaint shall be construed as an act of collection by the SEC against Dandawate;

E. Prohibiting Dandawate, under Section 21(d)(2) of the Exchange Act [U.S.C. § 78u(d)(2)], from acting as an officer or director of any issuer that has a class of securities registered under Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports under Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)];

F. Retaining jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all

orders and decrees that may be entered or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court; and

G. Awarding such other and further relief as the Court deems just and proper.

JURY DEMAND

The SEC requests a trial by jury.

Respectfully submitted,

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

By its attorneys,

s/ Robin Andrews

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