

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 9:19-cv-80479

SECURITIES AND EXCHANGE
COMMISSION,

PLAINTIFF,

v.

PAULA MARIE SACCOMANNO and
DENNIS SWERDLEN,

DEFENDANTS.

COMPLAINT

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

SUMMARY OF THE ACTION

1. Between February 2014 and December 2016, Defendants Paula Saccomanno and Dennis Swerdlen (collectively, “Defendants”) solicited numerous investors as part of an unregistered offering of the securities of Intertech Solutions, Inc. (“ITEC”), a Nevada Corporation.

2. While they engaged in these solicitations, Defendants were neither registered with the Commission as brokers or dealers nor associated with a broker or dealer registered with the Commission.

3. ITEC paid Defendants transaction-based compensation, which ranged from 30% to 50% of investment proceeds. These compensation rates were substantially higher than what was disclosed to investors in ITEC’s offering documents.

4. By engaging in this conduct, as further described herein, each of the Defendants violated and, unless restrained and enjoined by this Court, may continue to violate Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)] and Section 15(a)(1) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78o(a)(1)].

JURISDICTION AND VENUE

5. The Commission brings this action pursuant to Sections 20(b) and (d) of the Securities Act [15 U.S.C. § 77t(b) and (d)] and Sections 21(d) and (e) of the Exchange Act [15 U.S.C. § 78u(d) and (e)] to enjoin such acts, practices, and courses of business, and to obtain disgorgement, prejudgment interest, civil money penalties, and such other and further relief as this Court may deem just and appropriate.

6. The investments, which took the form of common stock or investment contracts offered and sold by Defendants, are each a “security” as that term is defined 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 [5 U.S.C. § 78c(a)(10)].

7. The Defendants, directly or indirectly, made use of the means or instruments of transportation or communication in interstate commerce, or of the mails, in connection with the conduct alleged in this Complaint.

8. This Court has subject matter jurisdiction over this action pursuant to Section 22 of the Securities Act [15 U.S.C. § 77v], Sections 21(d) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d) and 78aa], and 28 U.S.C. 1331.

9. Venue in this District is proper because each of the Defendants is found, inhabits, and/or transacted business in the Southern District of Florida and because one or

more acts or transactions constituting the violations occurred in the Southern District of Florida.

DEFENDANTS

10. **Paula Marie Saccomanno**, born in 1957, is last known to reside in Boca Raton, Florida. Saccomanno was recruited to solicit investors in ITEC securities.

11. **Dennis Swerdlen**, born in 1954, is last known to reside in Boca Raton, Florida, and is married to Saccomanno. Swerdlen was recruited to solicit investors in ITEC securities.

FACTS

Intertech Solutions, Inc.'s Securities Offerings

12. ITEC is a Nevada corporation formed in April 2010 with its principal place of business in Scottsdale, Arizona.

13. ITEC purports to be a project finance and management company for mining operations.

14. In or around November 2013, ITEC entered into an agreement with the mineral rights holder of certain mining claims in La Paz County, Arizona (the "Arizona Claims"). Pursuant to the agreement, ITEC was to obtain the necessary funding to bring the Arizona Claims into commercial gold production in exchange for a percentage interest in the gross proceeds of any gold obtained from the Arizona Claims.

15. Purportedly to fulfill its obligations under this agreement, ITEC initiated an offering of its common stock in or around February 2014.

16. In or around August 2014, ITEC also began offering "Sale/Purchase and Processing Agreement for In Situ Au Metal" (the "Gold Contracts"), which are investment

contracts. The Gold Contracts gave investors the right to purchase a specified amount of gold from the Arizona Claims' future production at a highly discounted price relative to the then spot price of gold. ITEC pooled the funds it received from its sale of Gold Contracts.

17. Because the Arizona Claims were undeveloped throughout the duration of the Gold Contract offering, the profitability of the Gold Contracts depended on ITEC's and the mineral rights holder's ability to develop the Arizona Claims and begin commercial-level gold extraction.

The Securities Solicitations

18. To carry out its offerings of common stock and Gold Contracts, ITEC recruited, directly or indirectly, various individuals to solicit prospective investors, among whom were the Defendants.

19. To facilitate its securities offerings, ITEC provided Defendants with offering documents, including private placement memoranda ("PPM").

20. Defendants obtained lead lists of prospective investors and used those lead lists to engage in cold-call solicitations.

21. After initiating contact with a prospective investor over the phone, Defendants typically mailed or emailed the offering documents, including a PPM, to the prospect and directed the prospect to visit ITEC's website.

22. If an investor decided to purchase ITEC common stock or Gold Contracts, Defendants instructed the investor to execute and submit to ITEC a stock subscription agreement or a Gold Contract and to send investment funds via either check or wire to be deposited in ITEC's bank account.

23. While engaged in these solicitations, Defendants were neither registered with the Commission as brokers or dealers nor associated with a broker or dealer registered with the Commission.

24. Defendants primarily solicited investors in ITEC common stock, although they also solicited some investors in ITEC Gold Contracts.

25. ITEC continued its common stock and Gold Contract offerings through December 2016 and raised over \$7 million from hundreds of investors throughout the United States and Canada.

26. ITEC never registered its common stock or Gold Contract offerings with the Commission.

Defendants' Compensation

27. Using the investment funds it received through its sale of securities, ITEC paid Defendants transaction-based compensation ranging from approximately 35% to 50% of the total investment proceeds.

28. Neither ITEC nor the Defendants disclosed to investors the size of these commission payments.

29. Instead, the only disclosure regarding commissions was found in the PPMs, which stated that ITEC would expend only 10% of investor funds for "Discounts & Commissions."

30. Defendants had access to the PPMs and therefore should have known that the disclosure regarding "Discounts & Commissions" was false or misleading.

FIRST CLAIM FOR RELIEF **Violations of Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)]** ***(Against both Defendants)***

31. The Commission re-alleges and incorporates by reference each and every allegation in paragraphs 1–30, inclusive, as if they were fully set forth herein.

32. By engaging in the conduct described above, Defendants:

a. engaged in the business of effecting transactions in securities for the account of others; and

b. directly or indirectly, made use of the mails or the 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 with the Commission or associated with a broker or dealer registered with the Commission, and therefore violated Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

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

SECOND CLAIM FOR RELIEF

**Violations of Sections 5(a) and (c) of the Securities Act [15 U.S.C. § 77e(a) and (c)]
(Against both Defendants)**

34. The Commission re-alleges and incorporates by reference each and every allegation in paragraphs 1–30, inclusive, as if they were fully set forth herein.

35. By engaging in the conduct described above, Defendants, directly or indirectly:

a. made use of means or instruments of transportation or communication in interstate commerce or of the mails to sell ITEC securities, as to which no registration statement was in effect, through the use or medium of any prospectus or otherwise;

b. carried or caused to be carried through the mails or in interstate commerce, by any means or instrument of transportation, ITEC securities, as to which no registration statement was in effect, for the purpose of sale or for delivery after sale; and,

c. made use of any means or instruments of transportation or communications in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise ITEC securities as to which no registration statement had been filed.

36. In regard to the sale of ITEC securities described herein, no exemption validly applied to the registration requirements described above.

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

THIRD CLAIM FOR RELIEF
Violations of Section 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)]
(Against both Defendant)

38. The Commission re-alleges and incorporates by reference each and every allegation in paragraphs 1–30, inclusive, as if they were fully set forth herein.

39. By engaging in the conduct described above, each of the Defendants, directly or indirectly, individually or in concert with others, in the offer and sale of securities, by use of the means and instruments of transportation and communication in interstate commerce or by use of the mails have obtained money or property by means of untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

40. Defendants were at least negligent in their conduct and in disseminating the untrue and misleading statements alleged herein.

41. By reason of the foregoing, each of the Defendants violated and, unless enjoined, will continue to violate Section 17(a) of the Securities Act.

PRAYER FOR RELIEF

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

I.

Permanently restraining and enjoining Defendants from, directly or indirectly, engaging in conduct in violation of Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)] and Sections 5(a), 5(c), and 17(a) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)];

II.

Permanently restraining and enjoining Defendants from directly or indirectly, including, but not limited to, through any entity owned or controlled by either of them, soliciting any person or entity to purchase or sell any security;

III.

Ordering Defendants to disgorge all ill-gotten gains or unjust enrichment derived from the activities set forth in this Complaint, together with prejudgment interest thereon;

IV.

Ordering Defendants to pay a civil penalty 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)];

V.

Permanently and unconditionally restraining and enjoining, Defendants from participating in any offering of penny stock pursuant to Section 20(g)(1) of the Securities Act

[15 U.S.C. § 77t(g)(1)] and Section 21(d)(6)(A) of the Exchange Act [15 U.S.C. § 78u(d)(6)(A)];

VI.

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,

VII.

Granting such other and further relief as this Court may deem just, equitable, or necessary in connection with the enforcement of the federal securities laws and for the protection of investors.

DATED April 8, 2019

Respectfully submitted,

By:



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