

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

**UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,**

Case No. 19-cv-12387

Plaintiff,

v.

ANTONIO M. BRAVATA,

Defendant.

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COMPLAINT

Plaintiff, the U.S. Securities and Exchange Commission (“SEC”), alleges:

SUMMARY OF THE ACTION

1. The SEC brings this action against recidivist securities fraudster and convicted felon, Antonio M. Bravata. The SEC, and later the criminal authorities, previously charged Antonio Bravata for his role in the \$50 million BBC Equities securities fraud scheme. In 2013, after a jury found him guilty, Antonio Bravata was sentenced to 5 years in federal prison and ordered to pay \$7 million in restitution. In the SEC case, Antonio Bravata was found liable for securities fraud, enjoined from future violations, and ordered to pay disgorgement and penalties in excess of \$670,000.

2. This action addresses Antonio Bravata’s efforts, while serving the final months of his prison sentence on home confinement, to offer securities strikingly similar to those he sold in the BBC Equities scheme.

3. While still on home confinement and with his incarcerated father, John Bravata, serving as an advisor, Antonio Bravata offered securities in a company he owned and controlled called Primo World Ventures, LLC (“Primo”). Antonio Bravata filed Primo’s articles of organization, prepared offering documents, obtained permission from a financial institution to hold Primo securities in IRA accounts, and offered the securities to at least one individual.

4. Knowing that his criminal history and role in the BBC Equities scheme would deter investors, Antonio Bravata concealed his involvement in Primo. Specifically, Antonio Bravata prepared Primo’s offering materials – which he modeled on those provided to BBC Equities investors – that did not disclose Antonio Bravata’s role in Primo and falsely stated that another individual was in charge of Primo’s daily operations. Further attempting to portray Primo as a legitimate business, Antonio Bravata also made false statements on Primo’s website that Primo utilized a team of lawyers, accountants, real estate professionals, and analysts. In reality no such team existed, as Primo was limited to Antonio Bravata, his father advising him from prison, and a former BBC Equities salesman Antonio Bravata enlisted to assist with the Primo scheme.

5. Despite Antonio Bravata’s efforts, before he was able to complete any sales of Primo securities the SEC’s Division of Enforcement intervened and shut down the offering.

6. By engaging in this conduct, Antonio Bravata violated Sections 17(a)(1) and 17(a)(3) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77q(a)(1) and 77q(a)(3)].

7. In connection with this lawsuit, the SEC seeks a permanent injunction against Antonio Bravata preventing him from participating in the issuance, purchase, offer, or sale of any security. The SEC also seeks the imposition of civil penalties pursuant to Section 20 of the Securities Act [15 U.S.C. § 77t].

JURISDICTION AND VENUE

8. The Court has jurisdiction over this action pursuant to Sections 20 and 22 of the Securities Act [15 U.S.C. §§ 77t and 77v]. Antonio Bravata, directly or indirectly, has made use of the means or instruments of transportation or communication in interstate commerce, or the means or instrumentalities of interstate commerce, or of the mails, in connection with the acts, practices and courses of business alleged in this Complaint.

9. Venue is proper in this Court pursuant to Section 22 of the Securities Act [15 U.S.C. § 77v] because certain of the acts, practices and courses of business constituting the violations alleged in this Complaint occurred within the jurisdiction of the United States District Court for the Eastern District of Michigan. In addition, during the relevant time period, Antonio Bravata resided and conducted business within the Eastern District of Michigan.

THE DEFENDANT

10. Antonio M. Bravata is 31 years old and is a resident of Ferndale, Michigan. In 2011, the SEC charged Antonio Bravata with securities fraud for his involvement in the \$50 million BBC Equities Ponzi scheme headed by his father, John Bravata. In parallel criminal proceedings, Antonio Bravata was convicted of one count of conspiracy to commit wire fraud. He was sentenced to 5 years' imprisonment and ordered to pay \$7 million in restitution.

11. Based on Antonio Bravata's conviction, the court in the SEC action granted the Commission's motion for summary judgment, found him liable for securities fraud, enjoined him from violating the antifraud provisions of the Securities Act and the Securities Exchange Act of 1934, and ordered him to pay \$444,384 in disgorgement plus prejudgment interest of \$98,474 and a \$130,000 civil penalty. The SEC later barred Antonio Bravata from associating with any securities broker or dealer.

12. During the investigation that preceded this lawsuit, Antonio Bravata asserted privileges under the Fifth Amendment to the U.S. Constitution and refused to testify or provide documents in response to SEC subpoenas.

FACTS

A. Antonio Bravata Forms Primo and Offers Its Securities

13. While completing the final months of his prison sentence on home confinement, Antonio Bravata set to work launching Primo.

14. Antonio Bravata was assisted by his father, John Bravata, who is still serving the 20-year sentence he received for masterminding the BBC Equities scheme. John Bravata advised Antonio Bravata via telephone and email from federal prison and encouraged Antonio Bravata to offer Primo securities to investors. In consultation with his father, Antonio Bravata filed articles of organization for Primo, and obtained a tax ID number for Primo from the Internal Revenue Service.

15. Primo's articles of organization specify Antonio Bravata as its registered agent and list Antonio Bravata's home address in Ferndale as the company's registered office mailing address.

16. Antonio Bravata drafted offering materials for Primo that are strikingly similar – in places, word-for-word identical – to offering materials issued by BBC Equities.

17. For instance, both the BBC Equities private placement memoranda (“PPM”) and the Primo PPM state that investor proceeds would, among other things, be used to invest in “commercial, industrial, retail, multi-family and single-family real estate, vacation properties, vacant parcels and real estate development and construction.”

18. According to the Primo PPM, the goal was to raise up to \$1 billion. The Primo PPM described the opportunity to earn annual returns of 6, 8, or 10 percent through the purchase of “Class C Shares.” As with the BBC Equities offering, the interest rate paid to the investor depended on how long the investor

committed to holding the shares – 1, 3, or 5 years – with higher interest paid to longer-term investments.

19. In addition to preparing Primo’s offering materials, Antonio Bravata also drafted the content for Primo’s website.

20. At his father’s urging, Antonio Bravata recruited Individual A, a former BBC Equities salesman, to serve as Primo’s titular CEO and Fund Manager. Antonio Bravata asked Individual A to be the head of Primo so that Antonio Bravata would not have to disclose his felony conviction, the finding he engaged in securities fraud, or his role in the BBC Equities scheme to prospective investors.

21. Individual A agreed to Antonio Bravata’s request because Antonio Bravata’s father was a friend and had asked Individual A to help Antonio Bravata get back on his feet after his release from prison. Individual A also agreed to this relationship on the understanding that he would serve as Primo’s CEO “in name only” and that Antonio Bravata would be Primo’s sole decision-maker and that Primo was Antonio Bravata’s company.

22. Consistent with Individual A’s agreement to serve as Primo’s CEO “in name only,” Individual A’s involvement was limited to assisting Antonio Bravata with the assembly and printing of a first few copies of the Primo PPM, helping to maintain a website for Primo, and, at John Bravata’s instruction, sending letters to a few money managers in an effort to gauge interest in Primo.

23. Antonio Bravata also engaged the same financial services company that BBC Equities retained to provide administrative and custody services for self-

directed IRAs. This ensured that prospective investors would be able to use retirement funds to invest in Primo. Antonio Bravata submitted a Private Equity Representation Letter to the company which he signed as Primo's "General Partner/Managing Member/Officer/Trustee." On January 22, 2018, the company notified Antonio Bravata that it had approved Primo securities for its platform.

24. Antonio Bravata proceeded to distribute the Primo PPM and offer Primo securities to at least one investor.

25. Before Antonio Bravata was able to complete any sales of Primo securities, the SEC's Division of Enforcement detected his scheme and put a stop to the Primo offering.

B. Antonio Bravata Committed Fraud While Offering Primo Securities

26. The Primo PPM and the content of Primo's website, both of which Antonio Bravata drafted and controlled, contained false and misleading statements and material omissions.

27. Despite the facts that Antonio Bravata: (1) conceived of and formed Primo; (2) drafted the Primo PPM and its other formative documents; and (3) operated and controlled Primo; the Primo PPM does not mention Antonio Bravata's name.

28. Instead, certain introductory materials attached to the Primo PPM provide biographical information for Individual A, who the materials describe as Primo's "CEO/Fund Manager." The biographical information provided includes a

description of Individual A's education and professional career but does not mention his role as a BBC Equities salesman.

29. These representations about Individual A were false and misleading because Individual A was not actually serving as Primo's CEO or Fund Manager and was not the person ultimately responsible for any of Primo's operations. In reality, Antonio Bravata was Primo's sole decision-maker.

30. The Primo PPM also includes a "Risk Factors" Section, which includes a lengthy discussion of general business risks including tax risks and risks related to early withdrawal penalties, the real estate business, and financial services businesses. The Risk Factors section – and the PPM as a whole – does *not* include any discussion of the risk associated with the fact that the persons running and advising the company had been convicted for their involvement in a \$50 million securities fraud and had, as of the date of the Primo PPM, not even finished serving their sentences for that fraud.

31. The Risk Factors section also includes the misrepresentation that "Our Managers' 'track record,' or their historic performance with investment activities, is limited." This was false. Antonio Bravata did, in fact, have experience with investment activities and that experience amounted to participating in the \$50 million BBC Equities fraud.

32. Beyond the PPM, Primo's website falsely claimed that Primo's "[t]eam consists of lawyers, accountants, property managers, realtors and an array of real estate and merger specialists, along with a few analysts looking for start-up

companies and new ventures.” In reality, no such team ever existed. The only three individuals ever affiliated with Primo were Antonio Bravata, Individual A, and Bravata’s father serving as an advisor from his prison cell.

COUNT ONE

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

33. The SEC realleges and incorporates by reference paragraphs 1 through 32 above.

34. Antonio Bravata, in the offer or sale of securities, by the use of the means and instruments of transportation or communication in interstate commerce, or by the use of the mails, directly or indirectly, employed devices, schemes and artifices to defraud.

35. Antonio Bravata knowingly or recklessly engaged in the fraudulent conduct described above.

36. By engaging in the conduct described above, Antonio Bravata, directly or indirectly, violated, and unless restrained and enjoined, will continue to violate, Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

COUNT TWO

Violations of Section 17(a)(3) of the Securities Act [15 U.S.C. § 77q(a)(3)]

37. The SEC realleges and incorporates by reference paragraphs 1 through 32 above.

38. Antonio Bravata, in the offer or sale of securities, by the use of the means and instruments of transportation or communication in interstate commerce,

or by the use of the mails, directly or indirectly, engaged in transactions, practices or courses of business which operate or would operate as a fraud or deceit upon the purchasers and prospective purchasers of such securities.

39. Antonio Bravata knowingly, recklessly, or negligently engaged in the fraudulent conduct described above.

40. By engaging in the conduct described above, Antonio Bravata, directly or indirectly, violated, and unless restrained and enjoined, will continue to violate, Section 17(a)(3) of the Securities Act [15 U.S.C. § 77q(a)(3)].

RELIEF REQUESTED

WHEREFORE, the SEC respectfully requests that this Court grant the following relief:

I.

Enter an Order finding that Antonio Bravata committed, and unless restrained, will continue to commit, the violations alleged in this Complaint.

II.

Permanently restrain and enjoin Antonio Bravata from, directly or indirectly, participating in the issuance, purchase, offer, or sale of any security.

III.

Order Antonio Bravata to pay civil penalties pursuant to Section 20 of the Securities Act [15 U.S.C. § 77t].

IV.

Retain 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 applications or motions for additional relief within the Court's jurisdiction.

V.

Granting such other and further relief as the Court deems necessary and appropriate.

JURY DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the SEC hereby requests a trial by jury on all issues so triable.

Dated: August 13, 2019

Respectfully Submitted,

**UNITED STATES SECURITIES AND
EXCHANGE COMMISSION**

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