

1 RICHARD R. BEST*
 BestR@sec.gov
 2 LARA SHALOV MEHRABAN*
 MehrabanL@sec.gov
 3 MICHAEL PALEY*
 PaleyM@sec.gov
 4 CHRISTOPHER DUNNIGAN**
 DunniganC@sec.gov
 5 KRISTINE ZALESKAS**
 ZaleskasK@sec.gov
 6 SECURITIES AND EXCHANGE COMMISSION
 200 Vesey Street
 7 New York, NY 10281
 Telephone: 212-336-0061 (Dunnigan)
 8 * (Not admitted in this District)
 ** (Appearing Pursuant to Local Civil Rule 83.3(c)(3))
 9

10 **UNITED STATES DISTRICT COURT**
 11 **SOUTHERN DISTRICT OF CALIFORNIA**

12 **SECURITIES AND EXCHANGE**
 13 **COMMISSION,**

14 **Plaintiff,**

15 **against**

16 **ONGKARUCK SRIPETCH,**
 17 **AMANDA FLORES, BREHNEN**
 18 **KNIGHT, ANDREW McALPINE**
 19 **ASHMIT PATEL, MICHAEL WEXLER ,**
 20 **DOMINIC WILLIAMS, ADTRON INC.**
 21 **aka STOCKPALOOZA.COM, ATG INC.,**
 22 **DOIT, LTD., DOJI CAPITAL, INC.,**
 23 **KING MUTUAL SOLUTIONS INC.,**
 24 **ORCA BRIDGE, REDLINE**
 25 **INTERNATIONAL, and UAIM**
 26 **CORPORATION,**

27 **Defendants.**

Case No.: **'20CV1864 MMAAGS**

COMPLAINT

JURY TRIAL DEMANDED

28 Plaintiff Securities and Exchange Commission (“Commission”), for its Complaint

1 against Defendants Ongkaruck Sripetch (“Sripetch”), Amanda Flores (“Flores”), Brehnen
2 Knight (“Knight”), Andrew McAlpine (“McAlpine”), Ashmit Patel (“Patel”), Michael
3 Wexler (“Wexler”), Dominic Williams (“Williams”), Adtron Inc. aka Stockpalooza.com
4 (“Adtron”), ATG Inc. (“ATG”), DOIT Ltd. (“DOIT”), Doji Capital, Inc. (“Doji”), King
5 Mutual Solutions Inc. (“King Mutual”), Optimus Prime Financial Inc. (“Optimus”), Orca
6 Bridge, Redline International (“Redline”), and UAIM Corporation (“UAIM”) (together,
7 “Defendants”), alleges as follows:
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10 **SUMMARY OF ALLEGATIONS**
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12 1. From at least August 2013 to at least December 2017 (the “Relevant
13 Period”), Defendants, including seven individuals and nine entities controlled by certain
14 of these individuals, worked in concert to engage in numerous fraudulent schemes and
15 other violations of the federal securities laws, involving at least 20 penny stock
16 companies. The Defendants obtained at least \$6 million in illicit sale proceeds from this
17 illegal conduct, while harming retail investors who purchased shares during the schemes.
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20 2. Defendants Sripetch, Flores, and later, Knight, orchestrated numerous
21 fraudulent “scalping” schemes, in which they obtained stock in penny stock issuers
22 through various entities they controlled, funded internet promotions of these issuers –
23 generally using intermediaries to funnel payment to the promoters – and then sold their
24 stock into the investor demand they generated.
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1 3. The stock promotions did not disclose that the group of individuals who paid
2 for the promotions intended to sell their shares.

3 4. At various times, Patel, an attorney who obtained millions of shares from at
4 least five of the issuers, purportedly as compensation for legal services to them, aided and
5 abetted Sripetch, Flores, Knight, and the entity Defendants by timely selling promoted
6 issuers' stock for the benefit of these Defendants, and wiring substantial portions of the
7 sales proceeds to entities controlled by Knight and Sripetch. Patel kept the remainder of
8 the sales proceeds for himself.
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11 5. Moreover, at various times between 2013 and 2016, in violation of the
12 registration requirements of the federal securities laws, Sripetch, Williams, Flores and
13 various entities that they control sold over 24 million shares of ABBY Inc., a microcap
14 issuer they also controlled and promoted. These sales were not registered with the
15 Commission, and were not exempt from registration.
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19 6. In 2016, Sripetch and Knight engaged in a manipulative cross-trading
20 scheme in the stock of VMS Rehab Systems, Inc. ("VMS Rehab") to "build the chart" –
21 *i.e.*, engaging in manipulative trading, such as wash trades and matched orders, to create
22 a fictitious, attractive price and volume trading history for the stock – in advance of a
23 promotional campaign. They built the chart in advance of scalping schemes in order
24 to prime the market and to lend credibility to an imminent or incipient promotional
25 campaign.
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1 alleged against them herein and from committing future violations of the above
2 provisions of the federal securities laws; (b) ordering all the Defendants to disgorge any
3 ill-gotten gains they received and to pay prejudgment interest thereon; (c) ordering all the
4 Defendants to pay civil money penalties pursuant to Securities Act Section 20(d) [15
5 U.S.C. § 77t(d)], and Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)]; (d)
6 permanently barring all the Defendants from participating in an offering of penny stock
7 pursuant to Securities Act Section 20(g) [15 U.S.C. § 77t(g)], and Exchange Act Section
8 21(d)(6) [15 U.S.C. § 78u(d)(6)]; (e) permanently barring Flores or Knight from acting as
9 an officer or director of any issuer that has a class of securities registered pursuant to
10 Exchange Act Section 12 [15 U.S.C. § 78l] or that is required to file reports pursuant to
11 Exchange Act Section 15(d) [15 U.S.C. § 78o(d)]; and (f) ordering such other and further
12 relief as the Court may deem just and proper.
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18 **JURISDICTION AND VENUE**

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

23 13. Venue lies in the Southern District of California pursuant to Securities Act
24 Section 22(a) [15 U.S.C. § 77v(a)] and Exchange Act Section 27 [15 U.S.C. § 78aa].
25 Certain of the acts, practices, transactions, and courses of business constituting the
26 violations of law alleged in this Complaint occurred within the Southern District of
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1 California. For example, Defendants Orca Bridge and Doji Capital are located in the
2 District, Defendants Knight and Williams reside in the District, and certain trading and
3 banking activity alleged in this Complaint occurred on-line via computers with IP
4 addresses located in this District.
5

6 14. In connection with the transactions, acts, practices, and courses of business
7 alleged in this Complaint, Defendants directly or indirectly have made use of the means
8 and instrumentalities of interstate commerce, or of the mails, or of the facilities of a
9 national securities exchange.
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11

12 DEFENDANTS

13 Individual Defendants

14
15 15. **Sripetch**, age 45, also known as King Richards or Shelby Saint Claire,
16 currently resides in Las Vegas, Nevada. He is the president of Defendant Adtron, the sole
17 officer of Defendant King Mutual, and along with Defendant Flores, controls Defendant
18 ATG.
19

20 16. **Flores**, age 49, currently resides in Las Vegas, Nevada. Along with
21 Defendant Sripetch, she controls Defendant ATG. She also held herself out as associated
22 with Defendant Adtron. From June 2013 until November 2015, Flores also served as
23 CEO of ABBY, Inc., an issuer whose stock was among the subjects of the Defendants'
24 scalping schemes, during her tenure as CEO. Flores was a co-principal of Defendant
25 Orca Bridge.
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1 17. **Knight**, age 55, resides in Escondido, California. Knight is the president of
2 Defendant Orca Bridge.

3 18. **McAlpine** is a Canadian citizen and resides in the Cayman Islands.
4
5 McAlpine is the former vice president of Legacy Global Markets, S.A., a now-defunct
6 broker-dealer in Belize that was sued by the Commission in 2015.

7 19. **Patel**, age 36, is a Canadian citizen and attorney, admitted in Illinois, who
8 currently resides in Oakville, Ontario. During most of period discussed in this
9 Complaint, Patel was a resident of Annapolis, Maryland.
10

11 20. **Wexler** is a Canadian citizen and resides in Ottawa, Canada. During the
12 relevant time period, Wexler was chief executive officer of VMS Rehab Systems Inc. and
13 ARGW.
14

15 21. **Williams**, age 37, resides in Bonita, California. He is the purported control
16 person of Defendant Optimus and held himself out as “Director of Investors” at
17 Defendant Redline. He is a former employee of Defendant ATG.
18

19
20 **Entity Defendants**

21 22. **Adtron, Inc. a/k/a Stockpalooza.com (“Adtron” or “Stockpalooza”)** is a
22 Nevada corporation with its principal place of business in Las Vegas, Nevada. It operates
23 a stock tout website controlled by Defendant Sripetch. Sripetch was Adtron’s president
24 and secretary. At all relevant times, it shared an address with Defendants ATG, Optimus,
25 and Orca Bridge.
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1 23. **ATG Inc. (“ATG”)** is a California corporation controlled by Defendants
2 Sripetch and Flores that has purported to be a consulting company providing marketing
3 services to publicly-trading microcap companies. At all relevant times, it shared a
4 mailing address with Defendants Adtron, Optimus, and Orca Bridge.
5

6 24. **DOIT** is an entity associated with a former employee of Defendant ATG.
7

8 25. **Doji** is a California corporation with its current principal place of business in
9 San Diego, California.
10

11 26. **King Mutual** is a Nevada corporation with its principal place of business in
12 Las Vegas, Nevada. Sripetch is its sole officer. Previously, King Mutual was a
13 California corporation with its principal place of business in San Diego, California.
14

15 27. **Optimus** is a California corporation, with its principal place of business in
16 Las Vegas, Nevada. Formerly owned by Defendant Flores, its current purported control
17 person is Defendant Williams. However, Defendants Flores and Sripetch have retained
18 control of Optimus’ bank account. At all relevant times, Optimus shared a mailing
19 address with Defendants ATG, Adtron and Orca Bridge.
20

21 28. **Orca Bridge** is a Nevada corporation with places of business in Escondido,
22 California and Las Vegas, Nevada. Defendant Knight is Orca Bridge’s CEO. Flores was
23 as a co-principal of Defendant Orca Bridge. At all relevant times, Orca Bridge shared a
24 mailing address with Defendants Adtron, ATG, and Optimus.
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- 1 • The promotions did not identify any of the Defendants as the ultimate funder
2 of the promotion, and did not disclose that the actual funder of the
3 promotions was planning to sell stock in the issuers being promoted. Many
4 of the promotions were silent on the funder’s intentions. Others
5 misleadingly indicated that there was a mere possibility the funder would
6 sell.
- 7 • Following the promotions, liquidity of the issuer’s stock increased and the
8 share price rose, and the Defendants who held stock in that issuer promptly
9 sold.

10 33. The practice of promoting a stock without disclosing a present or immediate
11 intent to sell the stock is called “scalping”, and violates the antifraud provisions of the
12 securities laws.

13 34. Defendants Sripetch, Patel, Williams and Knight each obtained and sold
14 shares, using accounts in their own names, in many of these schemes. In addition,
15 Sripetch, Flores and/or Knight sold shares in various schemes through Defendant entities
16 ATG, DOIT, Doji, King Mutual, Orca Bridge, Redline and UAIM.

17 35. On some occasions, Defendant Sripetch sent money directly to the Conduit
18 for the stock promotion. On other occasions, Sripetch and/or Flores used Defendants
19 Stockpalooza, ATG, Optimus and/or King Mutual to send funds to the Conduit for a
20 promotion.

21 36. On at least one occasion, Defendants Sripetch and Knight, aided and abetted
22 by Defendant Patel, also engaged in illegal manipulative trading to raise and support the
23 stock price and to further create the appearance of active trading in advance of a stock
24 promotion.

1 37. In connection with these schemes, Flores, Knight, Patel, Sripetch and the
2 entity Defendants (the “Scalping Defendants”) obtained illicit sales proceeds of over \$6.6
3 million.
4

5 38. With respect to the Scalping Defendants, the below chart summarizes the
6 issuers, dates or relevant promotional campaigns, the Defendants who sent funds to the
7 Conduit (if applicable), and the Defendants who sold shares as part of the scalping
8 scheme.
9

Issuer (ticker)	Promotional Periods	Network Member Sent Funds to the Conduit Prior to Promotion	Network Member Dumping Shares
ABBY (ABBY)	August-December 2013; April-May 2015	ATG King Mutual Optimus Sripetch	DOIT Doji King Mutual Redline UAIM Williams
Freedom Energy Holdings, Inc. (“Freedom Energy”) (FDMF)	October 2013	King Mutual	Doji
Kabe Exploration, Inc. (KABX)	November-December 2013	ATG	King Mutual Redline
Smart Ventures, Inc. (SMVR)	March-April 2014	Sripetch King Mutual	ATG Doji King Mutual
SuperDirectories, Inc. (SDIR)	March 2014	Sripetch	Doji Redline
Global Green,	June 2014	Optimus	King Mutual

Issuer (ticker)	Promotional Periods	Network Member Sent Funds to the Conduit Prior to Promotion	Network Member Dumping Shares
Inc. (GOGC)			
Glow Holdings, Inc. (GLOH)	October 2014	King Mutual	Sripetch
One Step Vending Corp. (KOSK)	October-November 2015	King Mutual Sripetch	King Mutual Sripetch Associate
Formosa Liberty Corporation (FLIB)	January 2016	Sripetch	Patel
Transnational Group, Inc. (TAMG)	May 2016	Optimus	King Mutual
VMS (VRSYF)	May-June 2016; August-December 2016	Optimus Sripetch King Mutual	Patel Knight Sripetch
Capital Ventures Europe Plc (CPVNF)	June 2016, August-September 2016, January 2017	Optimus	Patel Knight Sripetch
Van Gold Resources, Inc. (VGRI)	June 2016	Sripetch	Patel Sripetch
Andiamo Corp. (ANDI)	July-September 2016	Sripetch Optimus King Mutual	Knight Sripetch Orca Bridge
American Transportation Holdings, Inc. (ATHI)	July 2016	Optimus	Knight Sripetch
Textmunication Holdings, Inc.	March 2017	Optimus	Sripetch

Issuer (ticker)	Promotional Periods	Network Member Sent Funds to the Conduit Prior to Promotion	Network Member Dumping Shares
(TXHD)			
N1 Technologies, Inc. (NTCHF)	September 2015; April 2017; July-August 2017	Sripetch Adtron	Patel Sripetch
Acacia Diversified Holdings, Inc. (ACCA)	June 2017	Adtron	Sripetch
REAC Group, Inc. (REAC)	September 2017	Adtron Optimus	Orca Bridge
Mirage Energy Corp (MRGE)	October 2017; December 2017	Optimus	Knight Sripetch Orca Bridge
Argus Worldwide Inc. (ARGW)	May-July 2018; November 2018; February 2019	Adtron	Knight McAlpine Sripetch

39. Alleged below are further details of some of these schemes.

ABBY, Inc. Scalping Scheme

40. By no later than June 2013, Sripetch and Flores gained control of a microcap issuer, ABBY, Inc. (“ABBY”), when Flores was appointed its CEO.¹ Over the years, ABBY purported to be in various different businesses. From 2013 to mid-2014, ABBY

¹ Flores served as ABBY’s CEO until November 2015, but continued as ABBY’s secretary and as a director. Knight has been a director of ABBY at least since November 2015, and is currently ABBY’s CEO.

1 disclosed in its public filings and reports that it was an exploration stage company with
2 plans to investigate a viable gas deposit in Thailand. Beginning in mid-2014, ABBY
3 purported to be a company that invested in companies in the food and beverage,
4 entertainment and social media sectors. From early 2015 to the present, ABBY claims to
5 be in the business of “disrupt[ing] and chang[ing] the way the consumer performs the
6 task of purchasing vehicles.”
7
8

9 41. From August 2013 through May 2015, Defendants Sripetch, ATG, King
10 Mutual and/or Optimus funded at least 12 fraudulent promotional campaigns of ABBY
11 while ABBY was under the control of Sripetch and Flores.
12

13 42. During the promotional periods, Defendant Williams as well as Defendant
14 entities controlled by Sripetch and/or Flores, specifically DOIT, Doji, King Mutual,
15 Redline and UAIM, dumped ABBY shares into the market demand generated by the
16 fraudulent promotions, for total sale proceeds of over \$443,000.
17
18

19 43. The following paragraphs provide further details concerning some of the 12
20 occasions on which various combinations of these defendants engaged in the scalping of
21 ABBY shares.
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1 August, September and November 2013

2 44. In June 2013, immediately after Flores became CEO of ABBY, over 15
3 million ABBY shares were deposited into offshore accounts controlled by Flores and
4 Defendant Sripetch, in the names of Defendant entities DOIT, Redline and UAIM.
5

6 45. On August 14, 2013, Defendant ATG (Sripetch and Flores entity) wired
7 \$23,000 to a Conduit, with a memo indicating that the wire was “for ABBY Minus 5000
8 Commission.”
9

10 46. On the same day, the Conduit wired \$14,500 to three different promoters
11 with an identical memo for each wire indicating that the wires were for “ABBY
12 Advertising.” Newsletters associated with those three promoters began promoting
13 ABBY the next day and continued to promote ABBY until at least August 16, 2013,
14 without disclosing that the funder of the promotions owned ABBY stock and intended to
15 sell the stock during the promotional period.
16
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19 47. One of these touts proclaimed, “ABBY is not only getting ready to kick butt
20 in the obstacle racing industry, it is also crushing in the events planning and promotions
21 industry too. And I don’t need to tell you how much that sector is worth because one of
22 the industry’s biggest earners is making well over \$300 million a year.” (Emphasis in
23 original.)
24
25
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1 48. On August 16 and 19, 2013, immediately following the stock promotion,
2 Defendant UAIM sold a total of 1,072,153 shares, through an offshore account, for
3 proceeds of almost \$77,000.
4

5 49. On September 11, 2013, Defendant ATG wired the Conduit an additional
6 \$35,000.” The Conduit then transferred \$32,500 to a promoter on September 13, 2013.
7
8 ATG’s wire memo indicated that the payment to the Conduit was for ABBY. On
9 September 15 and 16, 2013, ABBY was promoted through several stock touting
10 newsletters, including Sripetch’s own Stockpalooza.com. One promotion stated, “ABBY
11 is a massively undervalued gem with some serious upside potential.”
12

13 50. None of these promotions disclosed the funder of the promotions owned
14 ABBY stock and intended to sell the stock during the promotional period.
15

16 51. Immediately after the promotion, on September 16 and 19, 2013, Defendant
17 UAIM sold almost 2.1 million shares of ABBY, through an offshore account, for
18 proceeds of over \$63,000. On September 23, 2013, Defendant Redline sold 85,000
19 shares of ABBY for approximately \$2,200.
20

21 52. On November 20, 2013, Defendant King Mutual wired \$13,000 to the
22 Conduit, which transferred \$11,500 to a promoter later the same day. On November 21
23 and 22, 2013, newsletters associated with that promoter promoted ABBY. One
24 newsletter stated, “Be prepared, come tomorrow, ABBY looks like it could slingshot
25 upward for gains of the triple digit kind.”
26
27
28

1 53. Defendant Stockpalooza, Sripetch’s own promotion website, also promoted
2 ABBY on November 22, 2013, by publishing an ABBY press release announcing a
3 purported letter of intent to rent space for a promotional tour. The Stockpalooza
4 newsletter titled, **“Abby Enters Into Letter of Intent With Park It Place USA for
5 Event Space in Albuquerque, NM for Trucks and Tatas Tour Stop 2014.”** The
6 release further explained that “Trucks N Tatas tour is a first of its kind female review
7 show paired with beer, spirits and wine gardens, VIP Cabana lounges and gourmet food
8 trucks that cater to the 21 and over audience.”
9
10

11
12 54. None of these promotions disclosed that the funder of the promotions owned
13 ABBY stock and intended to sell the stock during the promotional period.
14

15 55. Immediately following these promotions, from November 22 through
16 November 26, 2013, Defendants UAIM and DOIT sold a total of almost 3 million shares
17 of ABBY for proceeds of approximately \$43,000.
18

19 56. Proceeds from the above-described ABBY stock sales by Redline and
20 UAIM were wired, at Flores’ request to accounts in the names of Defendants ATG, King
21 Mutual and Optimus. Proceeds from the ABBY sales by DOIT were wired to Defendant
22 Doji and then to ATG.
23

24
25 May 2015

26 57. About 18 months later, Sripetch resumed scalping ABBY. On May 7, 2015,
27 Defendant King Mutual wired \$21,000 to the Conduit, which transferred \$8,000 to a
28

1 promoter later that day. On May 7 and 8, 2015, newsletters associated with that promoter
2 touted ABBY without disclosing that the funder of the promotions owned ABBY stock
3 and intended to sell the stock during the promotional period.
4

5 58. From May 8 through May 14, 2015, immediately after that promotional
6 campaign, Defendant Williams sold approximately 537,500 shares of ABBY for about
7 \$60,000. On May 8, 2015, Defendant Doji sold 100,000 shares of ABBY for
8 approximately \$23,000.
9

10 59. Following each of the ABBY promotions, liquidity of the issuer's stock
11 increased and the stock price rose.
12

13 **One Step Vending Corporation Scalping Scheme**

14
15 60. In September 2015, King Mutual purchased over 109,000 shares of One Step
16 Vending Corp. ("One Step Vending") which trades under the ticker symbol KOSK.
17

18 61. On May 28, 2015, defendant Knight converted a note issued by KOSK into
19 equity shares of the company, and subsequently sold the shares to an associate at a
20 significant discount to the then-prevailing market price.
21

22 62. On October 13, 2015, Sripetch transferred \$15,000 to the Conduit. On the
23 same day, the Conduit issued a cashier's check to a promoter. From October 11 through
24 October 15, 2015, that promoter promoted One Step Vending stock on various
25 newsletters, identifying the Conduit as the funder of the promotional campaign and not
26
27
28

1 disclosing that the funder of the promotions owned One Step Vending stock and intended
2 to sell the stock during the promotional period. One newsletter promotion stated:

3 “KOSK is absolute gold at .69 and should be gobbled up ASAP.”
4

5 Another promotion stated:

6 “KOSK is poised to capitalize on a vending market set for explosive growth.”
7

8 63. From October 12 through October 15, 2015, Defendant King Mutual sold
9 over 111,000 shares of One Step Vending for over \$58,000 in proceeds.
10

11 64. On November 12, 2015, Defendant Sripetch wired the Conduit \$57,500. On
12 the same day, the Conduit wired \$54,000 to a promoter. And the next day, a promotion
13 group associated with that promoter began promoting One Step Vending.
14

15 65. From November 13 through December 2, 2015, the associate of Defendant
16 Knight referenced in paragraph 62 sold over 5 million shares of One Step Vending for
17 proceeds of over \$493,000.
18

19 66. The associate of Knight who sold the shares of One Step Vending kept
20 approximately \$27,000 and wired the remaining proceeds from the sales of One Step
21 Vending shares to defendants Optimus and Orca Bridge.
22

23 67. Neither the October 2015 nor November 2015 promotions disclosed that the
24 funder of the promotions owned One Step Vending stock and intended to sell the stock
25 during the promotional period.
26
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1 68. Following each of the One Stop Vending promotions, liquidity of the
2 issuer's stock increased and the share price rose.

3 **VMS Rehab Systems, Inc. Scalping Scheme Overview**
4

5 69. From February 2016-November 2016, defendant Patel received 12.75
6 million shares from VMS Rehab Systems, Inc. ("VMS").

7 70. Patel received the shares purportedly for legal services rendered to VMS.
8

9 71. Beginning in March 2016, defendants Sripetch and Knight purchased shares
10 of VMS on the open market.
11

12 72. From May 2016 to December 2016, Sripetch, King Mutual and Optimus
13 funded nine promotions of the stock of microcap issuer VMS Rehab, which trades under
14 the symbol VRSYF.
15

16 73. Knight, Patel and Sripetch sold VMS Rehab shares during these promotional
17 periods. In total, Knight, Patel and Sripetch, received over \$1.17 million in proceeds as a
18 result of the scalping activity involved VMS Rehab.
19

20 74. Shortly after selling the VMS stock, Patel sent approximately \$583,000 to
21 certain of the corporate defendants.
22

23 May-June 2016
24

25 75. The first two of the promotions of VMS Rehab occurred in spring 2016. On
26 May 24, 2016, Defendant Optimus wired \$26,000 to the Conduit. Later that day, the
27 Conduit wired \$23,000 to a promoter. That same day a promotion of VMS stock began.
28

1 76. On May 24-25, 2016, defendant Patel sold almost 40,000 shares of VMS
2 Rehab for over \$78,000. A week later, Patel wired \$48,500 to defendant Orca Bridge.

3 77. On June 2, 2016, defendant Sripetch wired \$11,500 to the Conduit, which
4 transferred \$8,000 to a promoter. A promotional campaign for VMS Rehab commenced
5 the same day, and continued the following day. One of the promotional newsletters
6 stated: “[t]his company has been uptrending for a couple months now and appears to be
7 well on its way towards exceeding expectations . . . Logically speaking, with VRSYF
8 pushing forward on the way that it has been, investors won’t be far behind in taking
9 advantage.”
10
11
12

13 78. The next day, on June 3, 2016, defendant Patel sold 5,000 shares of VMS
14 Rehab for \$9,450 in proceeds. On June 13, 2016, Patel wired \$8,000 to Orca Bridge.

15 79. Neither the May 2016 nor June 2016 promotions of VMS Rehab disclosed
16 that the funder of the promotions owned VMS Rehab stock and intended to sell the stock
17 during the promotional period.
18
19

20 August-September 2016
21

22 80. A few months later, the scalping resumed with two promotions in August
23 and September, 2016.

24 81. On August 25, 2016, Optimus wired \$32,000 to the Conduit, which wired
25 \$27,500 to a promoter later that day. On August 25 and 26, 2016, newsletters associated
26 with that promoter promoted VMS Rehab.
27
28

1 82. On August 26, 2016 and September 2, 2016, Patel, Sripetch and Knight sold
2 over 193,000 shares of VMS Rehab for proceeds of over \$155,000. On September 2,
3 2016, Patel wired \$61,500 to Orca Bridge, and on September 12, 2016, Patel wired
4 \$28,000 to Orca Bridge.
5

6 83. On September 13, 2016, Optimus wired an additional \$22,000 to the
7 Conduit, which wired \$20,000 to a promoter the next day. From September 13 to
8 September 14, 2016, newsletters associated with that promoter began to promote VMS
9 Rehab. These newsletters did not disclose that the funder of the promotions owned VMS
10 Rehab stock and intended to sell the stock during the promotional period.
11

12 84. From September 13 through September 16, 2016, Patel sold over 687,000
13 shares of VMS Rehab, for proceeds of over \$260,000. On September 21, 2016, Patel
14 wired \$110,000 to Orca Bridge.
15
16

17 October 2016
18

19 85. The scalping of VMS Rehab continued in October 2016. On October 4,
20 2016, King Mutual wired \$26,000 to the Conduit, which wired \$20,000 to a promoter
21 later that day. The next day, October 5, 2016 newsletters associated with that promoter
22 promoted VMS Rehab, without disclosing that the funder of the promotions owned VMS
23 Rehab stock and intended to sell the stock during the promotional period.
24
25

26 86. On the day of the promotion, Patel sold over 159,000 shares of VMS Rehab
27 for proceeds of over \$46,000, and Knight sold over 11,000 shares of VMS Rehab for
28

1 proceeds of approximately \$3,700. Patel also sold a total of approximately 202,000
2 shares of VMS Rehab on October 14 and October 27, 2016 for proceeds of
3 approximately \$27,000.
4

5 87. Further, on October 28, 2016, Optimus wired another \$31,000 to the
6 Conduit, which wired a total of \$25,000 to two promoters the same day. Newsletters
7 associated with those promoters began promoting VMS Rehab on October 31, 2016,
8 without disclosing that the funder of the promotions owned VMS Rehab stock and
9 intended to sell the stock during the promotional period.
10
11

12 88. On October 31, 2016, Patel sold over 711,000 shares of VMS Rehab for
13 proceeds of approximately \$120,000. On November 7, 2016, he wired \$80,350 to Orca
14 Bridge.
15

16 November-December 2016
17

18 89. The Defendants' scalping of VMS Rehab continued until the end of the year,
19 with three promotional campaigns for VMS Rehab occurring in November and
20 December, 2016.
21

22 90. On November 17, 2016, King Mutual wired the Conduit \$44,000, which
23 then wired a total of \$40,000 to a promoter later that day.
24

25 91. From November 18 through November 21, 2016, newsletters associated with
26 that promoter promoted VMS Rehab, without disclosing that the funder of the
27
28

1 promotions owned VMS Rehab stock and intended to sell the stock during the
2 promotional period.

3 92. From November 18 through December 7, 2016, Patel sold a total of over
4 1.85 million shares of VMS Rehab, for proceeds of over \$168,000. On December 1,
5 2016, Patel wired \$76,500 to Orca Bridge.
6

7 93. On December 13, 2016, King Mutual wired \$22,050 to the Conduit, which
8 wired \$20,000 to a promoter the same day. The following day, a promotional campaign
9 for VMS Rehab commenced, which did not disclose that the funder of the promotions
10 owned VMS Rehab stock and intended to sell the stock during the promotional period.
11

12 94. On December 14 and December 15, 2016, Patel sold over 1.65 million share
13 of VMS Rehab for proceeds of approximately \$88,000.
14

15 95. On December 16, 2016, Sripecth wired \$36,000 to the Conduit, which wired
16 \$27,500 to a promoter on December 19, 2016. On December 21, 2016, newsletters
17 associated with that promoter promoted VMS Rehab without disclosing that the funder of
18 the promotions owned VMS Rehab stock and intended to sell the stock during the
19 promotional period.
20
21

22 96. On December 21 and 22, 2016, Patel sold approximately 6.5 million shares
23 of VMS Rehab for proceeds of over \$215,361. On December 23, 2016, Patel wired
24 \$56,500 to Orca Bridge and on December 30, 2016, Patel wired \$113,500 to Orca Bridge.
25
26
27
28

1 97. In total, Patel sold approximately 11.8 million shares of VMS Rehab for
2 over \$1.1 million in proceeds, and sent approximately \$582,000 of the proceeds to
3 entities controlled by Sripetch and Knight.
4

5 98. Following each of the VMS Rehab promotions, liquidity of the issuer's
6 stock increased and the share price rose.
7

8 99. None of the newsletters disclosed that the funder of the promotions owned
9 VMS Rehab stock and intended to sell the stock during the promotional period.
10

11 **Unregistered Sales of ABBY Securities Through Offshore Accounts**

12 100. As mentioned above, since at least June 2013, Flores and Sripetch
13 controlled, or shared common control with, ABBY Inc., a microcap issuer that trades
14 under the symbol ABBY.
15

16 101. On June 5, 2013, ABBY issued a Form 8-K announcing that Flores had
17 become its president, secretary, treasurer, chief financial officer and director.
18

19 102. At about the same time, ABBY issued over 15 million restricted shares,
20 which on the day Flores became CEO were allocated to three Defendant corporations
21 controlled by Flores and Sripetch. UAIM (5.1 million shares); Redline (5 million shares);
22 and DOIT (5 million shares). These shares were then deposited in offshore brokerage
23 accounts in Belize to accounts in the names of UAIM, Redline and DOIT.
24
25

26 103. Shortly thereafter, without waiting the required holding period, UAIM,
27 Redline and DOIT sold the shares:
28

- a. From June 14 through December 6, 2013, UAIM sold these shares, and other shares that it had acquired, for proceeds of almost \$220,000.
- b. From September 9, 2013 through February 26, 2014, Redline sold about 4.92 million shares of ABBY for proceeds of about \$54,000.
- c. From November 22 through December 16, 2013, DOIT sold 5 million shares for proceeds of over \$70,000.

104. There was no registration statement in effect for any of these sales of ABBY shares.

105. As alleged above, many of the sales by these entities coincided with promotional campaigns recommending that investors purchase ABBY stock, including three promotions disseminated by Sripetch's own website Stockpalooza.com on September 16, October 14, and November 22, 2013.

106. During the period that these entities were selling ABBY stock, Flores directed wires of the trading proceeds from the entities' offshore bank accounts to onshore bank accounts controlled by Defendants ATG, Optimus, and King Mutual.

107. Similarly, during the period in which DOIT was trading ABBY, an associate of Flores directed wires of the trading proceeds from DOIT's offshore bank account to Doji's bank account, from which Doji wired the funds to ATG.

Additional Unregistered Sales of ABBY Securities to Entities Controlled by Sripetch and Flores

108. From November 2013 through November 2016, over 25 million shares of ABBY were issued to various Defendant entities. The purported basis of these issuances was usually a “promissory note” between the Defendant entity and ABBY or a subsidiary of ABBY. These promissory notes were illusory, given the common control of ABBY and the Defendant entity.

109. None of these issuances were registered with the Commission.

110. Upon receiving these ABBY shares, the entities almost immediately began selling the shares to the public.

111. The following chart sets forth the issuances of ABBY shares to the Sripetch Network’s onshore entities:

Issuance Date	Entity/Person Receiving Shares	Number of Shares Issued	Selling Period (Proceeds)	Proceeds from the Sales
11/22/2013	Doji	5,000,000	12/16/2013 - 3/7/2014	Approx. \$37,000
10/9/2014	Williams, as “owner” of Optimus	1,800,000	12/8/2014 - 5/27/2015	Approx. \$269,300
10/9/2014	Doji	2,000,000	5/4/2015 - 9/30/2015	Approx. \$37,000
7/22/2016	Optimus	4,985,104	10/19/2016 - 10/25/2016	Approx. \$11,000
10/27/2016	Sripetch “dba Redline International”	5,649,717	11/21/2016 - 12/9/2016	Approx. \$7,100
11/9/2016	Optimus	6,374,800	12/9/2016	Approx. \$7,400

112. The proceeds of these unregistered sales total approximately \$370,000.

Matched Orders and Wash Trades by Sripetch and Knight

113. As noted above, in 2016, certain defendants successfully promoted and sold VMS Rehab, resulting in over \$1.1 million dollars in sale proceeds. The success of this scalping scheme was enhanced by matched and wash trading activity conducted by Defendants Sripetch and Knight.

114. Throughout 2015 and early 2016, VMS Rehab was thinly traded; from May 2, 2015 through March 2, 2016, there was no trading in VMS Rehab.

115. Beginning on March 17, 2016 and continuing through June 1, 2016, Sripetch and Knight, and then Knight alone via two separate accounts, engaged in a series of matched orders and wash trades that were intended to, and did, raise the price of VMS Rehab. These orders were made within minutes, and at times seconds, of each other. Often the trading activity by Sripetch and Knight constituted most, if not all, of the total trading volume of VMS Rehab for that day.

116. The following chart summarizes this manipulative trading activity in VMS Rehab by Sripetch and Knight:

Date	Description	Total Daily Volume of VMS Rehab	% of Daily Trading Volume
3/17/2016	In three pairs of matched orders, Knight sold a total of 1,600 shares to Sripetch at \$1.67/share	1,600	100%
3/21/2016	In two pairs of matched orders, Knight bought a total of 1,300 shares from Sripetch at \$1.70/share	2,900	44.83%
3/22/2016	In one pair of matched orders, Knight sold 500 shares to Sripetch at \$1.73/share	500	100%
3/28/2016	In one pair of matched orders, Knight sold 500	500	100%

Date	Description	Total Daily Volume of VMS Rehab	% of Daily Trading Volume
	shares to Sripetch at \$1.72/share		
3/29/2016	In four pairs of matched orders, Knight bought a total of 1,000 shares from Sripetch at \$1.74/share and Knight sold 500 shares to Sripetch at \$1.73/share	2,500	60%
4/5/2016	In two pairs of matched orders, Knight sold a total of 500 shares to Sripetch at \$1.74/share	1,000	50%
4/12/2016	In three pairs of matched orders, Knight bought a total of 1,500 shares to Sripetch at \$1.75/share	2,300	65.22%
4/29/2016	In seven pairs of matched orders, Knight sold a total of 1,500 shares to Sripetch at \$1.78/share	2,655	56.50%
5/3/2016	In four pairs of matched orders, Knight bought a total of 1,555 shares from Sripetch at \$1.77/share	1,600	97.19%
5/4/2016	In one pair of matched orders, Knight bought a total of 400 shares from Sripetch at \$1.77/share	500	80%
5/18/2016	In five wash trades, Knight bought and sold 3,500 shares between his two accounts at \$1.88/share; and in four match trades, Knight bought a total of 2,000 shares from Sripetch at \$1.89/share	5,500	100%
5/19/2016	In three wash trades, Knight bought and sold 2,500 shares at \$1.95/share between his two accounts	2,500	100%
5/20/2016	In two pairs of matched orders, Knight bought a total of 200 shares from Sripetch at \$1.90/share; and in eleven wash trades, Knight bought and sold 3,400 shares between his two accounts at \$1.98 to \$1.99/share	4,800	75%
5/23/2016	In three wash trades, Knight bought and sold 1,000 shares between his two accounts at \$1.99 to \$2.00/share; in three match trades Knight sold a total of 2,000 shares to Sripetch at \$1.99 to \$2.00/share; and in one match trade Knight purchased 500 shares from Sripetch at \$2.05/share	4,000	87.50%
5/25/2016	In two pairs of matched orders, Knight sold a total of 200 shares to Sripetch at \$2.07/share	100,055	0.20%

Date	Description	Total Daily Volume of VMS Rehab	% of Daily Trading Volume
6/1/2016	In one wash trade, Knight bought and sold 100 shares at \$2/share between two of his accounts	4,005	2.50%

Sripetch and Knight engaged in this coordinated trading activity in advance, and at the outset, of a series of promotions funded by the Sripetch Network discussed above, that began on May 24, 2016 and continued through the end of the year. From March 21, 2016 through June 3, 2016, Patel sold 46,593 shares for trading proceeds of \$90,163.

Manipulation of ARGW

117. In 2018 through early 2019, Sripetch, Knight, Wexler and McAlpine engaged in a series of manipulations of ARGW stock with the intention of profiting from “pumping and dumping” the stock.

April-July 2018 ARGW Manipulation

118. The scheme began in April 2018, when Sripetch engaged in a series of matched trades in ARGW, using accounts controlled by the Sripetch Network. These trades were designed to create the appearance of active market interest in the stock, upward momentum in the stock price, and on many occasions, to set the closing price of ARGW. This pattern of pre-promotion trading activity, often referred to as “building the chart,” is a typical step undertaken by fraudsters prior to a pump and dump.

1 119. From May to July, 2018, ARGW was the subject of a promotional campaign
2 funded by the Conduit. These promotional emails touted ARGW as “one company out
3 there focused on high-growth sectors”, “making waves in digital, and is slowly building a
4 strong portfolio in the space”, “this stock could catapult by up to 155%”, “ARGW could
5 be in a position to make a potential run!” “Latest M&A move could send this stock
6 soaring by over 200%!” These promotions were designed to generate investor demand
7 for ARGW stock, with the aim of increasing the stock’s price and liquidity, so that
8 individuals associated with Sripetch could “dump” the stock at a substantial profit.
9 Sripetch’s promotions did not disclose that he and his associates intended to sell their
10 ARGW stock.
11

12 120. During this period, Wexler was aware of the promotional campaign, and
13 issued press releases designed to increase investor demand for the stock.
14

15 121. In connection with this scheme, Knight obtained approximately \$750,000 in
16 proceeds by selling ARGW from April 19, 2018 to July 9, 2018. Knight then transferred
17 a portion of the proceeds to Sripetch and a portion of the proceeds to two newly created
18 entities which then transferred the funds, at Wexler’s instructions, to a bank account in
19 Canada.
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1 **Fall 2018 ARGW Manipulation**

2 122. In the fall of 2018, Sripetch, Knight and Wexler engaged in a second scheme
3 to manipulate ARGW. Sripetch enlisted the efforts of McAlpine in this scheme, who
4 controlled offshore brokerage accounts with which to engage in the manipulative trading.
5

6 123. Wexler made arrangements to have 700,000 shares of ARGW transferred to
7 a brokerage account in the Cayman Islands controlled by McAlpine.
8

9 124. Once the stock was deposited offshore, Wexler, Sripetch, Knight and
10 McAlpine began to execute another ARGW “pump and dump/” Sripetch arranged for a
11 promotional campaign of the stock, to be paid for by the participants in the scheme.
12 Wexler again issued press releases timed to maximize the impact of the stock promotions.
13
14

15 125. The scheme was thwarted when the promotions caught the attention of OTC
16 Link, which operates as an alternative trading system that displays quotes from broker-
17 dealers for many over-the-counter securities, including ARGW. OTC Link flagged the
18 stock as being subject to a promotional campaign and displayed a “bullhorn” graphic on
19 its website in connection with ARGW. As a result of this flag, the brokerage firm used
20 by McAlpine halted its trading in ARGW, and McAlpine was unable to liquidate his
21 position of ARGW.
22
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24

25 **December 2018-January 2019 ARGW Manipulation**

26 126. By late December 2018, McAlpine, Knight, Wexler and Sripetch had
27 decided to pursue another pump and dump of ARGW stock. The scheme would involve
28

1 the same components as the earlier schemes, including coordinated trading activity, and
2 press releases by Wexler opportunistically timed to coincide with promotions coordinated
3 by Sripetch.
4

5 127. As a first step, Sripetch and McAlpine engaged in a series of cross-trades in
6 order to “repatriate” the ARGW stock into a domestic account of Sripetch and away from
7 the offshore broker-dealer, which had apparently become more vigilant in policing
8 suspicious microcap activity. The parties believed that, in light of the promotion flag on
9 the OTC Markets website, they could more easily get shares into the U.S. account by
10 purchasing the shares in the market rather than by attempting to deposit newly issued
11 shares. An additional benefit of trading the shares into domestic accounts was an
12 increase in trading volume in ARGW.
13
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15

16 128. While the stock was being traded from the offshore accounts into domestic
17 accounts, Wexler coordinated with Sripetch to ensure that the company would issue press
18 releases that coincided synergistically with the trading.
19

20 129. Sripetch then arranged for a promotional email campaign that ran on
21 Sunday, February 3, and Monday, February 4, 2019. None of the promotional emails
22 disclosed that Sripetch and his cronies also owned shares of ARGW that they planned to,
23 and did, sell.
24
25

26 130. On February 4, 2019 - the first trading day after the commencement of
27 Sripetch’s promotional campaign - ARGW’s price opened at \$1.43, and the volume rose
28

1 to 578,555 shares. Sripetch sold 193,950 shares of ARGW at prices ranging from \$0.60
2 to \$1.02 for proceeds of \$119,901. In addition, as it turned out, McAlpine was able to
3 sell some of the ARGW shares still held offshore, selling 155,000 shares of ARGW at
4 \$0.6129, for approximate proceeds of \$94,618.
5

6 131. The Commission suspended trading in ARGW the following day. The
7 suspension thwarted the parties' intent to dump their remaining shares.
8

9 **FIRST CLAIM FOR RELIEF**
10 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5(a) and 10b-5(c)**
11 **(Against Defendants Flores, Knight, Sripetch, McAlpine, Wexler and the Entity**
12 **Defendants)**

13 132. Paragraphs 1-7, 15-99, and 113-131 are re-alleged and incorporated by
14 reference as if fully set forth herein.

15 133. Flores, Knight, Sripetch, McAlpine, Wexler, Adtron, ATG, DOIT, Doji,
16 King Mutual, Optimus, Orca Bridge, Redline and UAIM, directly or indirectly, singly or
17 in concert, knowingly or recklessly, by the use of the means or instrumentalities of
18 interstate commerce or of the mails, or of the facilities of a national securities exchange,
19 in connection with the purchase or sale of securities, employed devices, schemes and
20 artifices to defraud, and engaged in acts, practices and courses of business which
21 operated or would have operated as a fraud or deceit upon purchases of securities or upon
22 other persons.
23

24 134. By reason of the foregoing, these Defendants, singly or in concert, directly
25 or indirectly, violated and, unless enjoined, will again violate, Section 10(b) of the
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1 Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5(a) and (c) thereunder [17 C.F.R. §
2 240.10b-5(a) and (c)].

3
4 **SECOND CLAIM FOR RELIEF**
5 **Violations of Section 10(b) of the**
6 **Exchange Act and Rule 10b-5(b)**
7 **(Against Defendants Adtron and Sripetch)**

8 135. Paragraphs 1-7, 15, 22, 31-99, and 113-131 are re-alleged and incorporated
9 by reference as if fully set forth herein.

10 136. Defendants Adtron and Sripetch, directly or indirectly, singly or in concert,
11 knowingly or recklessly, by the use of the means or instrumentalities of interstate
12 commerce or of the mails, or of the facilities of a national securities exchange, in
13 connection with the purchase or sale of securities, knowingly or recklessly, made untrue
14 statements of material fact and have omitted to state material facts necessary in order to
15 make the statements made, in the light of the circumstances under which they were made,
16 not misleading.
17
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19 137. By reason of the foregoing, Defendants Adtron and Sripetch, singly or in
20 concert, directly or indirectly, violated and, unless enjoined, will again violate, Section
21 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(b) thereunder [17 C.F.R.
22 § 240.10b-5(b)].
23
24

25
26 **THIRD CLAIM FOR RELIEF**
27 **Violations of Sections 17(a)(1) and 17(a)(3) of the Securities Act**
28 **(Against Defendants Flores, Knight, Sripetch, McAlpine, Wexler and the Entity**
Defendants)

1 make the statements made, in light of the circumstances under which they were made, not
2 misleading.

3
4 143. By reason of the conduct described above, these Defendants directly or
5 indirectly, violated, and, unless enjoined, will again violate, Section 17(a)(2) of the
6 Securities Act [15 U.S.C. § 77q(a)(2)].
7

8 **FIFTH CLAIM FOR RELIEF**
9 **Aiding and Abetting Violations of Section 10(b) of the Exchange Act**
10 **and Rule 10b-5(a) and 10b-5(c)**
11 **(Against Patel)**

12 144. Paragraphs 1-7, 19, 31-38, and 69-99 are re-alleged and incorporated by
13 reference as if fully set forth herein.

14 145. Defendant Patel , directly or indirectly, singly or in concert, knowingly or
15 recklessly, by the use of the means or instrumentalities of interstate commerce or of the
16 mails, or of the facilities of a national securities exchange, in connection with the
17 purchase or sale of securities, employed devices, schemes and artifices to defraud, and
18 engaged in acts, practices and courses of business which operated or would have operated
19 as a fraud or deceit upon purchases of securities or upon other persons.
20
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22 146. Patel, directly or indirectly, provided knowing and substantial assistance to
23 persons who, directly or indirectly, singly or in concert, knowingly or recklessly, by the
24 use of the means or instrumentalities of interstate commerce or of the mails, or of the
25 facilities of a national securities exchange, in connection with the purchase or sale of
26 securities, employed devices, schemes and artifices to defraud, and engaged in acts,
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1 practices and courses of business which operated or would have operated as a fraud or
2 deceit upon purchases of securities or upon other persons.

3
4 147. By virtue of the foregoing, pursuant to Section 20(e) of the Exchange Act
5 [15 U.S.C. § 78t(e)], Patel aided and abetted, and, unless restrained and enjoined, will
6 continue to aid and abet, violations of Section 10(b) of the Exchange Act [15 U.S.C. §
7 78j(b)] and Rule 10b-5(a) and (c) thereunder [17 C.F.R. § 240.10b-5(a) and (c)].
8

9
10 **SIXTH CLAIM FOR RELIEF**
11 **Aiding and Abetting Violations of Section 17(a)(1) and (3) of the Securities Act**
12 **(Against Patel)**

13 148. Paragraphs 1-7, 19, 31-38, and 69-99 are re-alleged and incorporated by
14 reference as if fully set forth herein.

15 149. Defendant Patel, directly or indirectly, singly or in concert, by use of the
16 means or instruments of transportation or communication in interstate commerce, or of
17 the mails, in the offer or sale of securities: with scienter, employed devices, schemes, or
18 artifices to defraud; or engaged in transactions, practices, or courses of business which
19 operated or would operate as a fraud or deceit upon the purchasers.
20

21
22 150. Patel, directly or indirectly, provided knowing and substantial assistance to
23 persons who directly or indirectly, singly or in concert, by use of the means or
24 instruments of transportation or communication in interstate commerce, or of the mails,
25 in the offer or sale of securities, with scienter: employed devices, schemes, or artifices to
26 defraud; or engaged in transactions, practices, or courses of business which operated or
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1 would operate as a fraud or deceit upon the purchasers.

2 151. By virtue of the foregoing, pursuant to Section 15(b) of the Securities Act
3 [15 U.S.C. § 77o(b)], Patel aided and abetted, and, unless restrained and enjoined, will
4 continue to aid and abet, violations of Section 17(a)(1) and (3) of the Securities Act [15
5 U.S.C. § 77q(a)(1) and (3)].
6

7
8 **SEVENTH CLAIM FOR RELIEF**
9 **Violations of Sections 5(a) and 5(c) of the Securities Act**
10 **(Against Defendants Flores, Sripetch, Williams, DOIT, Doji, Optimus, Redline and**
11 **UAIM)**

12 152. Paragraphs 5, 15-16, 21, 24-25, 27, 29-30, and 100-112, are re-alleged and
13 incorporated by reference as if fully set forth herein.

14 153. The ABBY stock that these Defendants sold into the market constitute
15 securities within the meaning of Securities Act Section 2(a)(1), 15 U.S.C. § 77b(a)(1),
16 and Exchange Act Section 3(a)(10), 15 U.S.C. § 15 U.S.C. § 78c(a)(10).
17

18 154. These Defendants, directly or indirectly, singly or in concert with others,
19 made use of the means or instruments of transportation or communication in interstate
20 commerce, or of the mails, to offer and sell securities when no registration statement had
21 been filed or was in effect as to such offers and sales of such securities and no exemption
22 from registration was available.
23

24 155. By virtue of the foregoing, these Defendants violated and, unless restrained
25 and enjoined, will continue violating, Securities Act Sections 5(a) and 5(c) [15 U.S.C. §§
26 77e(a) & (c)].
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EIGHTH CLAIM FOR RELIEF
Violations of Sections 9(a)(1) of the Exchange Act
(Against Defendants Knight and Sripetch)

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156. Paragraphs 6-7, 15, 17, and 113-131 are re-alleged and incorporated by reference as if fully set forth herein.

157. From at least March 2016 through June 2016, Defendants Knight and Sripetch, 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 VSRYF 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 sale of any such security, has been or will be entered by or for the same or different parties, or (c) to enter any 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 such security, has been or will be entered by or for the same or different parties.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests a Final Judgment:

- A. Finding that the Defendants violated the securities laws and rules promulgated thereunder as alleged against them herein;
- B. Permanently restraining and enjoining Defendants from violating, directly and indirectly, the securities laws and rules promulgated thereunder that they are alleged to have violated;
- C. Ordering Defendants to disgorge all ill-gotten gains that they obtained as a result of the conduct alleged herein, and to pay prejudgment interest thereon;
- D. 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)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)];
- E. Prohibiting Defendants, pursuant to Section 21(d)(6)(A) of the Exchange Act [15 U.S.C. § 78u(d)(6)(A)] from participating in an offering of penny stock;
- F. Permanently barring Defendants Flores and Knight from acting as an officer or director of any public company 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)]; and
- G. Granting such other and further relief as the Court may deem just and proper.

1 Dated: September 21, 2020

2
3 Respectfully submitted,

4
5 /s/ Christopher J. Dunnigan

6 Richard R. Best
7 Lara Shalov Mehraban
8 Michael Paley
9 Christopher J. Dunnigan
10 (*Appearing Pursuant to*
11 *Local Civil Rule 83.3(c)(3)*)
12 Kristine Zaleskas
13 (*Appearing Pursuant to*
14 *Local Civil Rule 83.3(c)(3)*)
15 SECURITIES AND
16 EXCHANGE
17 COMMISSION
18 Brookfield Place
19 200 Vesey Street, Suite 400
20 New York, NY 10281
21 Telephone: 212-336-0061
22 (Dunnigan)
23
24
25
26
27
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