

1 AMY J. LONGO (Cal. Bar No. 198304)
Email: longoa@sec.gov
2 PETER F. DEL GRECO (Cal. Bar No. 164925)
Email: delgreco@sec.gov

3 Attorneys for Plaintiff
4 Securities and Exchange Commission
Michele Wein Layne, Regional Director
5 Katharine E. Zoladz, Associate Regional Director
Amy J. Longo, Regional Trial Counsel
6 444 S. Flower Street, Suite 900
Los Angeles, California 90071
7 Telephone: (323) 965-3998
Facsimile: (213) 443-1904

8
9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**

11
12
13 **SECURITIES AND EXCHANGE
COMMISSION,**

14 **Plaintiff,**

15 **vs.**

16 **REMINGTON CHASE a/k/a**
17 **WILLIAM WESTWOOD a/k/a**
WILLIAM ELLIOT,

18 **Defendant.**

Case No.

COMPLAINT

19
20 Plaintiff Securities and Exchange Commission (“SEC”) alleges:

21 **JURISDICTION AND VENUE**

22 1. The Court has jurisdiction over this action pursuant to Sections 20(b),
23 20(d)(1), and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§
24 77t(b), 77t(d)(1), and 77v(a) and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27(a) of the
25 Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1),
26 78u(d)(3)(A), 78u(e) & 78aa(a).

27 2. Defendant has, directly or indirectly, made use of the means or
28 instrumentalities of interstate commerce, of the mails, or of the facilities of a national

1 securities exchange in connection with the transactions, acts, practices, and courses of
2 business alleged in this complaint.

3 3. Venue is proper in this district pursuant to Section 22(a) of the Securities
4 Act, 15 U.S.C. § 77v(a), and Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a),
5 because certain of the transactions, acts, practices, and courses of conduct constituting
6 violations of the federal securities laws occurred within this district. In addition, venue
7 is proper in this district because defendant Remington Chase a/k/a William Westwood
8 a/k/a William Elliot (“Chase”) resided in this district when the acts described herein
9 were committed.

10 **SUMMARY**

11 4. This matter concerns the misuse of investor funds by Defendant
12 Remington Chase a/k/a William Westwood a/k/a William Elliott (“Chase”), the
13 principal and founder of Knightsbridge Entertainment, Inc. (“Knightsbridge”).

14 5. From February 2016 through June 2018, Knightsbridge raised at least \$62
15 million from more than 100 investors nationwide and overseas in an unregistered
16 offering of its securities.

17 6. Chase promoted Knightsbridge as being in the business of providing post-
18 production film financing to motion picture companies. According to Chase,
19 Knightsbridge made high-interest loans to those companies, which allowed it to pay its
20 investors attractive rates of interest for the short-term use of their monies.

21 7. Knightsbridge used a relatively small portion of investor funds for their
22 stated purpose, but used the majority of investor funds for undisclosed purposes,
23 including the satisfaction of obligations owed by other unrelated entities that Chase
24 controlled and for Chase’s personal benefit.

25 8. At times, Knightsbridge used investor principal and funds from unrelated
26 businesses controlled by Chase to finance the returns it paid to its investors.

27 9. Consequently, Chase violated the securities antifraud provisions of
28 Sections 17(a)(1) and (3) of the Securities Act and Section 10(b) of the Exchange Act

1 and Rule 10b-5 thereunder.

2 10. Chase also failed to register Knightsbridge’s offering of its securities, and
3 no exemption for the registration requirements applies. Consequently, Chase violated
4 the securities registration provisions of Sections 5(a) and 5(c) of the Securities Act.

5 11. With this action, the SEC seeks a permanent injunction, disgorgement of
6 ill-gotten gains with prejudgment interest, and a civil penalty against Chase.

7 **THE DEFENDANT**

8 12. **Remington Chase a/k/a William Westwood a/k/a William Elliot**, age
9 61, was the founder of Knightsbridge and served as its CEO until it ceased operations in
10 June 2018. He was a resident of Marina del Rey, California but is now believed to
11 reside in London, England.

12 **RELATED PARTIES**

13 13. **Knightsbridge Entertainment, Inc. (“Knightsbridge”)** is a Colorado
14 corporation located in Malibu, California. Knightsbridge is now defunct. It was at all
15 times herein controlled by Chase.

16 14. **Chasing Air, Inc. (“Chasing Air”)** is a California corporation located in
17 Malibu, California. Its Articles of Incorporation identify William Westwood, a Chase
18 alias, as its sole officer and director. It is now defunct.

19 15. **Starfall, Ltd. (“Starfall”)** is a Colorado corporation located in Malibu,
20 California. Starfall is now defunct. It was at all times herein controlled by Chase.

21 **THE ALLEGATIONS**

22 **The Knightsbridge Offering**

23 16. Chase exercised sole control over Knightsbridge, Chasing Air and Starfall.

24 17. Knightsbridge, through Chase and others, represented to investors that it
25 provided post-production film financing to movie companies that had exhausted their
26 budget but had not yet completed their film.

27 18. Knightsbridge offered its investors attractive rates of interest for the short-
28 term use of their monies, which it claimed it would lend to cash-strapped movie

1 companies at yet-higher rates of interest.

2 19. Knightsbridge commenced the offer and sale of its securities in or about
3 February 2016.

4 20. Knightsbridge offered and sold securities in the form of promissory notes,
5 which were memorialized in a document titled “Security and Investment Agreement”
6 (the “Agreements”).

7 21. Each Agreements included, among other things, the following terms:

8 (a) The amount advanced, typically a five- or six-figure sum;

9 (b) The premium to be paid thereon, which typically ranged from
10 10% to 25%;

11 (c) The date on which the amount advanced and premium thereon
12 were to be repaid, which typically ranged from 30 days after
13 execution to 10 business days following commencement of
14 principal photography; and

15 (d) The name of the motion picture or pictures for which the amount
16 advanced would be allocated.

17 22. The Agreements do not describe any other manner in which Knightsbridge
18 would use investor funds.

19 23. Knightsbridge entered into Agreements with about 100 investors. Some of
20 the parties to those Agreements are entities that pooled the monies of several
21 individuals, so the number of actual investors is higher.

22 24. From February 2016 to June 2018, Knightsbridge raised at least \$62
23 million from the sale of its securities.

24 **The Use of Investor Funds**

25 25. Chase exercised sole control over the finances of Knightsbridge, Chasing
26 Air and Starfall.

27 26. Chase used the monies in the accounts of Knightsbridge, Chasing Air and
28 Starfall interchangeably and without regard to corporate distinction, with some of the

1 monies provided by Knightsbridge investors being deposited into the accounts of
2 Chasing Air and Starfall, and some payments due Knightsbridge investors being made
3 with funds in the accounts of Chasing Air and Starfall.

4 27. Chase used a relatively small portion of the funds raised by Knightsbridge
5 from the sale of its promissory notes for their stated purposes.

6 28. Chase used the majority of the funds raised by Knightsbridge for purposes
7 having no relationship to the post-production financing of motion pictures. Two such
8 examples are:

9 29. Chase used almost \$15 million of investor funds to satisfy an obligation
10 that Hollywood Pictures International owed to an unrelated third party.

11 30. Chase used \$3.4 million of investor funds to satisfy an obligation that
12 Production Capital LLC, whose performance Chase had personally guaranteed, owed to
13 an unrelated third party.

14 31. In addition to using investor funds for unrelated business activities, Chase
15 also used at least \$8.9 million of investor funds for his personal benefit. Four such
16 examples are:

17 32. Chase paid off almost \$1.8 million in charges on his American Express
18 card.

19 33. Chase donated more than \$1.5 million to the University of Southern
20 California.

21 34. Chase made cash withdrawals and wrote checks payable to himself totaling
22 more than \$1.3 million.

23 35. Chase used almost \$1 million to purchase several Tesla automobiles.

24 36. Chase did not disclose these uses of funds to investors.

25 37. These uses of funds were not consistent with the representations Chase
26 made to investors.

27 38. Knightsbridge used only about one-third of investor funds for its stated
28 purpose of providing post-production film financing to movie companies.

1 39. Knightsbridge did not earn the amount necessary to pay the returns due its
2 investors from the post-production film work it financed.

3 40. Consequently, Chase relied on investor principal and monies provided by
4 other sources to pay the returns due investors and thus create the appearance that
5 Knightsbridge was a successful and profitable enterprise.

6 **The Unregistered Offering**

7 41. Knightsbridge raised at least \$62 million from the sale of its securities to
8 more than 100 investors nationwide and overseas.

9 42. Chase was a necessary participant in, and played a substantial role in, the
10 offer and sale of Knightsbridge's securities.

11 43. Knightsbridge's offering was never registered with the Commission.

12 44. Neither Chase nor Knightsbridge made any effort to determine whether its
13 investors were accredited.

14 **FIRST CLAIM FOR RELIEF**

15 **Fraud in the Offer or Sale of Securities**

16 **Violation of Section 17(a)(1) and (3) of the Securities Act**

17 45. The SEC realleges and incorporates by reference paragraphs 1 through 44
18 above.

19 46. Defendant Chase engaged in a fraudulent scheme in which he raised at
20 least \$62 million from the sale of Knightsbridge securities, by representing to
21 Knightsbridge investors that their funds would be used to fund motion picture
22 operations, but instead using the majority of investor funds for unrelated business
23 activities and for his personal benefit and enjoyment.

24 47. By engaging in the conduct described above, Defendant Chase, directly or
25 indirectly, in the offer or sale of securities, and by the use of means or instruments of
26 transportation or communication in interstate commerce or by use of the mails directly
27 or indirectly, (a) with scienter, employed devices, schemes, or artifices to defraud; and
28 (b) with scienter or negligence, engaged in transactions, practices, or courses of

1 business which operated or would operate as a fraud or deceit upon the purchaser.

2 48. By engaging in the conduct described above, Defendant Chase violated,
3 and unless restrained and enjoined will continue to violate, Sections 17(a)(1) and
4 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(1) & 17(q)(a)(3).

5 **SECOND CLAIM FOR RELIEF**

6 **Fraud in Connection with the Purchase or Sale of Securities**

7 **Violations of Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c)**

8 49. The SEC realleges and incorporates by reference paragraphs 1 through
9 46 above.

10 50. Defendant Chase engaged in a fraudulent scheme in which he raised at
11 least \$62 million from the sale of Knightsbridge securities, by representing to
12 Knightsbridge investors that their funds would be used to fund motion picture
13 operations, but instead using the majority of investor funds for unrelated business
14 activities and for his personal benefit and enjoyment.

15 51. By engaging in the conduct described above, Defendant Chase, directly
16 or indirectly, in connection with the purchase or sale of a security, and by the use of
17 means or instrumentalities of interstate commerce, of the mails, or of the facilities of
18 a national securities exchange, with scienter: (a) employed devices, schemes, or
19 artifices to defraud; and (b) engaged in acts, practices, or courses of business which
20 operated or would operate as a fraud or deceit upon other persons.

21 52. By engaging in the conduct described above, Defendant Chase violated,
22 and unless restrained and enjoined will continue to violate, Section 10(b) of the
23 Exchange Act, 15 U.S.C. § 78j(b), and Rules 10b-5(a) and 10b-5(c) thereunder, 17
24 C.F.R. §§ 240.10b-5(a) & 240.10b-5(c).

25 **THIRD CLAIM FOR RELIEF**

26 **Unregistered Offer and Sale of Securities**

27 **Violation of Sections 5(a) and 5(c) of the Securities Act**

28 53. The SEC realleges and incorporates by reference paragraphs 1 through 44

1 above.

2 54. Defendant Chase directly or indirectly offered and sold Knightsbridge's
3 securities in offerings that were not registered with the SEC and that are not subject to a
4 valid exemption to registration.

5 55. By engaging in the conduct described above, Defendant Chase, directly or
6 indirectly, singly and in concert with others, made use of the means or instruments of
7 transportation or communication in interstate commerce, or of the mails, to offer to sell
8 or to sell securities, or carried or caused to be carried through the mails or in interstate
9 commerce, by means or instruments of transportation, securities for the purpose of sale
10 or for delivery after sale, when no registration statement had been filed or was in effect
11 as to such securities, and when no exemption from registration was applicable.

12 56. By engaging in the conduct described above, Defendant Chase violated,
13 and unless enjoined is reasonably likely to continue to violate, Sections 5(a) and 5(c) of
14 the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

15 **PRAYER FOR RELIEF**

16 WHEREFORE, the SEC respectfully requests that the Court:

17 **I.**

18 Issue findings of fact and conclusions of law that Defendant Chase committed the
19 alleged violations.

20 **II.**

21 Issue a judgment, in forms consistent with Rule 65(d) of the Federal Rules of
22 Civil Procedure, permanently enjoining Defendant Chase, and his officers, agents,
23 servants, employees, and attorneys, and those persons in active concert or participation
24 with any of them, who receive actual notice of the judgment by personal service or
25 otherwise, and each of them, from violating Sections 5, 17(a) of the Securities Act [15
26 U.S.C. §§77e and 77q(a)],and Section 10(b) of the Exchange Act [15 U.S.C. §§ 78j(b)]
27 and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].
28

1 **III.**

2 Order Defendant Chase to disgorge all funds received from his illegal conduct,
3 together with prejudgment interest thereon.

4 **IV.**

5 Order Defendant Chase to pay civil penalties under Section 20(d) of the
6 Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15
7 U.S.C. § 78u(d)(3)].

8 **V.**

9 Retain jurisdiction of this action in accordance with the principles of equity and
10 the Federal Rules of Civil Procedure in order to implement and carry out the terms of
11 all orders and decrees that may be entered, or to entertain any suitable application or
12 motion for additional relief within the jurisdiction of this Court.

13 **VI.**

14 Grant such other and further relief as this Court may determine to be just and
15 necessary.

16
17 Dated: September 11, 2020

/s/ Peter F. Del Greco

Peter F. Del Greco

Attorney for Plaintiff

Securities and Exchange Commission

Complaints and Other Initiating Documents

[2:20-cv-08343 Securities and Exchange Commission v. Chase](#)

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Notice of Electronic Filing

The following transaction was entered by Del Greco, Peter on 9/11/2020 at 1:13 PM PDT and filed on 9/11/2020

Case Name: Securities and Exchange Commission v. Chase

Case Number: [2:20-cv-08343](#)

Filer: Securities and Exchange Commission

Document Number: [1](#)

Docket Text:

COMPLAINT No Fee Required - US Government, filed by Plaintiff Securities and Exchange Commission. (Attorney Peter F Del Greco added to party Securities and Exchange Commission(pty:pla))(Del Greco, Peter)

2:20-cv-08343 Notice has been electronically mailed to:

Peter F Del Greco delgreco@sec.gov, irwinma@sec.gov, LAROFiling@sec.gov

2:20-cv-08343 Notice has been delivered by First Class U. S. Mail or by other means BY THE FILER to :

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:J:\ENF\LA-04930\LITIGATION FILES\DRAFTS\PLEADINGS & SETTLEMENTS - DRAFTS\Complaint (FINAL).pdf

Electronic document Stamp:

[STAMP cacdStamp_ID=1020290914 [Date=9/11/2020] [FileNumber=30515178-0] [6668a2c57227663818b2e268d5864495411e61b82cf43dde0c7a55951038b387c5d77adf6b45f0c1bb79ca9e16d61df31d1a10a9c46a7e61ac7455cfdc36c74a]]