

1 MICHAEL A. PIAZZA, *pro hac vice*
LISA A. GOK, Cal. Bar. No. 147660
2 DAVID J. VAN HAVERMAAT, Cal. Bar No. 175761
ROBERTO A. TERCERO, Cal. Bar No. 143760

3 Attorneys for Plaintiff
4 Securities and Exchange Commission
Randall R. Lee, Regional Director
5 Sandra J. Harris, Associate Regional Director
Briane Nelson Mitchell, Associate Regional Director
6 5670 Wilshire Boulevard, 11th Floor
Los Angeles, California 90036
7 Telephone: (323) 965-3998
Facsimile: (323) 965-3908
8
9

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

13 SECURITIES AND EXCHANGE
COMMISSION,

14 Plaintiff,

15 vs.

16 GLOBAL HEALTH, GLOBAL
17 CLEARING, GLOBAL
STRATEGIES, GOLDMAN
18 QUINTERO & ASSOCIATES,
VINCE DORY, and JOSHUA
19 ADAMS,

20 Defendants.

Case No.

**COMPLAINT FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS**

21
22 Plaintiff Securities and Exchange Commission (“Commission”) alleges as
23 follows:

24 **JURISDICTION AND VENUE**

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

1 78u(d)(3)(A), 78u(e) & 78aa. Defendants have, directly or indirectly, made use of
2 the means or instrumentalities of interstate commerce, of the mails, or of the
3 facilities of a national securities exchange, in connection with the transactions,
4 acts, practices, and courses of business alleged in this complaint.

5 2. Venue is proper in this district pursuant to Section 22(a) of the
6 Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C.
7 § 78aa, because certain of the transactions, acts, practices, and courses of conduct
8 constituting violations of the federal securities laws occurred within this district.

9 **SUMMARY**

10 3. This case involves the ongoing fraudulent and unregistered offering of
11 securities in the form of stock, targeted at the elderly, by Global Health and its
12 unregistered brokers (“brokers”): Global Clearing, Global Strategies, Goldman
13 Quintero & Associates (“Goldman”), Vince Dory, and Joshua Adams (collectively,
14 the “defendants”). The brokers cold call prospective investors to invest in Global
15 Health stock. They have claimed that Global Health has developed a cancer
16 treatment that is on the verge of receiving FDA approval, and subsequently they
17 have claimed that the FDA has approved the treatment. To convince investors to
18 buy Global Health stock, or add to their investment, the brokers provide letters on
19 FDA stationery that describe the cancer treatment’s progress through the approval
20 process. Subsequent letters state that the treatment has been approved by the FDA
21 and that Global Health can soon begin marketing it. The FDA letters, however, are
22 forgeries, and the claims are false. No one from the FDA has authored or signed
23 the letters, and the FDA has no record of Global Health or any product purportedly
24 manufactured by it. Furthermore, the addresses for the brokers, where investors
25 are instructed to send their funds, are merely commercial mail receiving agencies
26 (i.e., mail drops) from which the defendants take investors’ checks across the
27 border to Mexico, where they either cash or deposit them in an account at a
28 Mexican bank in Tijuana.

1 4. The defendants, by engaging in the conduct described in this
2 complaint, have violated, and unless enjoined will continue to violate, the
3 securities registration provisions of the Securities Act. Additionally, the brokers
4 have violated, and unless enjoined will continue to violate, the antifraud provisions
5 of the Securities Act and the Exchange Act and also the broker-dealer registration
6 provisions of the Exchange Act. By this complaint, the Commission seeks a
7 temporary restraining order, an asset freeze, accountings, a repatriation order, an
8 order prohibiting the destruction of documents, an order expediting discovery,
9 preliminary and permanent injunctions, disgorgement with prejudgment interest,
10 and civil penalties.

11 **THE DEFENDANTS**

12 5. Global Health purports to be a biotechnology company engaged in the
13 development of cancer treatments. It does not appear to be organized as any form
14 of business in any state, based upon a review of publicly available information.
15 Global Health has never been registered with the Commission or the National
16 Association of Securities Dealers (“NASD”) in any capacity. No registration
17 statement has been filed with the Commission or is in effect with respect to the
18 offering of the securities of Global Health.

19 6. Global Clearing purports to operate as a brokerage firm. It does not
20 appear to be organized as any form of business in any state, based upon a review of
21 publicly available information. Global Clearing has never been registered with the
22 Commission or the NASD in any capacity. As of October 2003, it maintained a
23 commercial mail drop address in San Diego, California.

24 7. Global Strategies purports to operate as a brokerage firm. It does not
25 appear to be organized as any form of business in any state, based upon a review of
26 publicly available information. Global Strategies has never been registered with
27 the Commission or the NASD in any capacity.

28 ///

1 8. Goldman Quintero & Associates (“Goldman”) purports to operate as a
2 brokerage firm. It does not appear to be organized as any form of business in any
3 state, based upon a review of publicly available information. Goldman has never
4 been registered with the Commission or the NASD in any capacity. As of July
5 2004, it maintained a commercial mail drop address in San Diego, California.

6 9. Vince Dory, age unknown, has, at various times since at least 2003,
7 purportedly acted as a broker for Global Clearing, Global Strategies and Goldman,
8 and he is Global Clearing’s supervisor. Dory has, on behalf of these entities,
9 solicited investors to invest in Global Health. Dory has never been registered with
10 the Commission in any capacity.

11 10. Joshua Adams, age unknown, has, at various times since at least 2003,
12 purportedly acted as a broker for Global Clearing, Global Strategies and Goldman.
13 Adams has, on behalf of these entities, solicited investors to invest in Global
14 Health. Adams has never been registered with the Commission in any capacity.

15 **THE FRAUDULENT SCHEME**

16 **THE STOCK OFFERING**

17 11. Beginning as early as January 2003, the defendants have offered and
18 sold stock in Global Health. Global Clearing, Global Strategies and Goldman,
19 through Dory and Adams, have solicited investors to purchase stock in Global
20 Health. The brokers have solicited mostly elderly investors in at least four states.
21 Financial statements do not accompany or follow these solicitations.

22 12. Global Clearing, Global Strategies and Goldman act as the purported
23 brokers, and Dory and Adams hold themselves out as account representatives of
24 these entities. Dory and Adams instruct investors to mail their checks to one of
25 two locations in San Diego, California. They then usually send investors stock
26 certificates that purportedly represent their investments. Global Strategies has sent
27 purported confirmation statements to investors, and Global Clearing, Global
28 Strategies and Goldman have sent periodic account statements.

1 **MISREPRESENTATIONS AND OMISSIONS: THE BROKERS FALSELY CLAIM**
2 **THAT GLOBAL HEALTH’S CANCER TREATMENT IS ABOUT TO, AND HAS,**
3 **RECEIVED FDA APPROVAL, AND THEY SEND FORGED FDA APPROVAL**
4 **LETTERS TO THAT EFFECT**

5 13. The brokers pitch Global Health as being the developer of a new
6 cancer treatment, which in their initial solicitations was on the verge of receiving
7 FDA approval. In subsequent solicitations, the brokers claim that Global Health
8 has received FDA approval. To convince potential investors that Global Health is
9 a legitimate company that has obtained FDA approval of its new cancer treatment,
10 Dory and Adams provide investors with copies of letters – on FDA letterhead –
11 purportedly signed by employees and representatives of the FDA, regarding FDA’s
12 clinical trials of the purported treatment. At least four separate letters have been
13 mailed to investors. The letters contains positive statements regarding the
14 purported treatment and the cancer treatment’s progress through the approval
15 process.

16 14. Each of the letters, however, was forged. They were not authored or
17 sent by any FDA employee or representative. Moreover, the statements contained
18 in the letters are false. In fact, the FDA has no record of the existence of Global
19 Health or of its purported cancer treatment.

20 15. For example, at least one investor was provided with a letter, dated
21 August 26, 2003, purportedly from the director of the FDA’s Research Section –
22 Approvals Committee, which stated that the results of a clinical trial “demonstrate
23 the effectiveness of this specific therapy, with little or no side effects.” The letter
24 further states that the Approvals Committee recommends “to approve this genetic
25 immunotherapy for public consumption.” At least two investors received other
26 letters, dated September and October 2003, purportedly from the office of an FDA
27 Commissioner, stating that the Approvals Committee “has recommended

28 ///

1 approval” of Global Health’s cancer treatment and that Global Health may begin
2 marketing its product in thirty days.

3 16. At least one investor received another letter, dated October 22, 2003,
4 from Dory, Global Clearing’s supervisor. Although the letter was on FDA
5 letterhead, it was addressed “Dear Shareholder” and was purportedly signed by the
6 chairman of Global Health’s board. It stated that the approval of Global Health’s
7 cancer treatment was recently made official and that “experts” purportedly
8 believed that the product would generate over \$1 billion in revenues within a year.
9 The letter is suspicious, for it is on FDA letterhead but is addressed “Dear
10 Shareholder” and is signed by Global Health’s chairman. Dory, therefore, was on
11 notice that the materials that he used, and the statements made in them, were
12 questionable. Nevertheless, he continued to solicit investors.

13 17. None of these letters were legitimate, and the statements that they
14 contained were false. The FDA has no record of Global Health or of any product
15 purportedly made by it.

16 **MISREPRESENTATIONS AND OMISSIONS: THE BROKERS HAVE**
17 **TRANSFERRED INVESTOR FUNDS TO MEXICAN BANK ACCOUNTS**

18 18. Investors are instructed to send their checks to Global Clearing or
19 Goldman at one of two San Diego addresses. Investors are not told that these
20 addresses are just commercial mail drops within a mile or two of the Mexican
21 border. Investor checks are taken across the border and are cashed or deposited in
22 an account with a Mexican bank in Tijuana.

23 **THE BROKERS’ LULLING ACTIVITIES**

24 19. After investors make their investments, the brokers lull them into
25 continuing to believe that the FDA was in the process of approving, and had
26 approved, Global Health’s cancer treatment. For example, one investor received
27 the purported FDA letters shortly after he had invested nearly \$50,000 in Global
28 Health. By disseminating these letters, the brokers mislead investors into believing

1 that the company is legitimate, that its product is about to be approved by the FDA,
2 and that it had received approval. The brokers also engage in additional lulling
3 activities by providing updates on the telephone and periodically sending investors
4 account statements that falsely represent that their investments have increased
5 significantly in value. These lulling efforts are part of the brokers' fraudulent
6 scheme.

7 **ONGOING CONDUCT**

8 20. The defendants are engaged in ongoing offers and sales of Global
9 Health stock. Specifically, Adams, on behalf of Global Health, Global Clearing,
10 Global Strategies and Goldman, continues to contact investors, offering them
11 additional Global Health stock. As recently as mid-July 2004, Adams solicited at
12 least one existing investor, who purchased additional shares of Global Health stock
13 in late July 2004 but was able to stop payment on his check.

14 **FIRST CLAIM FOR RELIEF**

15 **UNREGISTERED OFFER AND SALE OF SECURITIES**

16 **Violations of Sections 5(a) and 5(c) of the Securities Act**

17 **(Against All Defendants)**

18 21. The Commission realleges and incorporates by reference paragraphs 1
19 through 20 above.

20 22. The defendants, and each of them, by engaging in the conduct
21 described above, directly or indirectly, made use of means or instruments of
22 transportation or communication in interstate commerce or of the mails, to offer to
23 sell or to sell securities, or to carry or cause such securities to be carried through
24 the mails or in interstate commerce for the purpose of sale or for delivery after
25 sale.

26 23. No registration statement has been filed with the Commission or has
27 been in effect with respect to the offering alleged herein.

28 ///

1 24. By engaging in the conduct described above, each of the defendants
2 violated, and unless restrained and enjoined will continue to violate, Sections 5(a)
3 and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

4 **SECOND CLAIM FOR RELIEF**

5 **FRAUD IN THE OFFER OR SALE OF SECURITIES**

6 **Violations of Section 17(a) of the Securities Act**

7 **(Against Defendants Global Clearing,**

8 **Global Strategies, Goldman, Dory and Adams)**

9 25. The Commission realleges and incorporates by reference paragraphs 1
10 through 20 above.

11 26. Defendants Global Clearing, Global Strategies, Goldman, Dory and
12 Adams, and each of them, by engaging in the conduct described above, directly or
13 indirectly, in the offer or sale of securities by the use of means or instruments of
14 transportation or communication in interstate commerce or by use of the mails:

- 15 a. with scienter, employed devices, schemes, or artifices to
16 defraud;
- 17 b. obtained money or property by means of untrue statements of a
18 material fact or by omitting to state a material fact necessary in
19 order to make the statements made, in light of the
20 circumstances under which they were made, not misleading; or
- 21 c. engaged in transactions, practices, or courses of business which
22 operated or would operate as a fraud or deceit upon the
23 purchaser.

24 27. By engaging in the conduct described above, defendants Global
25 Clearing, Global Strategies, Goldman, Dory and Adams, and each of them,
26 violated, and unless restrained and enjoined will continue to violate, Section 17(a)
27 of the Securities Act, 15 U.S.C. § 77q(a).

28 ///

1 **THIRD CLAIM FOR RELIEF**

2 **FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES**

3 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder**

4 **(Against Defendants Global Clearing,**

5 **Global Strategies, Goldman, Dory and Adams)**

6 28. The Commission realleges and incorporates by reference paragraphs 1
7 through 20 above.

8 29. Defendants Global Clearing, Global Strategies, Goldman, Dory and
9 Adams, and each of them, by engaging in the conduct described above, directly or
10 indirectly, in connection with the purchase or sale of a security, by the use of
11 means or instrumentalities of interstate commerce, of the mails, or of the facilities
12 of a national securities exchange, with scienter:

- 13 a. employed devices, schemes, or artifices to defraud;
- 14 b. made untrue statements of a material fact or omitted to state a
15 material fact necessary in order to make the statements made,
16 in the light of the circumstances under which they were made,
17 not misleading; or
- 18 c. engaged in acts, practices, or courses of business which
19 operated or would operate as a fraud or deceit upon other
20 persons.

21 30. By engaging in the conduct described above, defendants Global
22 Clearing, Global Strategies, Goldman, Dory and Adams, and each of them,
23 violated, and unless restrained and enjoined will continue to violate, Section 10(b)
24 of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R.
25 § 240.10b-5.

26 ///

27 ///

28 ///

1 **FOURTH CLAIM FOR RELIEF**

2 **FAILURE TO REGISTER AS A BROKER-DEALER**

3 **Violations of Section 15(a) of the Exchange Act**

4 **(Against Defendants Global Clearing,**

5 **Global Strategies, Goldman, Dory and Adams)**

6 31. The Commission realleges and incorporates by reference paragraphs 1
7 through 20 above.

8 32. Defendants Global Clearing, Global Strategies, Goldman, Dory and
9 Adams, and each of them, by engaging in the conduct described above, directly or
10 indirectly, made use of the mails or means or instrumentalities of interstate
11 commerce to effect transactions in, or to induce or attempt to induce, the purchase
12 or sale of securities, without being registered as brokers or dealers in accordance
13 with Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a).

14 33. By engaging in the conduct described above, defendants Global
15 Clearing, Global Strategies, Goldman, Dory and Adams, and each of them,
16 violated, and unless restrained and enjoined will continue to violate, Section 15(a)
17 of the Exchange Act, 15 U.S.C. § 78o(a).

18 **PRAYER FOR RELIEF**

19 WHEREFORE, the Commission respectfully requests that the Court:

20 **I.**

21 Issue findings of fact and conclusions of law that the defendants committed
22 the alleged violations.

23 **II.**

24 Issue a judgment, in a form consistent with Fed. R. Civ. P. 65(d),
25 temporarily, preliminarily and permanently enjoining Global Health and its
26 officers, agents, servants, employees, and attorneys, and those persons in active
27 concert or participation with any of them, who receive actual notice of the

28 ///

1 judgment by personal service or otherwise, and each of them, from violating
2 Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) & 77e(c).

3 **III.**

4 Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d),
5 temporarily, preliminarily and permanently enjoining defendants Global Clearing,
6 Global Strategies, Goldman, Dory, and Adams and their officers, agents, servants,
7 employees, and attorneys, and those persons in active concert or participation with
8 any of them, who receive actual notice of the judgment by personal service or
9 otherwise, and each of them, from violating Sections 5(a), 5(c), and 17(a) of the
10 Securities Act, 15 U.S.C. §§ 77e(a), 77e(c) & 77q(a), and Sections 10(b) and 15(a)
11 of the Exchange Act, 15 U.S.C. §§ 78j(b) & 78o(a), and Rule 10b-5 thereunder, 17
12 C.F.R. § 240.10b-5.

13 **IV.**

14 Issue, in a form consistent with Fed. R. Civ. P. 65, a temporary restraining
15 order and a preliminary injunction freezing the assets of each of the defendants,
16 directing the assets of each of the defendants to be repatriated to the United States,
17 prohibiting each of the defendants from destroying documents, expediting
18 discovery, and requiring accountings from each of the defendants.

19 **V.**

20 Order each defendant to disgorge all ill-gotten gains from their illegal
21 conduct, together with prejudgment interest thereon.

22 **VI.**

23 Order each of the defendants to pay civil penalties under Section 20(d) of the
24 Securities Act, 15 U.S.C. § 77t(d), and that defendants Global Clearing, Global
25 Strategies, Goldman, Dory and Adams pay civil penalties under Section 21(d)(3)
26 of the Exchange Act, 15 U.S.C. § 78u(d)(3).

27 ///

28 ///

1 **VII.**

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

6 **VIII.**

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

9
10 DATED: September ____, 2004

11 _____
12 MICHAEL A. PIAZZA
13 DAVID J. VAN HAVERMAAT
14 ROBERTO A. TERCERO
15 Attorneys for Plaintiff
16 Securities and Exchange Commission
17
18
19
20
21
22
23
24
25
26
27
28