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11 **IN THE UNITED STATES DISTRICT COURT**
12 **FOR THE DISTRICT OF NEVADA**

13	UNITED STATES SECURITIES AND)	
14	EXCHANGE COMMISSION)	Civil Action No.: 2:22-cv-01609
15	Plaintiff,)	COMPLAINT
16	v.)	
17	JAMES R. THOMPSON,)	JURY TRIAL DEMANDED
18	BARRY D. LOVELESS, and)	
19	JAMES A. MYLOCK, JR.)	
20	Defendants.)	
21)	

22 **COMPLAINT AND JURY DEMAND**

23 Plaintiff United States Securities and Exchange Commission (the “SEC” or
24 “Commission”) for its Complaint against Defendants James R. Thompson
25 (“Thompson”), Barry D. Loveless (“Loveless”), and James A. Mylock, Jr.
26 (“Mylock”) (collectively, “Defendants”) alleges as follows:
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JURISDICTION AND VENUE

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1. The SEC brings this action pursuant to authority conferred on it by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Sections 21(d) and 21(e) of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u(e)] to restrain and enjoin Thompson, Loveless, and Mylock from engaging in the acts, practices, and courses of business described in this Complaint, and similar acts, practices, and courses of business. The SEC seeks against all Defendants permanent injunctions and civil penalties pursuant to Section 20(d) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78u(d)(3)].

2. This Court has jurisdiction over this action under Sections 20(b), 20(d)(1) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d)(1) and 77v(a)], Sections 21(d)(1), 21(d)(3)(A), 21(e), and 27(a) of the Exchange Act [15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e), and 78aa(a)].

3. Defendants directly or indirectly, made use of the means or instruments of transportation or communication in interstate commerce, the means or instrumentalities of interstate commerce, or of the mails, in connection with the acts, practices, and courses of business set forth in this Complaint.

4. Venue lies in the District of Nevada under Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27(a) of the Exchange Act [15

1 U.S.C. § 78aa(a)] because Spyr is a Nevada corporation and certain of the acts,
2 practices, transactions, and courses of business alleged in this Complaint occurred
3 within this District.
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5 **SUMMARY**

6 5. From at least January 2018 until May 2018 (the “Relevant Period”),
7 Defendants Thompson, Loveless, and Mylock each made false and misleading
8 statements to outside auditors in connection with the audit or review of the
9 financial statements of Spyr, Inc. (“Spyr” or the “Company”), a publicly-traded
10 company that made filings with the Commission. Specifically, the Defendants
11 provided Spyr’s outside auditors with false and misleading information about an
12 ongoing SEC investigation into Spyr’s investment in a biotechnology company.
13 Despite their knowledge of the investigation and that the SEC’s staff intended to
14 recommend charging the Company with violating the federal securities laws,
15 Defendants told Spyr’s auditors that they were not aware of “any situations where
16 the company may not be in compliance with any federal or state laws or
17 government or other regulatory body regulations.”
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22 6. Defendants Thompson and Loveless also violated the anti-fraud
23 provisions of the federal securities laws and aided and abetted Spyr’s reporting
24 violations in its 2017 Form 10-K and its first quarter 2018 Form 10-Q, both of
25 which were filed with the Commission, by failing to disclose the existence and
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1 status of the SEC’s investigation into Spyr’s investment in a biotechnology
2 company. Both Thompson and Loveless reviewed and signed those Company
3 filings, which failed to disclose a loss contingency as required by generally
4 accepted accounting principles (“GAAP”). A loss contingency related to the
5 existence and status of the SEC’s investigation involving Spyr’s investment in a
6 biotechnology company was required to be disclosed because it was reasonably
7 possible that it could lead to a material loss for the Company since: (1) the SEC
8 staff intended to recommend charges and a civil penalty against Spyr; (2)
9 settlement discussions with the SEC’s staff had broken down; (3) any penalty
10 would be material; and (4) an SEC action was likely coming, and coming soon.
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DEFENDANTS

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16 7. **James R. Thompson** resides in Englewood, Colorado. Thompson is
17 an attorney admitted to practice law in Colorado, New Jersey, and Pennsylvania.
18 Thompson became the President, Chief Executive Officer (“CEO”), and General
19 Counsel for Spyr on February 1, 2015, and remained in those positions with the
20 company during the Relevant Period.
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22 8. **Barry D. Loveless** resides in Sandy, Utah. Loveless is a licensed
23 Certified Public Accountant. Loveless became the Chief Financial Officer
24 (“CFO”) for Spyr on October 16, 2015, and remained in that position with the
25 company during the Relevant Period.
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1 12. In connection with the completion of the audit of Spyr’s 2017
2 financial statements, and with the March 31, 2018 quarterly review of Spyr’s
3 financial statements, Thompson and Loveless made additional materially false and
4 misleading statements to another certified public accounting firm (“Auditor 2”),
5 which replaced Auditor 1 following its resignation.
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8 13. As officers of Spyr who signed Spyr’s SEC filings, Thompson and
9 Loveless should have disclosed the existence and status of the SEC’s investigation
10 as a loss contingency in Spyr’s financial statements, but they failed to make the
11 required disclosure on Spyr’s behalf.
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13 **II. The SEC’s BioTech Investigation**

14 14. During 2014, the SEC began an investigation concerning the
15 Company’s investments in a certain biotechnology company (“Biotech Co.”).
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17 15. In November 2014, Loveless forwarded to Auditor 1 a letter from
18 Spyr’s outside counsel discussing the SEC’s investigation. In March 2015, Spyr’s
19 board of directors discussed the SEC’s investigation with Auditor 1. Thereafter,
20 the Defendants did not, nor did anyone else at Spyr, update or disclose anything
21 further to Auditor 1 about the SEC’s investigation.
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23 16. From March 2015 through November 2017, the SEC’s Division of
24 Enforcement sent multiple subpoenas to Spyr, its officers, and directors, requesting
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1 documents and seeking testimony related to the SEC’s investigation of Spyr’s
2 investment in Biotech Co.
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4 17. On or about April 5, 2017, the SEC’s Division of Enforcement sent a
5 “Wells Letter” to an attorney who represented Spyr. A Wells Letter is a notice
6 from the SEC’s staff that it intends to recommend to the Commission that the SEC
7 charge someone with violating the federal securities laws, and describes the
8 charges and potential remedies that may be involved. The April 2017 letter
9 advised Spyr that the staff of the SEC:
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12 has made a preliminary determination to recommend that the
13 Commission file an enforcement action against your client, [Spyr].
14 This proposed action would allege violations of Section 7(a) of the
15 Investment Company Act of 1940 (“Investment Company Act”). The
16 recommendation may involve a civil injunctive action and may seek
17 remedies that include an injunction and civil money penalties.

18 The SEC’s Division of Enforcement also sent a Wells Letter to the attorney who
19 represented Spyr’s chairman of the board of directors (the “Chairman”) and a
20 related entity, indicating that the SEC’s staff intended to recommend charges
21 against them related to Spyr’s trading in Biotech Co.

22 18. In May 2017, Spyr responded to the SEC’s Wells Letter. Between
23 June 2017 and December 2017, Spyr received additional subpoenas and other
24 communications from the SEC, and had meetings with senior SEC staff concerning
25 the SEC’s investigation, the charges the SEC staff intended to recommend being
26 brought, and potential settlement options.
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1 19. On January 24, 2018, an attorney for Spyr and its Chairman sent a
2 settlement offer to the SEC’s Division of Enforcement that set out proposed terms
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4 to resolve the investigation against the Chairman and the related entity. The offer
5 did not include a proposed resolution by Spyr of the SEC’s claims, and stated that
6 any admitted wrongdoing by Spyr would “effectively kill this company and impact
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8 all of its shareholders” In response, the attorney for the SEC’s Division of
9 Enforcement stated that any settlement with Spyr needed to include an injunction
10 prohibiting further violations of Section 7(a) of the Investment Company Act and a
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12 civil penalty, and that the SEC’s process was moving forward.

13 20. On January 26, 2018, Spyr’s counsel replied to the SEC, stating that
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15 Spyr would consider the information, and, if they could come up with a counter
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17 offer, they would present it. The Enforcement staff received no further settlement
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19 communications from Spyr’s counsel.

20 21. On or about March 13, 2018, Spyr hired another certified public
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22 accounting firm (“Auditor 2”) to complete the audit of its 2017 financial
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24 statements. The Defendants did not, nor did anyone else at Spyr, ever disclose
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26 anything about the SEC’s investigation to Auditor 2.

27 **III. The SEC Files the Biotech Case.**

28 22. On June 18, 2018, the SEC filed a civil action against Spyr, its
Chairman, and a related entity in United States District Court for the Southern

1 District of New York (the “Biotech Case”). The complaint charged each of those
2 defendants in the Biotech Case with fraud and other violations under the federal
3 securities laws, in addition to charging Spyr with violations of Section 7(a) of the
4 Investment Company Act.
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6 23. On July 9, 2018, Spyr filed a Form 8-K disclosing that, “On July 2,
7 2018, [Spyr’s Auditor 2] advised the Registrant that it could not rely upon the audit
8 report for the Registrant’s December 31, 2017 financial statements, because the
9 accountant believes it can no longer rely on management’s representations.”
10 Auditor 2, who resigned after learning of the SEC’s BioTech Case complaint,
11 believed it could no longer rely upon Spyr management’s representations because
12 Spyr’s management had lied to it.
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16 24. On April 14, 2020, the district court entered final judgments by
17 consent against Spyr, its Chairman, and a related entity, requiring them jointly and
18 severally to pay \$2 million of disgorgement and prejudgment interest and each
19 defendant separately to pay a \$500,000 civil penalty. Spyr was enjoined from
20 violating Section 17(a) of the Securities Act, Sections 9(a)(1), 9(a)(2), and 10(b) of
21 the Exchange Act and Rule 10b-5 thereunder, and Section 7(a) of the Investment
22 Company Act.
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1 **IV. Defendants Were Aware of the SEC’s Biotech Investigation.**

2 25. Prior to 2016, each Defendant was aware that the SEC was
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4 investigating Spyr, and by the end of April 2017 they each knew about the Wells
5 Letters.

6 26. On or about November 13, 2014, Loveless knew that the SEC was
7
8 conducting an investigation related to Spyr and its investment in Biotech Co.

9 27. The Chairman told Thompson about the SEC’s investigation of Spyr
10 before he became president and CEO of Spyr in 2015.

11 28. Mylock discussed the SEC’s investigation of Spyr at a meeting of
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13 Spyr’s board of directors on March 26, 2015.

14 29. On or around April 14, 2017, Thompson, Loveless, and Mylock knew
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16 that the SEC had sent Wells Letters to Spyr alleging violations of Section 7(a) of
17 the Investment Company Act. Thompson was involved in preparing Spyr’s
18 response to its Wells Letter, and Loveless was aware of the Company’s response.

19 30. On or about January 26, 2018, Thompson, as the president and CEO
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21 of Spyr, was aware of Spyr’s settlement discussions with the SEC, and that the
22 SEC’s Division of Enforcement was proceeding with its claims that Spyr violated
23 Section 7(a) of the Investment Company Act.

24 31. Mylock was also aware of the January 2018 settlement negotiations
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26 and understood that they included monetary sanctions for Spyr and others.
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1 32. Thompson and Loveless both had communications in March 2018
2 with the Chairman about the soon to be filed SEC action arising from the SEC’s
3 Biotech investigation. In a March 5, 2018 text message string between the
4 Chairman, Thompson, and Loveless, the Chairman wrote “with the SEC complaint
5 only days/weeks away from being served ... we really need to get this 10-K filed
6 ASAP.”
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9 **V. Defendants Made False and Misleading Statements to Spyr’s**
10 **Auditors.**

11 33. As further described below, Defendants made false and misleading
12 statements to Spyr’s auditors in connection with audits and reviews of Spyr’s
13 financial statements that the Company was required to file with the Commission as
14 part of the Company’s 2017 Form 10-K and its first quarter 2018 Form 10-Q.
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16 **a. Misleading Auditor 1**

17 34. In connection with the initial audit of Spyr’s consolidated financial
18 statements for the year ended December 31, 2017, which were to be filed in the
19 Company’s 2017 Form 10-K, Auditor 1 sent audit inquiry letters to Thompson as
20 the CEO of Spyr, and Loveless as the CFO of Spyr, on January 31, 2018.
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22 35. The audit inquiry letters contained eight questions, including: “Does
23 management have knowledge of any violations or possible violations of federal,
24 state, or other regulatory body, laws and regulations?”
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1 36. In response to the January 31, 2018 audit inquiry questions,
2 Thompson wrote in an email to the outside auditors that “The answer to all
3 questions is ‘no.’”
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5 37. In response to the January 31, 2018 audit inquiry questions, Loveless
6 wrote in an email to the outside auditors that “My response to each of the questions
7 below is ‘no.’”
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9 38. In connection with the audit of Spyr’s consolidated financial
10 statements for the year ended December 31, 2017, which were to be filed in the
11 Company’s 2017 Form 10-K, Auditor 1 also sent an audit inquiry letter to Mylock,
12 as a director of Spyr.
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14 39. On February 1, 2018, Mylock emailed his audit inquiry responses to
15 Auditor 1. In his response, Mylock stated that he had no knowledge of “any
16 situations where the company may not be in compliance with any federal or state
17 laws or government or other regulatory body regulations,” or “of violations or
18 possible violations of laws and regulations.”
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21 40. Thompson, Loveless, and Mylock knew and were aware that their
22 responses to Auditor 1’s January 31, 2018 audit inquiries were materially false and
23 misleading because each knew about the SEC’s investigation of Spyr’s violation of
24 the federal securities laws and the SEC staff’s plan to recommend charging Spyr
25 for violating them.
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1 41. A reasonable auditor would have wanted to consider the SEC’s
2 investigation and the SEC staff’s plan to recommend charging Spyr in order to plan
3 and carry out an audit to determine if Spyr’s financial statements were presented in
4 conformity with GAAP.
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6 42. Auditor 1 resigned as Spyr’s auditor effective March 16, 2018.
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8 **b. Misleading Auditor 2**

9 43. A few days prior, on or about March 13, 2018, Spyr hired another
10 certified public accounting firm (“Auditor 2”) to complete the audit of its 2017
11 financial statements.
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13 44. In connection with the audit of Spyr’s consolidated financial
14 statements for the year ended December 31, 2017, which were to be filed in the
15 Company’s 2017 Form 10-K on April 2, 2018, Thompson and Loveless signed
16 audit inquiry requests from Auditor 2 in which each represented that since January
17 1, 2018, there had been no “communications from the SEC or other regulatory
18 agencies regarding the Company,” and there had been no “violations or possible
19 violations of laws or regulations.”
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22 45. Thompson and Loveless also signed a management representation
23 letter to Auditor 2, dated April 2, 2018, in connection with the 2017 audit. The
24 letter included representations from Thompson and Loveless that Spyr’s financial
25 statements had been prepared in conformity with GAAP and there had been “no
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1 violations or possible violations of laws or regulations whose effect should be
2 considered for disclosure in the financial statements or as a basis for recording a
3 loss contingency.”
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5 46. On April 2, 2018, Auditor 2, relying on representations from
6 Thompson, Loveless, and Mylock, issued an audit report as part of Spyr’s Form
7 10-K filing stating that it had audited Spyr’s 2017 financial statements and that
8 they were presented, in all material respects, in conformity with GAAP.
9

10 47. Thompson and Loveless continued their materially false statements to
11 the auditors in connection with the March 31, 2018 quarterly review of Spyr’s
12 financial statements. In response to a set of audit inquiries from Auditor 2, on May
13 3, 2018, Loveless signed an Inquiries Subsequent Event Request, and answered
14 “No” to the following questions for the January 1, 2018, through May 3, 2018
15 period: (1) “Have there been any communications from any regulatory agencies,
16 including the SEC, regarding the Company?”; and (2) “Have there been any
17 violations or possible violations of laws or regulations affecting the Company not
18 previously recorded or disclosed in the March 31, 2018 condensed consolidated
19 financial statements?”
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24 48. On May 15, 2018, Loveless emailed Auditor 2 a management
25 representation letter signed by Thompson and Loveless that included the following
26 representations: (1) “There have been no communications from the regulatory
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1 agencies regarding noncompliance with, or deficiencies in, financial reporting
2 practices;” and (2) “There are no: Violations or possible violations of laws or
3 regulations whose effects should be considered for disclosure in the interim
4 financial information or as a basis for recording a loss contingency.”
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6 49. Thompson and Loveless knew and were aware that their April and
7 May 2018 representations made by to Auditor 2 were materially false and
8 misleading because each knew about the SEC’s investigation of Spyr’s violation of
9 the federal securities laws and the SEC’s communications with Spyr, and they still
10 inaccurately answered the questions posed in the audit inquiries and management
11 representation letters as described above.
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14 50. A reasonable auditor would have wanted to consider the SEC’s
15 investigation and the SEC staff’s plan to recommend charging Spyr to determine if
16 Spyr’s financial statements were presented in conformity with GAAP.
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18 **VI. Undisclosed Loss Contingency**

19 51. Spyr, Thompson, and Loveless were responsible to file financial
20 statements with the SEC that were prepared in conformity with GAAP, and they
21 represented to Auditor 2 that Spyr’s financial statements were prepared in
22 conformity with GAAP. Financial statements filed with the SEC that are not
23 prepared in conformity with GAAP are presumed to be misleading.
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1 52. Spyr, Thompson, and Loveless did not disclose the existence and
2 status of the SEC’s Biotech investigation as a loss contingency in its financial
3 statements when it filed its 2017 Form 10-K on April 2, 2018, and its 2018 first
4 quarter Form 10-Q filed on May 15, 2018. Thompson and Loveless reviewed,
5 signed, and approved both filings, which were both made available to investors or
6 potential investors via the Commission’s EDGAR website.
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9 53. The potential enforcement action resulting from the SEC’s Biotech
10 investigation was a loss contingency that was required to be disclosed under
11 GAAP in Spyr’s financial statements because it was reasonably possible that it
12 could lead to a material loss for the Company since: (1) the SEC staff intended to
13 recommend that the SEC charge the Company with violating Section 7(a) of the
14 Investment Company Act and seek a civil penalty; (2) settlement discussions with
15 the SEC’s staff had broken down; (3) any penalty paid by the Company would be
16 material; and (4) the Company knew that the SEC’s Enforcement action was likely
17 coming, and coming soon. Despite this, Spyr, Thompson, and Loveless never
18 conducted a good faith assessment as to whether the possible pending Enforcement
19 action needed to be disclosed. Instead, the Company and its officers did the
20 opposite – they mislead Spyr’s auditors and failed to disclose the existence and
21 status of the SEC’s Biotech investigation.
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1 54. These financial statements were false and misleading because the
2 financial statements omitted material facts that were necessary to render the
3 statements not misleading. Specifically, the financial statements failed to disclose
4 the existence and status of the SEC’s Biotech investigation as a loss contingency in
5 its 2017 Form 10-K and first quarter Form 10-Q for the quarter ended March 31,
6 2018.
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9 55. The loss contingency would have been material to investors because,
10 as acknowledged internally at Spyr, if it was recorded it could have killed the
11 Company given its poor financial condition. The SEC staff communicated to the
12 Company that it would not recommend a settlement to the Commission that did not
13 include a penalty against the Company, and that if the case were to litigate, the
14 staff anticipated seeking a penalty of between \$11 and \$13 million. In its written
15 response to the Wells Letter and in settlement negotiations, Spyr acknowledged
16 that any monetary relief against the Company would “effectively kill” the
17 Company and impact all of its shareholders given the Company’s poor financial
18 condition.
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22 56. Thompson and Loveless failed to use reasonable care under the
23 circumstances. No reasonable officer or director would not have disclosed a loss
24 contingency when they were aware of the potential charges and penalties against
25 Spyr, that settlement negotiations had broken down, that any penalty paid by the
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1 Company would be material, and that the SEC's Enforcement action was likely
2 coming soon.

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4 57. Thompson and Loveless also provided substantial assistance to Spyr's
5 reporting violations when they reviewed, signed, and approved the filing of Spyr's
6 2017 Form 10-K and the 2018 first quarter Form 10-Q that failed to disclose the
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8 existence and status of the SEC's investigation.

9 58. These statements were made in connection with the offer or sale of
10 Spyr's securities. Spyr offered and sold millions of shares of Spyr common stock
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12 to investors, third party service providers, and employees during the period when
13 Spyr's 2017 Form 10-K and 2018 Form 10-Q did not disclose the SEC's
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15 investigation as a loss contingency.

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17 **COUNT I**
18 **Violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act**
19 **(Thompson and Loveless)**

20 59. The SEC realleges and incorporates by reference the allegations in
21 paragraphs 1 through 58 above as if set forth fully herein.

22 60. During the Relevant Period, by engaging in the conduct described
23 above, specifically reviewing, signing, and approving the filing of Spyr's 2017
24 Form 10-K and the 2018 first quarter Form 10-Q, which failed to disclose a loss
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26 contingency related to the existence and status of the SEC investigation, Thompson
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28 and Loveless, in connection with the offer to sell or sale of securities and by the

1 use of means or instruments of transportation or communication in interstate
2 commerce or by the use of the mails, directly or indirectly, and with negligence,
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4 obtained money or property by means of untrue statements of a material fact or by
5 omitting to state a material fact necessary in order to make the statements made, in
6 light of the circumstances under which they were made, not misleading, and
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8 engaged in transactions, practices, or courses of business which operated or would
9 have operated as a fraud or deceit on purchasers of Spyr's securities.

10 61. By reason of the foregoing, Thompson and Loveless each violated,
11
12 and unless restrained and enjoined will again violate, Sections 17(a)(2) and
13 17(a)(3) of the Securities Act [15 U.S.C. § 77q(a)(2), (3)].

14
15 **COUNT II**
16 **Aiding and Abetting Violations of**
17 **Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and**
18 **13a-13 thereunder**
19 **(Thompson and Loveless)**

20 62. The SEC realleges and incorporates by reference the allegations in
21 paragraphs 1 through 58 above as if set forth fully herein.

22 63. During the Relevant Period, Spyr, which was an issuer of securities
23 registered pursuant to Section 12 of the Exchange Act, filed a materially false and
24 misleading quarterly report, and a materially false and a misleading annual report
25 with the SEC that made untrue statements of material fact or omitted to state
26 material facts necessary in order to make the statements made, in light of the
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1 circumstances under which they were made, not misleading, in violation of Section
2 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13.
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4 64. During the Relevant Period, by engaging in the conduct described
5 above, specifically providing substantial assistance to Spyr's reporting violations
6 by reviewing, signing, and approving the filing of Spyr's 2017 Form 10-K and the
7 2018 first quarter Form 10-Q, which failed to disclose a loss contingency related to
8 the existence and status of the SEC's investigation, Thompson and Loveless each
9 aided and abetted the reporting violations of Spyr by knowingly or recklessly
10 providing substantial assistance to Spyr in committing these reporting violations.
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13 65. By reason of the foregoing, pursuant to Section 20(e) of the Exchange
14 Act [15 U.S.C. § 78(t)(e)], Thompson and Loveless each aided and abetted, and
15 unless restrained and enjoined will continue to aid and abet, violations of Section
16 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, and 13a-
17 13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13].
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20 **COUNT III**
21 **Violations of Rule 13b2-2 Under the Exchange Act**
22 **(Directly or Indirectly Making False Statements to Accountants and Auditors)**
23 **(Thompsons, Loveless, and Mylock)**

24 66. The SEC realleges and incorporates by reference the allegations in
25 paragraphs 1 through 50 above as if set forth fully herein.

26 67. During the Relevant Period, by engaging in the conduct described
27 above, specifically making material misleading statements that they knew and
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1 were aware misstated and omitted required information regarding the existence of
2 the ongoing SEC investigation to the Company's auditor in connection with the
3 audit and review of the financial statements of Spyr, Defendants each directly or
4 indirectly made or caused to be made materially false or misleading statements to
5 an accountant in connection with; or omitted to state, or caused another person to
6 omit to state, material facts necessary in order to make statements made, in light
7 of the circumstances under which such statements were made, not misleading, to
8 an accountant in connection with audits, reviews or examinations, of financial
9 statements of Spyr or in the preparation or filing of Spyr's documents or reports
10 required to be filed with the SEC.
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14 68. By reason of the foregoing, Thompson, Loveless, and Mylock each
15 violated, and unless restrained and enjoined will again violate, Rule 13b2-2 under
16 the Exchange Act [17 CFR § 240.13b2-2].
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19 **PRAYER FOR RELIEF**

20 WHEREFORE, the SEC respectfully requests that the Court enter a Final
21 Judgment:
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- 23 A. Finding that Thompson and Loveless violated the federal securities laws
24 alleged in Counts I through III of the Complaint, and that Mylock violated
25 the federal securities laws alleged in Count III of the Complaint;
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- 1 B. Consistent with Rule 65 of the Federal Rules of Civil Procedure,
2 permanently restraining and enjoining Thompson, Loveless, and Mylock
3 from directly or indirectly, violating the federal securities laws that they
4 are alleged to have violated in the Complaint;
5
6 C. Ordering Thompson, Loveless, and Mylock to pay civil monetary penalties
7 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and
8 Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)];
9
10 D. Ordering that Thompson and Loveless be barred from acting as an officer
11 or director of any public company pursuant to the Court’s inherent
12 equitable authority and Section 21(d)(5) of the Exchange Act [15 U.S.C. §
13 78u(d)(5)]; and
14
15 E. Granting such other and further equitable relief as the Court may deem just
16 and proper.
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19 **JURY TRIAL DEMANDED**

20 Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the SEC hereby
21 demands trial by jury.
22

23 Dated: September 22, 2022

Respectfully submitted,

24
25 /s/ Christopher E. Martin

Christopher E. Martin

AZ Bar No. 018486

Government attorney admitted

pro hac vice

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