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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Plaintiff,	:	**18 CV. 5075 ( )**
	:	
	:	**ECF Case**
-against-	:	
	:	**COMPLAINT AND**
	:	**JURY DEMAND**
JOSEPH M. LAURA,	:	
ANTHONY R. SICHENZIO,	:	
and WALTER GIL DE RUBIO,	:	
	:	
Defendants.	:	

The Securities and Exchange Commission ("Commission" or "SEC") alleges as follows for its Complaint against defendants Joseph M. Laura ("Laura"), Anthony R. Sichenzio ("Sichenzio") and Walter Gil de Rubio ("Gil de Rubio") (collectively, "Defendants"):

SUMMARY

1. This enforcement action involves a scheme by defendants Laura, Sichenzio and Gil de Rubio to defraud investors and misappropriate and misuse investor funds. From

at least June 2013 through January 2017, Defendants raised more than $3.7 million from at least 80 investors through the fraudulent offer and sale of securities of Pristec America, Inc. ("PAI"), a U.S. company incorporated by Laura, and Pristec AG ("PAG"), an Austrian company that had rights to a crude oil processing technology. Many of these investors were social and business acquaintances of the Defendants who were led to believe they were being offered a special opportunity available only to "friends and family."

2. Throughout the relevant period, the Defendants offered and sold securities in the form of revenue sharing, stock purchase and convertible loan agreements, which Laura both drafted and signed, and Sichenzio signed. These investment contracts and Defendants' oral solicitation of investors contained a variety of fraudulent misrepresentations and omissions of material facts concerning the purported oil processing technology, how Defendants would use investors' funds, the financial condition of PAI and Defendants' purported investments in it. The revenue sharing contracts also contained baseless and/or unreasonably optimistic projections concerning the timing and amount of investment returns investors could expect to realize.

3. Of the more than $3.7 million that the Defendants raised from investors since June 2013, less than half of it went to legitimate business uses. Laura misappropriated and misdirected the rest of it for his personal use -- to pay his personal expenses and personal loans. He also directed substantial amounts of these investor funds to Sichenzio and Gil de Rubio for reasons unrelated to PAI's business.

4. Sichenzio, who held various corporate positions at PAI and indirectly owned part of it, and Gil de Rubio, were aware of or recklessly disregarded Laura's

misappropriation and misuse of funds, in part because Laura had improperly given PAI investor funds to each of them. Sichenzio and Gil de Rubio solicited investors into the scheme without disclosing Laura's misappropriation or their own troubled financial histories with Laura, and aided and abetted Laura's misstatements.

5. To date, despite raising more than $12 million from over 150 investors since 2010, during which time they repeatedly claimed that revenue generating contracts were imminent, the Defendants have failed to generate any revenue for their investors from commercializing the crude oil technology. The only beneficiaries of Defendants' long-standing scheme to defraud are themselves.

VIOLATIONS

6. By engaging in the conduct described in this Complaint, Laura violated Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], and Sections 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder, and violated Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)]. Unless restrained and enjoined, Laura will engage in future violations of these provisions.

7. By engaging in the conduct described in this Complaint, Sichenzio and Gil de Rubio violated Sections 17(a)(l) and (3) of the Securities Act [15 U.S.C. §§ 77q(a)(l) and(3)], and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rules 10b-5(a) and (c) [17 C.F.R. §§ 240.10b-5(a) and (c)] thereunder, and aided and abetted Laura's violations of Section 17(a)(2) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5(b), and unless restrained and enjoined, will engage in future violations of these

provisions.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

8. The Commission brings this action pursuant to authority conferred by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d)(1) of the Exchange Act [15 U.S.C. § 78u(d)(1)]. The Commission seeks to restrain and permanently enjoin the Defendants from engaging in the acts, practices, transactions, and courses of business alleged herein. In addition, the Commission seeks a final judgment (i) ordering the Defendants to disgorge their ill-gotten gains, together with prejudgment interest thereon; and (ii) ordering the Defendants to pay civil monetary 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)].

JURISDICTION AND VENUE

9. The Court has jurisdiction of this action pursuant to 28 U.S.C. § 1331, Section Sections 20(b), 20(d), and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d) and 77v(a),] and Sections 21(d), 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e) and 78aa].

10. Venue is proper in the Eastern District of New York pursuant to 28 U.S.C. § 1391(b)(2), Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa] because many of the acts, transactions, practices and courses of business constituting the violations occurred in this district. For example, Laura solicited investors in the Eastern District who were offered and purchased securities, and PAI listed its principal office in Staten Island in various investment contracts. Laura also

maintained a Staten Island bank account for PAI, maintained certain books and records of PAI in an office in Staten Island, and hired a Staten Island accountant for PAI.

11. In connection with the conduct alleged in this Complaint, Defendants directly or indirectly made use of the means or instrumentalities of interstate commerce, the means or instruments of transportation and communication in interstate commerce, and the mails.

12. Defendants' conduct involved fraud, deceit, or deliberate or reckless disregard of regulatory requirements, and resulted in substantial loss, and significant risk of substantial loss, to other persons.

DEFENDANTS

13. **Laura,** age 56, is a resident of Springfield, New Jersey. Laura is an attorney registered in New York and on retired status in New Jersey. Laura founded PAI and, during the majority of the relevant period, he controlled PAI and held multiple corporate titles, including CEO, President, Treasurer and Chairman of the Board. Laura has no training in science or physics and had no background in the oil business before becoming involved in PAI.

14. **Sichenzio,** age 56, is a resident of Warren, New Jersey. During the relevant period, Sichenzio held multiple officer roles with PAI, including Vice Chairman, Vice President, and Secretary, and was also a Director. Sichenzio has been associated with various registered broker-dealers for over 30 years. Sichenzio was affiliated with a registered broker-dealer in New York City from October 2010 through the present, including during the time he engaged in the fraudulent conduct set forth in this

Complaint.

15. **Gil de Rubio,** age 65, is a resident of Freehold, New Jersey. Gil de Rubio owns, in whole or in part, several New Jersey-based companies engaged in real estate, construction and landscape contracting. Gil de Rubio raised substantial amounts of monies selling PAI's securities to investors and received substantial amounts of investor funds from PAI.

BACKGROUND OF THE RELEVANT ENTITIES

16. **PAG** is a private Austrian company founded in 2006 for the purpose of crude oil processing technology development, licensing and commercialization. PAG had certain intellectual property rights, which were in the process of being patented, to an application for "cold-cracking," a heavy oil processing method that uses pressure wave emissions to purportedly change the molecular composition of heavy oil compounds. Laura was introduced to PAG in or around December 2008.

17. **Innovative Crude Technologies, Inc. ("ICT").** Laura originally incorporated an entity named Pristec America, Inc. in New Jersey in February 2010 for the purported purpose of providing "consulting services." In October 2010, Laura renamed this entity ICT. During the relevant period, Laura and Sichenzio each owned 50% of ICT. In corporate documents, Laura listed the purpose of ICT as "Oil Technology Consultant." In early 2011, pursuant to a purported financing contract between ICT and PAG, ICT acquired an equity interest in PAG. Accordingly, during most of the relevant period, Laura and Sichenzio together owned 33% of PAG through ICT. The rest of PAG was owned primarily by European investors. In February 2016,

PAG increased its outstanding shares, reducing ICT's ownership of PAG to approximately 23.3%.

18. **Pristec America, Inc. ("PAI").** In September 2011, ICT and PAG incorporated a new New Jersey entity named Pristec America, Inc. ("PAI-NJ"), of which they each owned 50%. In September 2013, ICT and PAG incorporated an entity in Nevada also named Pristec America, Inc. ("PAI-NV") that was also jointly owned by ICT and PAG. This Complaint uses "PAI" to refer to both PAI entities. At this time, the purpose of PAI was described as a "strategic alliance partner" to PAG responsible for business development and introduction of the technology in the U.S., Canada, Mexico and Columbia. PAI itself had no independent research, development or manufacturing operations. It had no offices and no actual employees.

FACTS

A. Background of Relationships Among Defendants

19. Laura introduced Sichenzio to PAI in April 2010 shortly after he incorporated it. At the time, Laura owed Sichenzio at least $1.3 million arising from a failed real estate venture and from loans Sichenzio made to Laura for his personal use. Laura convinced Sichenzio to become involved in PAI, in part, as a potential means for Sichenzio to recover the monies Laura owed him. In 2010, Sichenzio provided about $918,000 to Laura through Laura's attorney trust account, with the understanding that Laura would use some of the money to purchase ICT's equity interest in PAG and that Laura could use the remainder of these funds as he chose without restriction.

20. Laura introduced Gil de Rubio to PAI in 2010. At the time, according to

Gil de Rubio, Laura owed Gil de Rubio at least $1 million in connection a Piscataway, N.J., real estate project, 1530 Glenwood Properties LLC ("1530 Glenwood"). Gil de Rubio acquired part of 1530 Glenwood because Laura's credit rating prevented the project from obtaining loans, and based on Laura's commitment to take responsibility for any liabilities arising from his time managing 1530 Glenwood. Laura, however, failed to pay Gil de Rubio and the other contractors to whom he owed money.

21. Separately, Laura owed Gil de Rubio and his family $850,000 in connection with personal loans and other unsuccessful business ventures. Gil de Rubio had no documented equity interest in PAI, but, according to Gil de Rubio, Laura promised Gil de Rubio that he would eventually give him a percentage of the company. Gil de Rubio also believed that the only way Laura would be able to compensate and repay him and his family for their losses and loans was through PAI.

B. Defendants Begin Soliciting Investments Through False Pretenses

22. The Defendants made little distinction between the two active Pristec America entities and used them interchangeably in dealings with investors. For example, Laura drafted investment contracts under the name of "Pristec America, Inc.," described as "a corporation created under the laws of the State of New Jersey" during late 2010 and early 2011, when no such corporation existed. After PAI-NV was incorporated, some contracts described PAI as a New Jersey corporation but provided a Nevada address; other contracts referred to the Nevada corporation but used a Staten Island address, and some contracts directed payments to be made to ICT "d/b/a Pristec America."

23. In or around August 2010, Laura and Sichenzio began soliciting money

from a large number of investors, many of whom ultimately signed or agreed to investment contracts. Laura and Sichenzio misled these investors in a variety of ways. For example, they falsely claimed that PAI owned and had exclusive worldwide rights to profit from the cold-cracking technology. In fact, PAI had no license to use PAG's technology until 2014, and that license granted only PAI-NV exclusive rights in only countries, the U.S., Mexico, Canada and Colombia, with non-exclusive rights elsewhere.

24. Second, Laura and Sichenzio made baseless claims regarding the projected amount and timing of revenue investors would receive. For example, the majority of the revenue sharing contracts promised PAI investors a set payoff per oil barrel processed and contained schedules showing production dramatically increasing. Some contracts set forth increases from 10,000 barrels/day in month 1 to 200,000 barrels/day in month 13, with profits continuing at that rate for at least five years in some contracts, and even longer in others.

25. In truth, during both the 2010-2013 and the 2013-2017 periods no contracts for commercial oil production actually existed. Further, during the 2010-2013 period PAI had no license to the technology and PAI investors had no contractual right to any revenues that PAG might generate from the technology.

26. According to the CEO of PAG, there was no corporate action authorizing PAI, or Laura or Sichenzio, to enter into revenue sharing contracts, and any U.S. investments were expected to be in the form of convertible loans.

27. Laura drafted and was a signatory, as PAI's Chairman or President, on all of the investment contracts; Sichenzio, as PAI's Vice Chairman, was also a signatory on

many of these contracts; and Gil de Rubio was a signatory on certain contracts for investors he solicited.

28. Multiple statements in the contracts were untrue. Most significantly misleading were statements claiming that funds would be used for working capital purposes and that full-scale commercial oil processing was expected to begin imminently. In reality, PAI had no contractual arrangements for commercial oil production. And, from the very start, Laura commingled, misappropriated and misused millions of dollars of investor funds.

29. For example, a revenue sharing contract with Investor A, dated June 2011, stated that Investor A's funds would be used to build two carbon activator units and that liens would be filed on the units as collateral for the investment. These statements were false, as no new units were ever built, and liens were already in place on the existing activator units securing pre-existing debt.

30. In fact, Laura almost immediately misappropriated the majority of Investor A's money for other uses. Investor A wired $500,000 to PAI's bank account on June 7, 2011. By the next day, June 8, 2011, Laura had depleted the entire pre-existing balance in PAI's account ($18,000). That same day, Laura promptly began spending Investor A's money by sending $133,000 of those funds to Sichenzio, $15,000 to a friend and $10,000 to himself. The following day, June 9, 2011, Laura used $50,000 of Investor A's money to repay a June 6, 2011 infusion of $50,000 from Gil de Rubio that Laura had used primarily pay for a luxury suite at the Meadowlands Stadium and for concert tickets. Laura used Investor A's money the following month to pay: $170,000 in cash and

transfers to himself; $25,000 to a white collar defense lawyer; over $15,000 in other personal expenses such as liquor, gym fees, sporting goods and gas; and $22,000 to other friends and associates.

31. The Defendants directed investors to write checks, or wire funds, primarily to two attorney trust accounts associated with Laura's Staten Island law partnership and to a PAI business checking account. Laura controlled the movement of PAI funds into and out of these accounts, and was the sole signatory on the PAI account. Sichenzio and Gil de Rubio were aware of the amount of investor funds being raised because they helped Laura solicit investors, induce these investors to sign contracts, and collect funds. By April 2013, the Defendants had raised over $8.5 million from approximately 70 investors.

C. **Laura Misappropriates Investor Funds**

32. During this period, Laura misappropriated over $4 million of the $8.5 million of PAI investor funds, including approximately $1.8 million that Laura transferred to his personal accounts, withdrew in cash or paid himself in checks written to cash; and over $1.3 million in personal expenditures, including almost $340,000 for entertainment, including luxury suites at various sports stadiums, tickets to other sporting events and live shows, and payments to casinos; over $250,000 in payments to purported consultants or other individuals and entities who, in reality were acquaintances of Laura who provided no (or nominal) goods or services to PAI; $84,000 in rent, deposits, moving expenses and home-maintenance fees, including for Laura's personal home; $15,000 in payments made to Laura's "Fast Break Basketball Center" business; and

$3,500 in payments for educational expenses for Laura's college-aged child. Laura also transferred approximately $1 million of investor funds to Sichenzio.

33. Of the remaining approximately $4.4 million in investors' funds, only $2.67 million was wired to PAG. About $300,000 was returned to original investors who demanded their money back, and those repayments appear to have been made from subsequent investors' funds.

34. Laura subsequently told an accountant for PAI that he had "borrowed" a large amount of investor funds for his personal use and intended to pay these amounts back. Laura, however, minimized the amount of money he had "borrowed," claiming it was approximately $1 million. Laura did not repay any of this money to PAI, nor did he report any of the funds he misappropriated from PAI as wages or salary.

35. No later than September 2011, the Defendants began to receive complaints from PAI investors, including Investor A, as well as requests for accountings of how their money had been spent.

36. From 2011 through the end of May 2013, Laura transferred over $1 million in PAI investor funds to Sichenzio's personal bank account. Sichenzio knew or recklessly or negligently disregarded that Laura was misappropriating PAI investor funds because he was aware that PAI was earning no revenues at this time. In addition to the $1 million Sichenzio received from Laura, Sichenzio directly misappropriated $60,000 from two PAI investors by depositing their investments into his personal bank account and using the money for personal expenses.

37. During this period, Gil de Rubio loaned money to Laura for personal use.

At Gil de Rubio's request, Laura agreed to repay these monies from investor funds. A number of investors were never informed that their money would be used to repay Gil de Rubio for personal loans he made to Laura.

38. By at least October 2011, Gil de Rubio was aware, or recklessly or negligently disregarded, that Laura could not account for, or was misdirecting, large portions of PAI investment funds. During this time, Gil de Rubio sent multiple emails reflecting his understanding that Laura could not account for investor funds, and acknowledging his responsibility for those funds. For example, in February 2012, Gil de Rubio emailed Laura about requests from PAG for funds to pay development expenses. He wrote: "I'm not certain where you spent the previous money I sent and I'm not sure why you are running short. Please respond and let me know a break down on what you have spent so far. As you know I am responsible for all money raised here in the U.S…"

39. In at least January, February, March, October and November of 2012, Gil de Rubio received spreadsheets from the CEO of PAG showing funds PAG had received from PAI. These spreadsheets reflected that Laura failed to send PAG a significant amount of the investor funds that Defendants had raised. Gil de Rubio, acknowledging the significance of these payment shortfalls, suggested that the CEO of PAG speak to Sichenzio. And in September 2012, Gil de Rubio received an email forwarded by the CEO of PAG discussing concerns about potential PAI shareholder litigation if investors learned that "Joe [Laura] has taken huge commissions…"

40. As further evidence that Gil de Rubio knew that Laura was using PAI investor funds for improper purposes, in March 2012, Laura provided PAI funds to Gil de

Rubio's company as repayment for personal services Gil de Rubio provided Laura unrelated to PAI. By July 2012, Gil de Rubio was aware that Laura had directed the majority of a $200,000 investment in PAI to Sichenzio for his personal use. And in September 2012, Laura provided Gil de Rubio with PAI funds for the purpose of repaying a personal debt to Gil de Rubio's sister.

41. On May 1, 2013, only $311.94 was left in PAI's bank account, PAI owed at least $400,000 in outstanding convertible loans to investors, plus interest, and PAI owed an unknown amount of debt incurred by Laura. Neither PAI nor PAG had yet entered into a commercial contract for use of the cold-cracking technology. Laura and Sichenzio explained to Gil de Rubio that PAI was "over" unless they could raise additional funds.

D. Defendants' Solicitations of Investments from June 2013 through January 2017

42. Between June 2013 and January 2017, the Defendants raised $3.7 million from approximately 80 individuals to whom they offered securities of PAI and PAG. These securities were in the form of revenue sharing, stock purchase and convertible loan agreements. The majority of the investments were in revenue sharing agreements in amounts ranging from $2,500 to $310,000. Many of these individuals were inexperienced investors and/or of modest wealth and income, including barber shop employees, construction workers and tradesmen, an HVAC technician and a retired police officer. Defendants led many of these investors to believe they were being offered a unique and valuable investment opportunity available only to "friends and family."

43. Laura drafted and was a signatory on all the revenue sharing, convertible

loan and share purchase contracts. Sichenzio was a signatory on these agreements through at least mid-2014, in his capacity as a PAI officer.

44. The majority of the investment funds were deposited, or wired, into and then pooled in one of several bank accounts in the name of PAI-NJ, ICT, and PAI-NV, including bank accounts in Staten Island through at least May 2014. Laura had control over, and was the sole signatory on, these accounts at all relevant times. Sichenzio and Gil de Rubio solicited investor funds and directed investors to write checks or wire funds to these accounts.

E. False Statements about the Use of Investment Proceeds and Defendants' Misappropriation and Misuse of Investor Funds

45. Laura controlled the flow of funds into and out of the PAI and ICT accounts. Each of the investment agreements made representations about how investors' funds would be used. Specifically, all of the contracts stated that either PAI (referring to either the New Jersey or Nevada corporation) or "Pristec" (defined as PAI and PAG, collectively) was in need of financing for "working capital" in order "to fund the international roll-out of [its] patented technology."

46. Laura also made specific verbal misrepresentations to various investors about the use of funds, claiming to many investors that funds would be used to buy or build the units or components that housed the technology. For example, Laura made the following misrepresentations to investors prior to their investments:

a. Laura told Investor C that funds from his investment would be used for machinery. Investor C invested on or about June 5, 2014.

b. Laura told Investor D that the money from his investment would be

used to procure or build cold-cracking units, or would be spent on lawyers, patents and accountants. Investor D first invested on or about June 10, 2014, and invested additional funds in January and May 2015.

c. Laura told Investor E that his funds would be used for the expansion of the technology and to build equipment. Investor E invested on or about June 12, 2015.

d. Laura told Investor F that investor funds would be used to build cold-cracking machine demonstrations in Europe. Investor F invested on or about June 20, 2016.

47. Gil de Rubio made similar misrepresentations about the use of funds, omitting to disclose what he knew about Laura's misappropriation and other red flags of financial misconduct. For example, Gil de Rubio made the following misrepresentations to investors prior to their investments:

a. Gil de Rubio told Investor G that the funds would be used to buy or build more equipment. Investor G invested on or about April 24, 2014.

b. Gil de Rubio told Investor H that his money would be used to put units together for trial runs. Investor H invested on or about June 5, 2014.

c. Gil de Rubio told Investor I that his funds would be used for patents and attorneys' fees. Investor I first invested on or about November 10, 2014, and invested additional funds later in November and December 2014.

48. In truth, no units were purchased or manufactured during the relevant

period. Moreover, contrary to the representations made, a significant portion of the investors' funds raised during this period were used to pay for Laura's personal expenses, to make payments to Sichenzio and Gil de Rubio and to pay for businesses and debt unrelated to PAI's purported oil processing technology activities.

49. From mid-May 2013 through January 2017, Laura misappropriated approximately half of the investor funds he raised. He also misappropriated proceeds from a joint venture partner of PAI (the "JV Partner"). In total, Laura misappropriated at least $3.7 million from PAI accounts for his personal benefit, for the benefit of his family and other associates, to pay non-business expenses, and for the benefit of Sichenzio and Gil de Rubio.

50. First, Laura directly took about $1.1 million through transfers to his personal accounts, cash withdrawals and checks written to himself.

51. Second, Laura misappropriated an additional approximately $2 million that he spent for his own benefit or sent to individuals and entities who provided no documented services to PAI in the relevant period. For example, Laura spent or transferred:

a. $440,900 to various individuals and entities who provided no documented services or goods to PAI. Laura subsequently admitted that some of these individuals were contractors related to 1530 Glenwood, which was owned by Gil de Rubio, Laura's sister, and Laura's close friend;

b. $220,000 to settle a lawsuit brought against Laura, 1530 Glenwood and Laura's close friend, alleging a real estate-based scam;

c. $170,000 to an individual and his company, both of which were connected to that same real estate scam;

d. $213,800 to an individual (and his purported consulting company) who allegedly introduced Laura to PAI but provided no documented services during the relevant period;

e. $113,100 to a friend, who Laura claimed functioned as Laura's personal driver;

f. $87,464.35 to insurance and medical companies for expenses for himself, his family and others;

g. $46,600 on dining and travel having no, or only pretextual, relation to PAI business – which does not include hundreds of thousands of dollars Laura and Sichenzio spent on first class travel and luxury accommodations at times when PAI was struggling to stay afloat;

h. $35,700 to Ally Financial and other entities for personal loans;

i. $24,200 on retail expenses, including groceries, clothing at the large retail store, flowers and party supplies;

j. $17,250 on his college-aged child's education;

k. $13,500 on rent for his personal residence; and

l. $12,700 on fees paid to health clubs and gyms; $10,000 on automobile expenses, including EZ-Pass and gasoline.

52. Defendants' misappropriation also included depositing certain investor funds directly into their personal bank accounts.

a. On April 7, 2015, Laura deposited into his personal account $10,000 from an investor that should have gone to PAI and then spent the money on cash withdrawals, retail goods and payments to his ex-wife and a friend.

b. Sichenzio deposited into his personal checking account two checks each in the amount of $25,000 from two PAI investors on June 25, 2013, and a $15,000 check from a third PAI investor on August 8, 2013. Sichenzio spent these funds on cash withdrawals and personal expenses, including dining, college tuition fees for his child, mortgages, personal credit cards, and landscaping.

c. On October 24, 2014, Gil de Rubio deposited into his personal account an investor check for $20,000. And Gil de Rubio took another investor's $100,000 investment in PAG equity as a purported "loan payback" without even first depositing it in any PAI or ICT or PAG bank account.

53. Although Sichenzio and Gil de Rubio each transferred funds to PAI or ICT bank accounts controlled by Laura during the relevant period, each Defendant has made conflicting and self-serving statements as to whether those funds were capital contributions or loans to PAI or for Laura's personal use. In any event, Sichenzio and Gil de Rubio each received amounts well in excess of what they provided to PAI: Sichenzio received a net of at least $522,000 and Gil de Rubio received a net of at least $249,000.

54. Laura and Sichenzio have, on certain occasions during the scheme,

admitted to certain business associates that they took funds from PAI for themselves.

F. Defendants Knew Their Representations Regarding the Intended Use of Investor Funds Were False

55. Laura knew that, and Sichenzio and Gil de Rubio knew or recklessly or negligently disregarded evidence that, Laura was routinely misappropriating investors' funds when they solicited investors between 2013 and 2017 by making false representations that investor funds would be used only for legitimate business purposes.

56. Laura knew at the time he made these representations that he had routinely used, and would continue to use, investor monies for his personal benefit, as he had no other source of consistent income at this time. And Gil de Rubio and Sichenzio could not, in good faith, make their representations as to the specific use of the investors' monies, given their knowledge that Laura routinely used investor monies for improper purposes and that there was no oversight or control over his use of investor monies.

57. By further example, Laura, Sichenzio and Gil de Rubio conducted an aggressive investor pitch to Investor D in April 2015, during which the investor requested financial statements and disclosure documents. Laura was evasive and put off the request. He subsequently admitted to Gil de Rubio that he could not provide these documents because, among other things, he had never completed accurate bookkeeping and never filed tax returns for PAI. Laura then provided Gil de Rubio with redacted PAI bank statements, and Laura explained that the redactions indicated payments made to non-PAI related individuals and entities. Gil de Rubio discussed this information with Sichenzio, who took no action in response. Gil de Rubio did not inform the investor of what Laura had shown him or what it meant, i.e., that Laura was commingling PAI funds

and misappropriating them for non-PAI uses.

58. Gil de Rubio has also admitted that, by at least no later than the summer of 2015, he knew that Laura and Sichenzio had taken large amounts of money from PAI for personal use.

G. Laura Made Additional Material Misrepresentations and Sichenzio and Gil de Rubio Aided and Abetted those Misrepresentations

59. As part of their scheme to defraud investors, the Defendants misled investors with exaggerated, unfounded representations about returns, misleading representations about the financial health of PAI, and misrepresentations about their own investment in PAI or PAG.

a. The Revenue Sharing Contracts

60. The revenue sharing contracts provided for returns based on a specified share of revenue per barrel of oil produced and was based on the amount invested, typically $.001 for each $10,000 invested. The contracts included an estimated schedule for oil production and made representations about investor returns based on the timing and volume of production set forth in the detailed personalized schedules. These scheduled payouts, over five years of production, amounted to over a 1000% return and, in some cases, over a 2000% return on investment.

61. For example, a contract for an investment of $100,000 stated that, at initial production of 10,000 barrels of oil per day, the investor would receive $100 per day; at peak production of 200,000 barrels per day – which, according to the schedule provided, would be reached within 12 months – the investor would receive $2,000 per day. The

contract, accordingly, projected that the investor would receive over $2.84 million in 5 years based on a $100,000 investment.

62. None of these contracts, however, contained any explanation of the basis for these projections or any cautionary language regarding the various factors that could interfere with or prevent the investors from receiving the astronomical, scheduled rate of returns on investment, or indeed any returns.

63. In addition, the written contracts dated between June and September of 2013 specifically represented, without reasonable basis, that PAI "anticipates production to begin on or about April 1, 2014."

64. The revenue sharing contracts Laura wrote also included false statements about PAI's ownership of the technology and facilities. Contracts between investors and either PAI-NJ or PAI-NV claimed that PAI "owns exclusive global rights to certain 'TECHNOLOGY' for heavy oil upgrading and refining including intellectual property rights, knowledge and facilities for cold cracking and reforming, visbreaking and desulpherization, remote activation and shielding[.]" In truth, PAI never owned exclusive rights to the oil processing technology. And while it eventually obtained a licensing agreement with PAG in 2014, that agreement limited PAI's exclusive rights to just four countries.

65. Indeed, as late as July 23, 2014, Laura acknowledged in an email to the CEO of PAG that no license agreement had yet been finalized. In late October 2014, Laura and the inventors documented and backdated to October 31, 2013 a "Patent, Technology And Know-How" license to PAI-NV from the inventors of the cold-cracking

technology, who "own[] exclusively and beneficially all rights in and to" the technology. The license granted PAI-NV the "exclusive right" to use the existing patents and information only in the U.S., Mexico, Canada, and Colombia, and granted only non-exclusive rights elsewhere. There is no evidence that PAI-NJ ever owned any valid intellectual property or "knowledge" rights, or that any PAI entity ever owned rights to any facilities.

b. **The Convertible Loan Agreements**

66. The convertible loan agreements provided that the investor would lend a specified amount of principal to PAI for a certain time period along with a stated interest rate, typically 12 months and 10%, respectively. The convertible loan agreements falsely referred to PAI's "international roll-out of its patented . . . technology." PAI had no patented technology.

67. Because PAI never generated income from licensing the oil processing technology, most of the convertible loan investors did not receive their principal back. Moreover, any interest payments investors received were minimal, and some appear to have been paid using funds derived from subsequent investors.

c. **The Share Purchase Agreements**

68. The PAG share purchase agreements offered stock of PAG as a defined percentage ownership of the company, at a valuation of $100,000,000, or $952.38 per share.

d. **Defendants' Additional Misrepresentations Regarding Commercial Development of the Oil Processing Technology**

69. The Defendants made oral misrepresentations in conversations with

various potential investors which lacked a reasonable basis and misleadingly suggested that PAI had or was imminently signing deals that would result in deployment of the technology in a commercial setting within months, and that payouts on investor contracts would begin shortly. For example, the Defendants made the following misrepresentations to investors prior to their investments:

a. Sichenzio and Laura told Investor J, who invested on or about June 6, 2013, that production would take place within 1 to 2 years.

b. Laura told Investor K, who invested on or about August 8, 2013, that there was a "cutoff date" to make investments because production would begin in April 2014 as represented in the investment contract.

c. Gil de Rubio told Investor G, who invested on or about April 24, 2014, that PAI was going to go public, and that Investor G would be earning tens of thousands of dollars within several months to a year, based on a purported agreement with Venezuela and a purported contract with China worth a "couple billion."

d. Laura and Gil de Rubio told Investor C, who invested on or about June 5, 2014, that production contracts had been signed in Venezuela and Estonia, even though those agreements were only for pilot tests, not production.

e. Laura falsely told Investor D, who invested on or about June 10, 2014 and invested additional funds in January and May 2015, that PAI had been offered $500 million from the United Arab Emirates for its

technology, that they had a "sure deal" elsewhere that would make them billions, and that there was a lender in the country of Georgia planning to invest $12 million.

f. Gil de Rubio and Laura told Investor H, who invested on or about June 5, 2014, that there would be a one year turnaround before payouts began, and that if that didn't happen, he could "cash out" his investment.

g. Gil de Rubio told Investor L, who invested on or about November 5, 2014, that he would begin getting payouts within 18 months.

h. Laura told Investor M, who invested on or about February 13, 2015, that PAI would go into production in 6 months to 1 year. Gil de Rubio told the investor that he would earn between $50,000 and $250,000 a year on a $50,000 investment.

i. Laura told Investor N, who invested on or about July 29, 2016, that PAI was "on the verge" of a major production contract.

j. Laura told Investor O, who invested in a convertible loan on or about January 17, 2017, that PAI was just about to close a big deal, and that Investor O needed to invest shortly otherwise he would not need Investor O's money.

70. In addition to oral misrepresentations, Laura wrote a PAI "Business Plan" that Gil de Rubio provided to at least two investors by in 2013 and 2014. The Business Plan suggested that commercial contracts were imminent – e.g., "After reviewing the

results of the pilot in Venezuela, PDVSA [the Venezuelan state-owned oil agency] has indicated to Pristec its desire to roll this technology out commercially within Venezuela… Over a six year time horizon we will reach [total] production capacity of at least . . . One Million Four Hundred Thousand (1,400,000) bpd utilizing our various business models." The Business Plan carried no disclaimers or disclosures of risk factors, or of the actual obstacles PAI was already experiencing in Venezuela.

71. Indeed, as early as November 2013, Sichenzio conceded to one investor that it was unclear how PAI would monetize this relationship with PDVSA because the Venezuelan government was fiscally unstable.

72. Formal testing with PDVSA did not take place until April 2014. According to a November 2014 letter that Laura drafted to the Venezuelan authorities, which Sichenzio reviewed, the unit in Venezuela "lied idle and non-working" after the April test through at least November 25, 2014, and PDVSA was "preventing [PAI] from obtaining business internationally." Laura was also aware that the research and development arm of PDVSA had circulated negative internal reports concerning the technology to potential clients. Venezuela declined to enter into a commercial contract to use the technology.

73. Indeed, PAI and PAG repeatedly failed to move past the pilot stage to any contract for commercial use of the technology.

e. **Defendants' Knowledge of the Substantial Risks Impacting Projected Investor Returns**

74. The Defendants were aware of, or recklessly or negligently disregarded,

that PAI's rights to use the oil processing technology were non-existent until 2014 and then PAI's exclusive rights were limited to only four countries.

75. The Defendants also had no reasonable basis to anticipate that production would begin on or about April 2014, as set forth in various revenue sharing agreements in 2013, and no reasonable basis to assert the less specific projections and valuations.

76. Defendants' representations were based primarily on purported anticipated contracts with entities either owned or regulated by foreign governments, and with business partners who often proved to be unreliable. This presented numerous political, legal, regulatory and economic hurdles and risks with which Defendants were woefully inexperienced and unsuccessful in dealing. Defendants failed to adequately disclose these risks to various investors.

77. For example, the oil processing technology was entirely untested in a commercial setting and it had been rejected on at least one occasion because of safety concerns. Even assuming the technology was effective, to reach the projected oil production levels Defendants would have had to fund the manufacture of numerous additional cold-cracking units, each costing more than $1 million. Defendants, however, had insufficient funds and no existing contracts to manufacture the needed units.

78. Indeed, during the relevant period, PAG never had more than two mechanical units capable of processing oil. One of those units was located in Venezuela, where, after a 2011 pilot agreement, it took nearly 2 years of preparatory work to begin limited testing in March 2013. PAI itself had no units.

79. As late as 2017, PAG's oil processing unit was described as no more than a

"crude machine" by Investor O, who had some knowledge of oil refining and who visited Austria to observe the cold-cracking technology.

80. Indeed, Defendants documented their own awareness of the risks factors. For example, in August 2013, Laura helped to draft a four-page statement of Risk Factors in connection with a proposed Series A offering that was not completed. The risk factors included:

a. "We have incurred net losses since our inception and expect to incur net losses for the foreseeable future."

b. "Our technologies are commercially untested, and therefore, the successful development and commercialization of our technologies [remain] subject to significant uncertainty. We completed a commercial pilot program and are currently conducting an industrial pilot program. The results of these pilot programs are not a guarantee of future economic viability, and other pilot programs are contemplated to continue calibrating our technology. Commercial contracts to install or use our technologies are incumbent upon several certifications and transaction details such as licensing terms."

c. "We may not be able to obtain and maintain intellectual property protection for our technology and product and, in the future, may be a party to intellectual property litigation that could adversely affect our business….Our existence depends, in part, on the patent rights licensed from third parties with respect to our technologies….Our patent

positions and those of other similar companies are uncertain and involve complex legal and factual questions."

d. "The assumptions underlying our projections may not prove to be reasonable, and actual results achieved during the projected periods may vary materially from the projections….Our financial projections are based on generalized assumptions relating to, among other things, acceptance of our products and technologies and the timing of the introduction and adoption of such products and technologies….The assumptions underlying the projections may not prove to be reasonable, and actual results achieved during the projected periods will inevitably vary from the projections."

81. Sichenzio received the statement of Risk Factors and was aware, or negligently or recklessly disregarded, the disclosures of significant risk. Sichenzio also knew, based on emails from Laura in April, August and September 2013, and in October 2014, that PAI had no valid license agreement for the oil processing technology.

82. Gil de Rubio received an email from Laura no later than September 11, 2013 which made clear that PAI had no valid license to the technology. Gil de Rubio also received the statement of Risk Factors no later than September 2015. In addition, he received documents from Laura throughout the relevant period that indicated that PAI had no ownership of any patents.

83. Given this history, and the above-referenced risks, all of which Defendants knew or recklessly or negligently disregarded, the Defendants had no reasonable basis for

their representations regarding: (i) when PAI, or for that matter PAG, would enter into oil processing contracts; (ii) when oil processing would commence; (iii) what oil processing volume would be achieved and when; and (iv) how much, if any, revenue would be paid to PAI investors.

6. **Defendants' Additional False Statements**

84. Sichenzio and Gil de Rubio made multiple statements and omissions that materially misled investors into believing that Defendants had "skin in the game," that they were financially trustworthy and/or had business expertise. For example, prior to Investor J making his investment on or about June 6, 2013, Sichenzio falsely told him, in substance, that Sichenzio had invested many millions of his own personal funds in PAI.

85. Gil de Rubio falsely told certain investors that he was an investor in PAI. For example, Gil de Rubio made the following misrepresentations to investors prior to their investments:

a. He told Investor G, who invested on or about April 24, 2014, that he had invested "all his savings" in PAI.

b. He told Investor D, who invested on or about June 1, 2014, that he had invested over $1 million in PAI.

c. He told Investor H, who invested on or about June 5, 2014, that he was a "passive investor" in PAI.

d. He told Investor C, who invested on or about June 5, 2014, and Investor P, who invested on or about December 16, 2014, that he was an investor in PAI.

e. He told Investor Q, who invested on or around September 30, 2014, and later invested in October 2014 and April 10, 2015, that he had invested and "put a lot [of money] in" to PAI.

f. He told Investor L, who invested on or about November 5, 2014, that he was an investor and would only be paid as an investor.

g. He told Investor I, who invested on or about November 10, 2014, that he had invested more than $50,000.

h. He told Investor N, who invested on or about July 29, 2016, that he was an investor and had put money into PAI.

86. When the Defendants discussed their own financial contributions and Laura's claimed business expertise, the Defendants did not disclose to various investors, including Investors D, H, and J, that Laura owed Sichenzio, Gil de Rubio and other individuals millions of dollars from other ventures that had incurred significant losses due to Laura's mismanagement. Defendants also knew - - but did not disclose - - that Laura's poor financial history precluded Laura from receiving business or personal credit, or loans or mortgages through banks or other typical financial institutions. In fact, Laura could not obtain even a credit card and was reliant on friends or relatives for any credit-based transactions.

H. Defendants' Attempts to Conceal their Fraudulent Scheme

87. In order to conceal the Defendants' scheme to defraud investors, Laura repeatedly failed to provide accurate and complete information to an accountant hired by PAI concerning incoming and outgoing PAI funds. After November 2013, Laura never

provided the accountant with access to PAI or ICT bank statements. Laura ensured that no tax returns could be filed for PAI or ICT, and that no accurate financial disclosure records – which would have revealed the full extent of Laura's misappropriation and misuse of PAI funds – could be compiled.

88. In furtherance of their scheme to defraud, Defendants also concealed their misappropriation of investor funds and PAI's precarious financial condition by not maintaining a complete set of executed contracts, a contemporaneous list of investors, the amount of their investments, and the interest payments due or revenue payments to which they were entitled. Defendants also did not document funds they purportedly lent to, or borrowed from, PAI.

89. In order to conceal and further the scheme, Laura, Sichenzio and Gil de Rubio continued to make misrepresentations to investors who asked questions.

90. For example, in November 2014, in response to an investor's request that his $100,000 investment be returned, Laura stated that the investor would receive a $250,000 payment "in lieu of the schedule[d] revenue share payments which were to total One Million Six Hundred and Sixty Eight Thousand ($1,668,000.00) in Sixty (60) payments once production began." Laura claimed that the investor's repayment would take place after a purported scheduled $15 million "funding round"—which never occurred. The investor never received his money back.

91. Sichenzio, in November 2014, on the same day that he received a copy of Laura's letter concerning the problems delaying the Venezuelan pilot program, emailed an investor stating that a pilot contract with CNPC - the Chinese government petroleum

company – would take only 90 days and that "all goals set forth in contract will be easily attainable due to succes[s] of certified tests in . . . in [V]enezuela."

92. Gil de Rubio made multiple false claims to Investor A, who regularly complained to Laura, Sichenzio and Gil de Rubio about red flags of potential fraud he observed after he invested. For example, in May 2014, Investor A expressed concerns that PAI might be "just another one of those orchestrated scams, quasi-Ponzi schemes, etc…" and asked for a financial status report and a representation in writing as to how his $500,000 investment had been spent. Gil de Rubio responded by claiming to have personally provided $700,000 to PAI and falsely stating that "I have seen the company checkbook register and have received documentation of every transaction involving [the purported $700,000]. I have yet to witness anything questionable." He stated, without basis, that the investor's shares would be worth "$10,000 per share with the first deal we sign that are presently on the table."

93. Later, Gil de Rubio falsely claimed to Investor A that he had invested his life savings in PAI and that he had access to all of PAI's financial and other records and that "every dollar" had been accounted for and was spent on PAI expenses, and that accordingly he was "confident that my investment is safe as I know everything we have is aboveboard." He further claimed that he was a "principal" of PAI, but that, due to his felony criminal record, he "chose not to be publicly acknowledged so not to expose the company to any discredit."

94. In mid-2016, Laura and Sichenzio approached an entity that eventually became the JV Partner and proposed that the JV Partner lend them the funds to repay

what they had wrongfully taken from PAI. Laura also proposed that the JV Partner give Laura funds – $1.5 million – off the books, and in exchange Laura would give the JV Partner a license to certain purported PAI intellectual property for free. The JV Partner was uncomfortable with this request and refused. In discussions with the JV Partner during this time period, Laura and Sichenzio also admitted they did not pay any taxes on the money they misappropriated from PAI. Gil de Rubio was aware of, and facilitated, these discussions with the JV Partner.

95. Gil de Rubio received complaints from multiple other investors throughout 2016, including at least one investor who asked for financial statements and other updated information. Gil de Rubio did not provide the requested financial information.

96. Laura and Sichenzio also repeatedly lied about the PAI investor funds Sichenzio took. Sichenzio claimed in separate FINRA and SEC investigations that the funds he took from PAI were repayments for funds he earlier contributed – which, he said, were not investments but rather funds that he could take back at any time. Subsequently, Laura and Sichenzio claimed to investors and other individuals associated with PAI that Sichenzio's initial payments were, in fact, investments but that Sichenzio's lawyer advised to describe these payments as loans or advances in order to minimize liability.

97. Gil de Rubio was aware that a full examination of PAI's bank records would reveal the Defendants' misappropriation and malfeasance, and he attempted to convince others to conceal the truth. In August 2016, while the SEC investigation was ongoing, Gil de Rubio and others discussed the need to "Quantify debt by [Laura] and

pay back…Pay back or re initiate all debts." In an October 10, 2016 email, after he had been subpoenaed by the SEC staff, Gil de Rubio expressed concerns about the investigation. Specifically, he urged the need to review bank statements and "work out an explanation for every transaction and find a way to resolve those transactions that may present a problem."

98. The Defendants did not inform PAG about the large quantity of revenue sharing agreements they had committed to on behalf of PAI until late 2016. Between 2010 and 2016, Defendants promised over $.90 per barrel in revenues to be paid to investors. After learning about the contracts, the CEO of PAG described them as a "Damocles sword" threatening the livelihood of both PAI and PAG, because neither PAI nor PAG could pay out these promised amounts without bankrupting the companies. In fact, PAG was seeking only $1.00 per barrel in royalties in its proposed oil production contracts, which no entity ever agreed to.

99. Despite the misappropriation and financial disarray, in late 2016 and early 2017 the Defendants offered to convert the PAI investors' revenue sharing agreements and convertible loans into PAG equity, and even purported to convert some of these agreements into PAG equity without the investors' consent. Investors were not provided material disclosures concerning the conversion, such as the true financial condition of PAI or PAG. Nor were investors advised what had been done with their funds to date or provided the basis for Defendants' valuation of the proffered securities.

I. Evidence of Ongoing Fraud

100. Despite having been removed from their officer roles at PAI by April 2017,

Laura and Sichenzio appear to be continuing to raise funds in the name of PAI, and continuing to spend those funds on themselves. Laura opened a new bank account in PAI's name in June 2017, and accepted $525,000 in apparent investment funds through December 2017. Only $90,000 of these funds was transferred to PAG. A majority of the investment funds appears to have been spent for the benefit of Laura and Sichenzio, including: legal defense fees for Laura in his personal capacity ($125,000); payments to no-show "consultants" ($71,700); checks or wires to Laura, and cash withdrawals ($63,300); investor repayment ($25,000); payments to Sichenzio ($12,000); retail expenses ($9,740); and payments for insurance for Laura ($1,800).

J. Laura Acted as an Unregistered Broker

101. Laura has never been registered as a broker or dealer with the SEC or associated with a broker or dealer registered with the SEC.

102. Throughout the relevant period, Laura actively solicited investments from dozens of investors and ultimately sold them securities of PAI and PAG. Laura drafted the contracts and handled negotiations with investors, including providing advice about the merit of the investments. He had telephone conversations or in-person meetings with many investors where he negotiated investment amounts and discussed returns. Laura had control of the relevant bank accounts and regularly handled investor funds.

103. Laura acted as the "closer" for many of the investors introduced to PAI or PAG by the other Defendants and others, and handled most of the final negotiations, contracting, and payment details for the investors they solicited.

FIRST CLAIM FOR RELIEF
Violations of Securities Act Section 17(a)
(Laura)

104. Paragraphs 1 through 103 are realleged and incorporated by reference herein.

105. Laura, by engaging in the conduct described above, directly or indirectly, in the offer or sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails:

a. knowingly or recklessly employed devices, schemes, or artifices to defraud;

b. knowingly, recklessly or negligently obtained money or property by means of untrue statements of material fact or omissions to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

c. knowingly, recklessly or negligently engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon purchasers of securities.

106. By engaging in the conduct described above, Laura violated, and unless restrained and enjoined will in the future violate, Sections l 7(a)(l), (2), and (3) of the Securities Act [15 U.S.C. §§ 77q(a)(l), (2), and (3)].

SECOND CLAIM FOR RELIEF
Violations of Exchange Act Section 10(b) and Rule l0b-5
(Laura)

107. Paragraphs 1 through 103 are realleged and incorporated by reference

herein.

108. Laura, by engaging in the conduct described above, directly or indirectly, in connection with the purchase or sale of securities, by the use of the means or instrumentalities of interstate commerce, or of the mails, or of any facility of any national securities exchange, knowingly or recklessly:

a. employed devices, schemes, or artifices to defraud;

b. made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and

c. engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

109. By engaging in the conduct described above, Laura violated, and unless restrained and enjoined will in the future violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rules 10b-5(a), (b), and (c) thereunder [17 C.F.R. §§ 240.10b-5(a), (b), and (c)].

THIRD CLAIM FOR RELIEF
Violations of Securities Act Sections 17(a)(1) and (3)
(Sichenzio and Gil de Rubio)

110. Paragraphs 1 through 103 are realleged and incorporated by reference herein.

111. Sichenzio and Gil de Rubio, by engaging in the conduct described above, directly or indirectly, in the offer or sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by the use of

the mails:

a. knowingly or recklessly employed devices, schemes, or artifices to defraud; and

b. knowingly, recklessly or negligently engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon purchasers of securities.

112. By engaging in the conduct described above, Sichenzio and Gil de Rubio violated, and unless restrained and enjoined will in the future violate, Sections 17(a)(l) and (3) of the Securities Act [15 U.S.C. §§ 77q(a)(l) and (3)].

FOURTH CLAIM FOR RELIEF
Violations of Exchange Act Section 10(b) and Rules 10b-5(a) and (c)
(Sichenzio and Gil de Rubio)

113. Paragraphs 1 through 103 are realleged and incorporated by reference herein.

114. Sichenzio and Gil de Rubio, by engaging in the conduct described above, directly or indirectly, in connection with the purchase or sale of securities, by the use of the means or instrumentalities of interstate commerce, or of the mails, or of any facilities of any national securities exchange, knowingly or recklessly:

a. employed devices, schemes, or artifices to defraud; and

b. engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

115. By engaging in the conduct described above, Sichenzio and Gil de Rubio violated, and unless restrained and enjoined will in the future violate, Section 10(b) of the

Exchange Act [15 U.S.C. § 78j(b)] and Rules 10b-5(a) and (c) thereunder [17 C.F.R. §§ 240.10b- 5(a) and (c)].

FIFTH CLAIM FOR RELIEF
Aiding and Abetting Violations of Securities Act Section 17(a)(2)
(Sichenzio and Gil de Rubio)

116. Paragraphs 1 through 103 are realleged and incorporated by reference herein.

117. By virtue of the foregoing, Sichenzio and Gil de Rubio, singly or in concert, directly or indirectly, knowingly or recklessly provided substantial assistance to Laura, who by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, in the offer or sale of securities, obtained money or property by means of untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

118. By virtue of the foregoing, Sichenzio and Gil de Rubio aided and abetted, and, unless restrained and enjoined, will continue aiding and abetting, violations of Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2).

SIXTH CLAIM FOR RELIEF
Aiding and Abetting Violations of Exchange Act Section 10(b) and Rule l0b-5(b)
(Sichenzio and Gil de Rubio)

119. Paragraphs 1 through 103 are realleged and incorporated by reference herein.

120. By virtue of the foregoing, Sichenzio and Gil de Rubio, singly or in

concert, directly or indirectly, provided knowing and substantial assistance to Laura, who, directly or indirectly, in connection with the purchase or sale of securities, knowingly or recklessly used the means or instrumentalities of interstate commerce, or of the mails, or of any facility of any national securities exchange to make untrue statements of a material fact or to omit to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

121. By virtue of the foregoing, Sichenzio and Gil de Rubio aided and abetted and, unless restrained and enjoined, will continue aiding and abetting, violations of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5(b) thereunder, 17 C.F.R. §§ 240.10b-5(b).

SEVENTH CLAIM FOR RELIEF
Violations of Exchange Act Section 15(a)(1)
(Laura)

122. Paragraphs 1 through 103 are realleged and incorporated by reference herein.

123. Laura, by engaging in the conduct described above, directly or indirectly, made use of the mails or any means or instrumentalities of interstate commerce to effect transactions in, or to induce or attempt to induce the purchase or sale of, securities, without being registered as a broker or dealer, or being associated with a registered broker or dealer in accordance with Section 15(b) of the Exchange Act [15 U.S.C. § 78o(b)].

124. By virtue of the foregoing, Laura violated and, unless enjoined, will continue to violate Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

A. Permanently enjoin Laura from violating, directly or indirectly, Sections 17(a) of the Securities Act; Sections 10(b) and 15(a)(1) of the Exchange Act; and Exchange Act Rule 10b-5;

B. Permanently enjoin Sichenzio and Gil de Rubio from violating, directly or indirectly, Sections 17(a)(l) and (3) of the Securities Act; Section 10(b) of the Exchange Act; and Exchange Act Rules 10b-5(a) and (c) and permanently enjoin Sichenzio and Gil de Rubio from, directly or indirectly, aiding and abetting violations of Section 17(a)(2) of the Securities Act; Section 10(b) of the Exchange Act; and Exchange Act Rule 10b-5(b) by other persons;

C. Order each of the Defendants to disgorge the ill-gotten gains obtained as a result of the conduct alleged in this Complaint, with prejudgment interest;

D. Order each of the Defendants to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 2l(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]; and

E. Grant such further relief as the Court may deem just and appropriate.

JURY DEMAND

Plaintiff demands that this case be tried by a jury.

Dated: New York, New York
September 7, 2018

SECURITIES AND EXCHANGE COMMISSION

By: */s/ Marc P. Berger*

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