

2. Neil Chandran, a recidivist securities law violator and convicted felon, was ultimately behind the proverbial curtain of CoinDeal. Chandran claimed to have a business that required short-term financial support to complete the imminent, fantastically lucrative sale of unique blockchain technology to a consortium of prominent buyers for trillions of dollars. Glaspie (and other individuals) helped Chandran raise tens of millions of dollars for CoinDeal, from mostly unsophisticated investors, through a far-reaching promotional campaign which featured false promises of extravagant, life-changing investment returns and limited downside risk.¹ Glaspie incentivized further promotion of CoinDeal by offering future referral bonuses to individuals (downstream promoters) who formed their own investor groups.

3. Woodbury and Holverson were two such downstream promoters. Each had limited means of income and pursued CoinDeal to cover their personal expenses. Woodbury was introduced to CoinDeal by Glaspie. Woodbury, in turn, recruited Holverson, who then created an investor group called Empowerment Project.

4. To raise funds from potential investors, Woodbury and Holverson disseminated materially false and misleading statements to investors about the value of the purported business “deal” at the heart of CoinDeal, the parties involved in the transaction, the expected returns on investment, and the riskless nature of the opportunity.

5. Woodbury and Holverson continued to solicit funds for CoinDeal even as the returns advertised by Glaspie grew increasingly implausible (as high as tens of billions of dollars for a five-figure investment), a litany of excuses piled up for why the deal had not closed, and Glaspie and other promoters came under state regulatory scrutiny.

¹ On January 4, 2023, the SEC filed an action against Chandran, Glaspie, and several other defendants in the Eastern District of Michigan, *SEC v. Neil Chandran, et al.*, (Case No. 4:23-cv-10017).

6. In the end, there was no deal, no distribution of any proceeds to CoinDeal investors, and Chandran and Glaspie were charged criminally by federal authorities.

7. Woodbury and Holverson collectively raised over \$3 million through the fraudulent CoinDeal offering. They each pooled investor funds they raised before periodically transferring amounts upstream. Neither Woodbury nor Holverson transferred all CoinDeal investor funds upstream – rather, each diverted investor funds for personal use along the way, misappropriating at least \$360,000 in total.

8. As a result of their conduct, Woodbury and Holverson intentionally, knowingly, or recklessly committed securities fraud and offered and sold unregistered securities.

9. Woodbury and Holverson violated Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)] and Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

10. Pursuant to Section 15(b) of the Securities Act [15 U.S.C. § 77o(b)] and Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Woodbury and Holverson aided and abetted Neil Chandran’s violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

11. The SEC brings this lawsuit to prevent further harm to investors and to seek disgorgement, prejudgment interest, civil penalties, officer and director bars, and permanent injunctions stemming from the Defendants’ wrongdoing.

12. Unless the Defendants are permanently restrained and enjoined, they will continue to engage in the acts, practices, and courses of business set forth in this Complaint and in acts, practices, and courses of business of similar type and object.

JURISDICTION AND VENUE

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

14. Venue is proper in this judicial district pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27(a) of the Exchange Act [15 U.S.C. § 78aa(a)], because many of the acts, transactions and courses of business constituting the violations alleged in this Complaint occurred within the jurisdiction of this district.

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

DEFENDANTS

16. **Arline Woodbury**, age 70, resides in Ridgewood, New Jersey. Woodbury acted as a downstream promoter for CoinDeal, raising millions in investor funds through one or more investor groups. She is a medical doctor but is not currently employed. Woodbury has been involved in online marketing projects alongside Holverson. Woodbury does not hold any securities licenses and has never registered with the SEC.

17. **Joyce Holverson**, age 76, resides in River Forest, Illinois. Holverson acted as a downstream promoter for CoinDeal, raising millions in investor funds through her investor group called Empowerment Project. She is a former court reporter but is not currently employed. Holverson has been involved in online marketing projects alongside Woodbury. Holverson does not hold any securities licenses and has never registered with the SEC.

DEFENDANTS IN RELATED ACTIONS

18. **Neil S. Chandran**, age 51, is currently imprisoned in Nebraska while awaiting trial. In June 2022, the Department of Justice indicted Chandran for wire fraud and money laundering in connection with the CoinDeal scheme and obtained a court-ordered freeze of his assets. Chandran resided in California and Nevada during the relevant time-period.

19. **Garry J. Davidson**, age 69, resides in Henderson, Nevada. Davidson previously invested in another of Chandran's purported business ventures and facilitated investments and payments in connection with CoinDeal.

20. **Michael T. Glaspie**, age 72, resides in Palm City, Florida. Glaspie served as the public face of CoinDeal and offered large payouts and referral bonuses when soliciting investments. In February 2023, Glaspie pled guilty to wire fraud in connection with the Department of Justice's criminal investigation of CoinDeal.

FACTS

Origin of the "CoinDeal" Scheme

21. From at least 2018, Chandran repeatedly touted an investment opportunity that supposedly revolved around valuable blockchain technology he was far along in the process of selling to a group of wealthy buyers at a trillion-dollar valuation. Chandran sought short-term funding for business operating expenses during the completion of the purported sale process and promised investors substantial returns once the sale closed. This investment opportunity later became widely known to investors as "CoinDeal."

22. In reality, CoinDeal was merely the most recent iteration of Chandran's prior fraudulent schemes. No such buyer group existed, there was no impending sale, and Chandran was incapable of producing the astronomical returns he promised. Given the public record of his

legal troubles, Chandran sought to utilize others to solicit investors on his behalf, including Garry Davidson, an investor in one of his prior schemes. Davidson, in turn, recruited Glaspie, an online promoter who boasted of his success with internet multi-level marketing programs.

23. Davidson and Glaspie agreed to solicit investments in CoinDeal from Glaspie's network of internet marketing contacts and to transfer monies raised from investors to accounts controlled by or for the benefit of Chandran.

24. From 2018 to 2022, Davidson relayed information that he received from Chandran about CoinDeal to Glaspie to facilitate Glaspie's solicitation efforts. Chandran typically provided status updates on the supposed deal, including but not limited to: the involvement of foreign central banks and the United States Department of Homeland Security; the latest board meetings of the consortium of wealthy buyers; the role of certain political figures; and the causes of "temporary" delays to closing of the impending sale transaction, which was typically said to be only a matter of days or weeks away. These updates were designed to lull investors and induce them to continue investing in CoinDeal.

25. Glaspie would then include the information received from Davidson in written and/or oral communications with investors and potential investors, such as "CoinDeal Updates" that were made available online and via email, and discussed during teleconferences.

Glaspie Publicized CoinDeal to Promoters and Investors

26. In or around January 2019, Glaspie began promoting the CoinDeal opportunity during weekly teleconferences that included invitees from his network of contacts. Glaspie explained that an unnamed Canadian resident had a very valuable (but anonymous) artificial intelligence and cryptocurrency company that was preparing for an imminent sale to a group of billionaire buyers. Davidson participated in certain of these weekly teleconferences alongside Glaspie.

27. In or around January 2019, Glaspie also began making online posts and disseminating emails to solicit CoinDeal investments. The online posts and emails included materially false and misleading updates on CoinDeal based on information Glaspie received from Chandran via Davidson and a payout scale that promised investors outsized returns based on a given investment amount. Glaspie offered increasingly extravagant returns that grew from 10 times the investment amount in his updates from early 2019 to 500,000 times the investment amount in updates from late 2021.

28. For example, on June 12, 2019, Glaspie published online a promise to pay returns of 20-to-1 (2000%) on investments in CoinDeal:

I need you to understand the time frame for becoming involved and earning which could very possibly be the biggest single paycheck you have ever received is closing fast. I just don't know when, but the window is closing.

So to review, I can pay you 20-to-1 on any contribution we accept, and if \$5,000 or more I will re-calculate your payout at 20-to-1 beginning with your very first contribution... No 10, or 12, or 15-to-1.

29. On August 28, 2020, Glaspie published online CoinDeal payout terms ranging from \$750,000 for a mere \$250 investment to as high as *\$1 billion* for a \$100,000 investment:

**\$100k = \$1B
\$10k = \$30MM
\$5k = \$15MM
\$1k = \$3MM
\$1k, and all above amounts, qualifies for +8% on top of your payout, retroactive to first contribution, after closing and Homeland Security approval.
\$500 = \$1.5MM
\$250 = \$750k**

30. On October 19, 2020, Glaspie published online CoinDeal payout terms ranging from at least \$1.5 million for a mere \$250 investment to over *\$4 billion* for a \$100,000 investment:

EVERYTHING is DOUBLED + 10%
\$100k = \$4B instead of \$2B + 10%
\$50k = \$2B instead of \$1B + 10%
\$25k = \$2B NEW LEVEL
\$10k = \$100MM instead of \$50MM + 10%
+ 2 First Class Tickets and a suite
\$5k = \$50MM instead of \$25MM + 10%
+ 1 First Class Ticket
\$1k = \$8MM instead of \$4MM + 10%
\$500 = \$3MM instead of \$1.5MM + 10%
\$250 = \$1.5MM instead of \$750k + 10%

31. On June 25, 2021, Glaspie published online CoinDeal payout terms that were far more extravagant, ranging from at least \$12.5 million for a \$500 investment to as high as *\$56.25 billion* for a \$100,000 investment:

"SAVE THIS DEAL"
(which also include all the goodies mentioned above).
Just add an additional **10%** to each category/payback.

\$100k = **\$56.25B** + a Bentley GT Convertible!
\$75k = **\$42.1875B** + a Bentley GT Convertible!
\$50k = **\$28.125B** + up to a \$50k car allowance!
\$25k = **\$11.25B** + up to a \$35k car allowance!
\$15k = **\$2.0B** + up to a \$25k car allowance!
\$10k = **\$562.5MM**
\$5k = **\$281.25MM**
\$1k = **\$25MM**
\$500 = **\$12.5MM**

32. Glaspie also lured investors through false guarantees that he would repay all amounts invested in CoinDeal with 7% interest within three years if the CoinDeal sale transaction did not occur, when, in fact, he did not have the means to make such repayments. For example, on November 16, 2020, in a written update published online, Glaspie stated:

Don't forget, my worst case personal payback of 7% on original loan amount, paid back in up to three years. Or, as additional collateral, an equal value of crypto currency to match your loan.

33. To entice further investment, Glaspie offered referral bonuses for investors who raised additional funds. For example, on August 7, 2020 and August 14, 2020, Glaspie published online a 25% referral bonus offer for bringing new investors to CoinDeal.

34. The ever-escalating high rates of return, repayment guarantees, and referral bonuses, helped to create and maintain investor interest in CoinDeal, even when the supposed deal failed to close on the short-term time horizons advertised to investors. Glaspie, based on information from Chandran (via Davidson), provided a continuous string of excuses for why closing did not occur.

35. For example, on April 16, 2019, Glaspie falsely claimed in an online post that closing of CoinDeal had been delayed because a South Korean bank involved in the deal required in-person signatures in Hawaii:

Everyone thought it would be easy just to add to the loan commitment from South Korea, but as it turns out the bank wants a new set of documents. As I dictate this update the controller for the bank is traveling to Hawaii to meet the owner/seller for in-person signatures (they agreed to a mid-point meeting place to save time), and the controller now has power of attorney for all the buyers.

Everyone is working diligently and overtime to still close this short week.

Another delay, more pins and needles, but I still think it's really going to happen this week.

36. By way of further example (among many), on May 7, 2019, Glaspie falsely claimed in an online post that CoinDeal's closing was delayed because an engineer familiar with the company systems was sick:

The owner/seller and my partner just concluded a phone call wherein the seller informed my partner that a key man of his, the engineer who knows the company systems backwards and forwards, called in sick yesterday and again today.

The seller said it doesn't sound like the engineer will be at work at all this week, and had he known that yesterday he would have brought other people in to do system checking for the buyer's satisfaction. He is NOW DOING THAT. And he told my partner we should still be able to close this week but it won't be tonight as we had planned.

Woodbury Engaged in the CoinDeal Offering Fraud Through Her Own Promotional Activities

37. Glaspie's widespread marketing of CoinDeal attracted promoters who pooled investor funds to reach higher levels on Glaspie's tiered payout scale and to obtain larger referral bonuses. One such promoter was Arline Woodbury.

38. In early 2019, Woodbury learned of CoinDeal from Glaspie. Woodbury was familiar with Glaspie through his online network but had never met him, had never done business with him, and did no independent research on him or the legitimacy of CoinDeal before soliciting others to invest.

39. After learning of the payout scales and referral bonuses promised by Glaspie, Woodbury started collecting funds for CoinDeal. She pitched the opportunity to potential investors and offered to share payouts with those who could provide funding. At all relevant times, Woodbury had no job and no regular source of income.

40. Despite not knowing Glaspie personally or previously doing business with him, Woodbury vouched for Glaspie to instill confidence in investors and persuade them to invest in CoinDeal.

41. For example, on March 25, 2019, Woodbury sent an email to a prospective investor to promote CoinDeal. Woodbury shared information about her alleged decades-long business relationship with Glaspie and his purported experience with multi-million dollar business opportunities to encourage the prospective investor to participate in CoinDeal.

I have followed Mike Glaspie (known as "Mike G" online) since 1998, been on countless conference calls with him, and have had personal phone call discussions with him on potential deals. So I have full confidence that if he gets paid, we will get paid. He structured this deal, he signed an NDA (so I cannot tell you seller or company involved), and he advanced all of the invested money for our group. He could have kept the deal all for himself, but he actually gets a kick out of helping his "group" share in profits from his deals. He opens a window allowing us to leverage our monies collectively with him.

42. Woodbury solicited numerous potential investors via email and phone calls. For example, Woodbury hosted at least one teleconference in 2020 with a group of more than ten potential investors affiliated with a church. During the teleconference, Woodbury vouched for Glaspie and the legitimacy of the deal, presented the astronomical payout amounts being offered, and shared her bank account information. Multiple new investors participated in CoinDeal following the teleconference.

43. In emails and during teleconferences with current and potential investors, Woodbury repeated misrepresentations contained in Glaspie's updates about CoinDeal, which she regularly received, including misrepresentations regarding the involvement of prominent billionaire buyers and the purported value of the technology being sold.

44. For instance, on April 12, 2021, Woodbury emailed a prospective investor identifying the reputable billionaire buyers Glaspie claimed were involved with CoinDeal.

Trusting you to respect the confidential nature of information below:
So when he offered to share his deal with a group on his regular conference call, I jumped at the chance to be part of a deal with billionaires negotiating a huge buy, behind closed doors! (I signed no NDA. [REDACTED] and [REDACTED] are two of the billionaires I believe are the buyers in this \$50 trillion deal---our government gets 40%, or \$20 trillion)

45. On December 12, 2020, Woodbury repeated Glaspie's baseless guarantee to one of her investors that CoinDeal investors would receive a full refund with 7% interest if the sale did not occur.

\$50,000 was wired by me (on behalf of my group) as a collateralized personal loan to Mike G, who in turn forwards the money to the company. Having Mike G as the intermediary recipient is an advantage to us because he offers a worst case scenario guarantee (should the Deal fall apart and no longer be active) of a return of our original loan amounts, plus 7% annual. He would need 3 years to complete these returns. This is an extremely unlikely scenario. With Mike G as a mentor to the seller, the negotiations are going extremely well, and we can "see" the "finish line".

Woodbury Recruited Holverson, Who Formed Empowerment Project to Further Raise Funds for the CoinDeal Offering

46. Not long after she became involved with CoinDeal, Woodbury introduced CoinDeal to Holverson in or around June 2019. Woodbury invited Holverson to invest and proceeded to regularly share Glaspie's online updates. Woodbury identified Glaspie as a "long-time business associate" who was offering guaranteed payouts in exchange for financial backing of a confidential project.

47. After learning of Glaspie's promised payout scales and referral bonuses from Woodbury, Holverson started collecting funds for CoinDeal. Holverson did so even though she had never even met Woodbury in person and had conducted no independent research on Glaspie or CoinDeal.

48. In or around May of 2020, Holverson created an investor group called Empowerment Project, with whom she shared email updates and hosted audio conferences about CoinDeal. For example, in a February 13, 2021 email to Empowerment Project members, Holverson described CoinDeal as a “life-changer” and stated, “we are only seeing the tip of a 3-Trillion dollar iceberg.”

The one thing about this deal is that it is a life-changer in so many ways... and not just financially. It is challenging people's belief systems about what is possible in this crazy world in which we live.

The deal will close when it does, there is too much invested by all parties for it not go ahead. We just do not know when, as there are so many moving parts. I am sure that behind the scenes the people are solving far more problems than we will ever hear about; we are only seeing the tip of a 3-Trillion dollar iceberg.

49. In a May 13, 2021 email to Empowerment Project members, Holverson shared a modified version of Glaspie’s latest update, which indicated that CoinDeal had a value of \$4.3 trillion dollars.

As we progressed through the support and cash needed to stay alive so it's a saleable entity, which we have done as a team remarkable well, Garry and I have been contracted a total of, and I know this is a huge number... \$4.3 trillion dollars.

50. In addition, Holverson shared the name of at least one of the purported reputable buyers when emailing her group on June 8, 2021 with a modified version of another Glaspie update.

One of the five billionaire buyers (a household name globally, I so wish I could tell you however I am restrained by my NDA from doing so)... he made a play during Friday's special Board meeting to take over leadership of the new company and away from [REDACTED]

The Board voted him down - not because of him, but because the top billionaire buyer job had already been awarded and the matter was closed. This seemed to satisfy him and not offend him at all. I'll tell you his name in Vegas, however you might be able to guess.

51. Like Woodbury, Holverson also repeated Glaspie’s baseless guarantee that investors would receive a full refund with 7% interest if the sale did not occur. For example, in

September 2021 account statements that Holverson sent to each of her investors, Holverson relayed Glaspie's "personal pledge to (in the absolute worst case scenario) pay everyone back their loan amounts out of his other corporate earnings, at 7% annual interest, fully due and payable within three years from any date that we declare our deals as dead as a doorknob." Holverson conducted no due diligence and otherwise had no knowledge of Glaspie's financial ability to fulfill this guarantee.

52. To further entice prospective investors, Holverson lowered the barrier to entry for CoinDeal by allowing investors to participate via her Empowerment Project group for as little as \$100, which was lower than the amounts permitted by Glaspie.

53. Holverson typically modified Glaspie's written updates before sharing them with Empowerment Project members, by removing the payout numbers Glaspie offered so that she would be able to determine final payout amounts and keep a larger portion of any realized profit. On certain occasions, Woodbury herself changed the payout terms offered by Glaspie (lowering them to her benefit) before relaying his latest update to Holverson.

54. For example, on December 7, 2020, Glaspie published a CoinDeal update offering various new payout tiers, including \$25 million for a \$1,000 investment, \$12.5 million for a \$500 investment, and \$5 million for a \$250 investment. On the same day, Woodbury sent Glaspie's update to Holverson but included a modified payout scale with her own, lower payout tiers, as follows: \$15 million for a \$1,000 investment, \$5 million for a \$500 investment, and \$2.5 million for a \$250 investment. On or about the next day, Holverson revised the update she received from Woodbury and sent it to Empowerment Project members with even lower payout tiers, which included \$2 million for a \$1,000 investment, \$1 million for a \$500 investment, and \$500,000 for a \$250 investment.

CoinDeal Payout Terms - December 2020

Investment	Return (per Glaspie)	Return (per Woodbury)	Return (per Holverson)
\$1000	\$25,000,000	\$15,000,000	\$2,000,000
\$500	\$12,500,000	\$5,000,000	\$1,000,000
\$250	\$5,000,000	\$2,500,000	\$500,000

55. On June 12, 2021, following multiple complaints from at least one investor aware of modifications made by Woodbury and/or Holverson, Glaspie emailed Woodbury a directive to stop editing his online updates and Woodbury shared his message with Holverson. Despite this instruction, Holverson continued excluding Glaspie's payout offers. On the Empowerment Project website, Holverson stated that group leaders had "complete autonomy on how they run their group and allocate payouts," and she could not provide "transparency" into how payouts would be calculated.

Woodbury and Holverson Misappropriated Investor Funds

56. From 2019 to 2022, Woodbury raised at least \$3.2 million (primarily via Holverson's Empowerment Project) from hundreds of investors from multiple states, including Illinois, and multiple countries.

57. Woodbury and Holverson received CoinDeal investor funds at certain bank institutions, some of which were located in Illinois. Investors' funds were commingled and transferred upstream by Woodbury and Holverson to accounts controlled by Glaspie and/or his wife. Through their assumed roles as intermediaries in the flow of investor money, Woodbury and Holverson collectively skimmed hundreds of thousands of dollars for personal use.

58. Woodbury enriched herself by misappropriating at least \$190,000 for personal use, including approximately \$36,000 for travel and approximately \$60,000 for a friend's college tuition.

59. Holverson enriched herself by misappropriating at least \$170,000 for personal use, most of which was used to save her house from foreclosure.

60. Woodbury and Holverson failed to disclose to investors that funds invested in CoinDeal would be used for purposes unrelated to CoinDeal.

Woodbury and Holverson Continued the Fraudulent CoinDeal Offering Even After Learning of State Regulatory Actions

61. In January 2020, the Michigan Department of Licensing and Regulatory Affairs (“LARA”) ordered Glaspie to cease and desist from offering or selling unregistered securities in Michigan in connection with CoinDeal. In June 2020, Glaspie settled by agreeing to cease and desist and paying a \$15,000 fine.

62. In October 2021, the Michigan Department of Attorney General obtained an injunction against Glaspie for his failure to abide by the June 2020 consent order. The judgment prohibited Glaspie from continuing to solicit funds from and offering investment opportunities to Michigan residents.

63. Woodbury and Holverson knew about LARA’s regulatory actions against Glaspie, but nonetheless continued raising money from investors.

64. Glaspie posted certain online updates about LARA’s regulatory actions against him, which Woodbury received via email. For example, on November 13, 2019, Glaspie shared an update about LARA’s case against him in which he denied engaging in a public offering in violation of Michigan law but conceded he could be deemed liable for fraud and go to prison if

the CoinDeal transaction did not close, stating in part:

Turns out, the state *may* have a case against me for fraud - but only if the deal does not close. When the deal closes and all my partners receive their profits due, the state will have no grounds to take further action. However, if the deal does not close the state has told my lawyers that my case represents a good 'test case' to test the otherwise nebulous Section 503.

I'm telling you this because if the deal does not close and if my lawyers lose, there is a very good chance that I will go to Club Fed - not for selling securities without a license but for fraud. That is precisely how the state will want to pursue the action.

65. Despite LARA's actions against Glaspie, Woodbury continued soliciting Michigan investors. In fact, until at least January 2021, Woodbury was soliciting a prospective CoinDeal investor in Michigan.

66. On May 19, 2021, Holverson attempted to allay the concerns of at least one investor, who asked questions about the LARA actions. Holverson explained that she was "well aware of the legal implications [of CoinDeal]" given her prior role as a court reporter and her husband's experience as an attorney.

The legal world was my home for over 30 years. I taught law classes as part of my court reporting college teaching career, and my husband was an attorney in the Chicago area for over 35 years. I'm well aware of legal implications in anything that I'm involved in.

I've been aware of this Michigan Consent Order Resolving Notice and Order to Cease and Desist of June 20, 2020 -- regarding the charges of allegedly offering or selling unregistered securities with a \$30k fine with the selling of an anonymous cryptocurrency and artificial intelligence company where 10X return of investment was offered. The back story is that a couple who live in Michigan were unhappy a year ago about the sale delay and filed a lawsuit. Mike G could have chosen to fight this in court with \$100k in legal fees and time away from his efforts on getting this sale closed plus running his other successful business. He decided to just pay the \$30k fine and continue on with his work. As long as it closes at some time, he's fine.

67. In the same email, Holverson explained (falsely) that CoinDeal did not involve an offer of securities and summarily stated, "I'm not concerned about the Michigan issue."

At no time was he presenting this as buying stock or securities. We were presented with an involvement structured

as a "collateralized personal loan with 7% payback in 3 years if this deal falls through" in several written notices to us. That characterization has been in several updates that have been sent in the last months and was also used in the Part 1/Part 2 recap of this venture that I emailed to the members of the group in February. It has been mentioned several times that we expect to have the possibility of buying stock when the new company is ready for that offer.

We wait for the conclusion of the sale, the approval by Homeland Security, and the payout of the loans we have all made. I'm not concerned about the Michigan issue.

The CoinDeal Scheme Collapses

68. In June 2022, the CoinDeal scheme largely collapsed when the Department of Justice indicted Chandran for wire fraud and money laundering violations and froze his assets. *United States v. Chandran*, Case No. 22-cr-03077 (D. Neb.). The indictment described a scheme to defraud carried out by Chandran, in which he caused others to solicit funds from investors based on the false and misleading portrayal that their investments would soon yield extremely high returns upon the purchase of one or more of his entities by a wealthy buyer group.

69. In February 2023, Glaspie pled guilty to federal wire fraud related to his involvement with the CoinDeal scheme. *United States v. Glaspie*, Case No. 23-cr-03010 (D. Neb.).

70. The vast majority of CoinDeal investors have not received the return of their principal investment amounts, and no investors have received any promised profits on their investments.

Unregistered Securities Offerings

71. As set forth above, Defendants Woodbury and Holverson offered and sold CoinDeal investments and raised over \$3 million from hundreds of investors in dozens of states as well as multiple countries.

72. The Defendants recruited potential investors through teleconferences, online posts, and email.

73. The Defendants made no efforts to assess potential investors' sophistication or accreditation status, and unaccredited investors participated in the CoinDeal offering. Many investors had no preexisting relationship with the Defendants.

74. The Defendants represented to CoinDeal investors that their money would be pooled and used to cover operating or per diem expenses for CoinDeal.

75. CoinDeal investors did not exercise any control or authority over the operations of CoinDeal. Chandran exercised ultimate control and authority over CoinDeal, and investors relied on his purported managerial skills, along with the efforts of Glaspie, Woodbury, and Holverson, to provide a return on their investment.

76. The Defendants used interstate commerce when they offered and sold CoinDeal investments in multiple states and countries by, among other things, corresponding with potential investors via email and teleconferences and receiving investor funds via interstate wire transfers.

77. The CoinDeal investments offered and sold by the Defendants were securities.

78. No registration statement was ever filed with the SEC or has ever been in effect with respect to any offers and sales of CoinDeal investments.

COUNT I
Violations of Section 17(a) of the Securities Act
[15 U.S.C. § 77q(a)]

79. Paragraphs 1 through 78 are realleged and incorporated by reference as though fully set forth herein.

80. By engaging in the conduct described above, Defendants Woodbury and Holverson, in the offer and sale of securities, by the use of the means and instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, (i) employed devices, schemes and artifices to defraud; (ii) obtained money and

property by means of untrue statements of material facts and 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; and (iii) engaged in transactions, practices, and courses of business which operated or would operate as a fraud or deceit upon the purchasers of such securities.

81. Defendants Woodbury and Holverson acted intentionally, knowingly, recklessly, or negligently, in engaging in the conduct described above.

82. By engaging in the conduct described above, Defendants Woodbury and Holverson violated Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

COUNT II
Violations of Section 10(b) of the Exchange Act
and Exchange Act Rule 10b-5
[15 U.S.C. § 78j(b) and 17 C.F.R. 240.10b-5]

83. Paragraphs 1 through 78 are realleged and incorporated by reference.

84. By engaging in the conduct described above, Defendants Woodbury and Holverson, in connection with the purchase and sale of securities, by the use of the means and instrumentalities of interstate commerce and by the use of the mails, directly and indirectly, (i) employed devices, schemes and artifices to defraud; (ii) made untrue statements of material fact and omitted 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; and (iii) engaged in acts, practices and courses of business which operated or would have operated as a fraud and deceit upon purchasers of securities and upon other persons.

85. Defendants Woodbury and Holverson acted intentionally, knowingly, or recklessly, in engaging in the fraudulent conduct described above.

86. Through the foregoing, Defendants Woodbury and Holverson violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. 240.10b-5].

COUNT III
Violations of Section 5(a) and (c) of the Securities Act
[15 U.S.C. § 77e(a) and (c)]

87. Paragraphs 1 through 78 are realleged and incorporated by reference.

88. Defendants Woodbury and Holverson, directly or indirectly, as to CoinDeal securities: (a) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities through the use or medium of a prospectus or otherwise; or carried securities or caused such securities to be carried through the mails or in interstate commerce, by means or instruments of transportation, for the purpose of sale or delivery after sale; and (b) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or to offer to buy, through the use or medium of any prospectus or otherwise, securities without a registration statement having been filed with the SEC or being in effect as to such securities.

89. No registration statements were filed with the SEC or were in effect in connection with offers or sales of CoinDeal securities by Defendants Woodbury and Holverson, and no exemption from the registration requirements applied to sales by Defendants Woodbury and Holverson.

90. By engaging in the conduct described above, Defendants Woodbury and Holverson violated, and unless restrained and enjoined are reasonably likely to continue to violate Sections 5(a) and (c) of the Securities Act [15 U.S.C. §§ 77e(a) and (c)].

COUNT IV
Aiding and Abetting Violations of
Section 10(b) of the Exchange Act
and Exchange Act Rule 10b-5(b)
[15 U.S.C. § 78j(b) and 17 C.F.R. 240.10b-5]

91. Paragraphs 1 through 78 are realleged and incorporated by reference.

92. As described above, Chandran, directly or indirectly, in connection with the purchase and sale of CoinDeal securities, by the use of the means and instrumentalities of interstate commerce and by the use of the mails, intentionally, knowingly, or recklessly made untrue statements of material fact and omitted 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.

93. By engaging in the conduct described, Chandran violated 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].

94. Defendants Woodbury and Holverson intentionally, knowingly, or recklessly provided substantial assistance to Chandran.

95. By reason of the foregoing, Defendants Woodbury and Holverson aided and abetted the violations of Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder by Chandran and, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Defendants Woodbury and Holverson are liable to the same extent as Chandran for his violations of Sections 10(b) of the Exchange Act and Rule 10b-5(b) thereunder.

RELIEF REQUESTED

THEREFORE, the SEC requests that this Court:

I.

Permanently enjoin Defendants, their officers, agents, servants, employees, attorneys and

those persons in active concert or participation with Defendants who receive actual notice of the order of this Court, by personal service or otherwise, and each of them from, directly or indirectly, engaging in the transactions, acts, practices or courses of business described above, or in conduct of similar purport and object, in violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)]; Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 CFR § 240.10b-5]; and Section 5 of the Securities Act [15 U.S.C. § 77e];

II.

Order Defendants to disgorge all ill-gotten gains and/or unjust enrichment received directly or indirectly, with pre-judgment interest thereon, as a result of the alleged violations, pursuant to Exchange Act Sections 21(d)(3), 21(d)(5), and 21(d)(7) [15 U.S.C. §§ 78u(d)(3), (5) and (7)];

III.

Order Defendants to pay civil 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)];

IV.

Enter an Order, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] permanently prohibiting the Defendants from serving as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 [15 U.S.C. § 78l] of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)];

V.

Grant any other relief this Court deems appropriate.

JURY DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff demands that this case be tried to a jury.

Dated: September 28, 2023

Respectfully Submitted,

**UNITED STATES SECURITIES AND
EXCHANGE COMMISSION**

s/Michael D. Foster

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