IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

SECURITIES AND EXCHANGE COMMISSION Plaintiff, v. THURMAN P. BRYANT, III, BRYANT UNITED CAPITAL FUNDING, INC ARTHUR F. WAMMEL, WAMMEL GROUP, LLC, CARLOS GOODSPEED a/k/a SEAN PHILLIPS a/k/a GC d/b/a TOP AGENT ENTERTAINMENT d/b/a MR. TOP AGENT ENTERTAINMENT, Defendants, THURMAN P. BRYANT, JR., Relief Defendant.	:	Civil Action No.: 4:17-cv-00336-ALM

PLAINTIFF'S MOTION FOR PARTIAL SUMMARY JUDGMENT AND BRIEF IN SUPPORT

Dated: May 25, 2018

Respectfully submitted,

/s/ Jason P. Reinsch

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FEDERAL STATUTES

Pursuant to FED. R. CIV. P. 56, Plaintiff Securities and Exchange Commission ("Plaintiff," the "Commission," or "SEC") files this Motion for Partial Summary Judgment and Brief in Support seeking summary judgment as to the liability[1] of Defendants Thurman P. Bryant, III ("Bryant") and Carlos Goodspeed a/k/a Sean Phillips a/k/a GC d/b/a Top Agent Entertainment d/b/a Mr. Top Agent Entertainment ("Goodspeed"), and in support thereof, respectfully shows as follows:

I.
INTRODUCTION

The irrefutable summary judgment evidence[2] establishes that Bryant and Goodspeed victimized more than 100 investors and misappropriated more than $22.7 million through materially false and misleading statements and omissions. In so doing, Bryant and Goodspeed violated Section 17(a) of the Securities Act of 1933 [15 U.S.C. § 77q(a)] ("Securities Act") and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder [15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5], and the Commission is entitled to summary judgment on these claims.

A. Bryant' Fraud

Between March 2011 and May 2017, Defendant Bryant United Capital Funding, Inc. ("BUCF"; Bryant and BUCF are collectively, the "Bryant Defendants")—through its CEO and President, Bryant—raised approximately $22.7 million from approximately 100 investors through materially false and misleading statements and omissions and through a fraudulent

[1] If the Court grants this motion, the Commission will file a motion for remedies addressing the relief sought against the Bryant Defendants and Goodspeed for their respective securities-law violations, including disgorgement (with prejudgment interest), injunctive relief, and civil money penalties.

[2] The Statement of Undisputed Facts and Arguments and Authorities sections, below, reflect page-number citations to the Appendix such that, for example, the citation "App. 1, 59, 101." refers to pages one, 59, and 101 of the Appendix.

scheme. Among other things, Bryant promised investors guaranteed minimum annual returns of 30% on purportedly risk-free investments that the Bryant Defendants would make in the mortgage industry. Specifically, Bryant promised that investor funds would be safeguarded in a secure escrow account and used for the sole purpose of serving as proof of funds to enable BUCF to acquire a line of credit with which it would pursue its purported mortgage-related investment program. However, these promises were false. No secure escrow accounts existed, and there was no mortgage-related investment program. In reality, and directly contrary to his representations, Bryant commingled investor funds in a single deposit account controlled by him, from which he, among other things, (a) funneled approximately $16.1 million to Arthur F. Wammel ("Wammel") and Wammel Group, LLC ("Wammel Group"; collectively the "Wammel Parties"); (b) misappropriated $4.8 million for his personal use; (c) transferred $1.37 million to Goodspeed; and (d) transferred at least $120,000 to Relief Defendants Thurman P. Bryant, Jr. ("Bryant Jr."). Bryant did all of these things without the consent or knowledge of BUCF investors.

In turn, BUCF paid approximately $16.8 million to its investors in the form of purported investment returns and significant payments for referring new investors. In fact, BUCF *never* used investor funds as Bryant claimed it would. Money paid out as referral fees and supposed investment profits were actually misappropriated funds—Ponzi payments—from other investors who believed they were investing in BUCF's mortgage-related investment program.

B. Goodspeed's Fraud.

Goodspeed, who claimed to be a booking agent for concerts, exclusive parties, and other events, also conducted a fraud that materially harmed BUCF investors. From January 2017 through April 2017, Goodspeed and BUCF entered into multiple investment contracts through

which Bryant—acting on behalf of BUCF, but unbeknownst to BUCF's investors— invested $1.37 million of BUCF investor funds with Goodspeed to, *inter alia*, produce, promote, and operate concerts headlined by Taylor Swift and Aubrey Drake Graham a/k/a Drake ("Drake"). Goodspeed explicitly represented to Bryant that the investments involved no risk and that he personally guaranteed the investment principal.

Not only did the Drake and Taylor Swift concert series never occur, but Goodspeed misappropriated the funds as soon as they were invested by BUCF. Goodspeed and Bryant never had any contracts or other dealings with these artists; and no concert tours were planned or contemplated during the relevant periods claimed by Goodspeed. In fact, Goodspeed did not use *any* of the $1.37 million from BUCF for the alleged Drake and Taylor Swift concerts; instead, he used investor funds to, *inter alia*, fund his lavish lifestyle and pay back other investors from previous deals.

Because there is no genuine issue as to any material fact, the Commission asks the Court to grant its motion for partial summary judgment as to liability on all of its claims against Bryant and Goodspeed.

II.
STATEMENT OF ISSUES TO BE DECIDED BY COURT

Pursuant to L.R. CV-56, the Commission submits this statement of issues to be decided by the Court:

1. *First Claim for Relief: Fraud in the Offer or Sale of Securities in Violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)]*

The Commission must prove, by a preponderance of the evidence, the following elements: (1) a device, scheme, or artifice to defraud, **or** to obtain money or property by means of any untrue statement of material fact or omission of material fact, **or** to engage in any

transaction, practice, or course of business that would operate as a fraud or deceit upon the purchaser; (2) in connection with the offer or sale of a security; (3) with the requisite mental state; and (4) by means of interstate commerce. Violations of Section 17(a)(1) require *scienter*. Negligence is sufficient to prove a violation of Sections 17(a)(2) and (a)(3). The Commission's Section 17(a) claim against Goodspeed is limited to the violation of Section 17(a)(2).

2. Second Claim for Relief: Fraud in Connection With the Purchase and Sale of Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5]

The Commission must prove, by a preponderance of the evidence, the following elements: (1) a device, scheme, or artifice to defraud, **or** to make any untrue statement of material fact or omission of material fact, **or** to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; (2) in connection with the purchase or sale of a security; (3) with the requisite mental state; and (4) by means of interstate commerce. Violations of Section 10(b) and Rule 10b-5 require *scienter*. The Commission's Section 10(b) claim against Goodspeed is limited to the violation of Section 10(b) and Rule 10b-5(b).

III.
SUMMARY JUDGMENT STANDARD

Summary judgment, "upon all or any part of [a] claim," is appropriate where there is no genuine dispute as to any material fact regarding that portion of the claim. FED. R. CIV. P. 56(a); *see also Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). Summary judgment "is properly regarded not as a disfavored procedural shortcut, but rather as an integral part of the Federal Rules as a whole, which are designed to 'secure the just, speedy, and inexpensive determination of every action.'" *Celotex*, 477 U.S. at 327 (quoting FED. R. CIV. P. 1). As the movant, the Commission bears the initial burden of identifying the evidence that demonstrates the absence of

any material fact. *Id.* at 323. Once that burden is met, the defendants cannot rest on mere denials, conclusory statements, or evidence that is merely colorable or not significantly probative to defeat the motion. *Id.* at 324*; Forsyth v. Barr*, 19 F.3d 1527, 1533 (5th Cir. 1994) ("Needless to say, unsubstantiated assertions are not competent summary judgment evidence."). Instead, they must submit significant probative *evidence* to show that material, triable issues of fact remain. *See Anderson v. Libby Lobby, Inc.*, 477 U.S. 242, 249-50 (1986) . "The mere scintilla of evidence in support of the [nonmoving party's] position will be insufficient." *Liberty Lobby*, 477 U.S. at 252.

In short, the Court must enter summary judgment if, under the governing law, there is only one reasonable conclusion. *Anderson*, 477 U.S. at 250. Summary judgment is appropriate here, because there is no genuine issue of material fact and the Commission is entitled to judgment as a matter of law. *Celotex*, 477 U.S. at 325.

IV.
STATEMENT OF UNDISPUTED FACTS

A. Bryant's Securities Fraud.

1. Bryant Falsely Promised a Guaranteed, No-Risk Investment in BUCF

Bryant formed BUCF in or around June 2011 and at all relevant times was BUCF's sole officer, manager, decision-maker, and employee. (App. 2 at ¶ 4; 66 at 52:21-22; *see also* App. 49 at 243:12-19[3].) Bryant opened, maintained, and had sole signatory authority over BUCF's

[3] Bryant asserted his Fifth Amendment rights in response to various questions during depositions and hearings. (*See, e.g.*, App. 49 at 243:12-19.) Instances of such Fifth Amendment assertions are cited herein. Courts may draw an adverse inference against Bryant as a result of his refusal to testify, even with regard to a motion for summary judgment. *SEC v. Sethi Petroleum, LLC*, 229 F.Supp.3d 524, 532 (E.D. Tex. 2016). As this Court noted in *Sethi*:

> In the Fifth Circuit, courts may draw an adverse inference from a defendant's refusal to testify in a civil case. *See Hinojosa v. Butler*, 547 F.3d 285, 295 (5th Cir. 2008). This inference is available to the court on summary judgment. *See State Farm Life Ins. Co. v. Gutterman*, 896 F.2d 116, 119 (5th Cir. 1990). However, a court cannot decide an issue

single bank account. (App. 3-4 at ¶ 7; 154-157.) Hence, Bryant and BUCF's interests and activities were one and the same.

In 2011, the Bryant Defendants began raising money from investors and eventually had 100 investors. (App. 5 at ¶ 17.) Bryant did not promote the BUCF investment opportunity through written offering documents; instead, Bryant or existing BUCF investors promoted the investment opportunity to potential investors by word-of-mouth and encouraged them to contact Bryant directly to learn about investing with BUCF. (*See, e.g.,* App. 78 at ¶ 4; 131 at ¶ 5.)

Bryant also encouraged existing investors to market the BUCF investment through BUCF's payment of sizeable referral bonuses. (App. 46-47 at 186:10-187:11; *see, e.g.,* App. 658.) These bonuses varied in amount from investor to investor and BUCF paid them on a recurring basis, in that BUCF continued to pay referral bonuses to investors month-after-month, even for the same referrals. (*See, e.g.,* App. 657-658.)

Bryant pitched the investment opportunity to prospective investors, orally representing, among other things, that investor funds would be protected in segregated escrow accounts and used solely to serve as "proof of funds" for BUCF to secure a line of credit from a hedge fund. (App. 78-79 at ¶ 7; 90.) Bryant further represented that BUCF would use the line of credit to fund short-term mortgage loans, which long-term lenders would quickly purchase in exchange for a set fee paid to BUCF. (App. 78-79 at ¶ 7.) Further, Bryant promised investors, orally and in partnership agreements, that their investments bore no risk and were guaranteed to generate

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on summary judgment against a party solely on the basis of the party's invocation of the Fifth Amendment. *Id.* at 119, n.2 (citing *United States v. White*, 589 F.2d 1283, 1287 (5th Cir. 1979)). A court may only decide an issue if there is any independent evidence in addition to the invocation. *Gulf Coast Bank & Trust Co. v. Stinson*, No. 2:11-CV-88-KS-MTP, 2013 WL 30136, at *4, n.2 (S.D. Miss. Jan 2, 2013). Therefore, while the Court declines to base its decisions solely on Defendant's assertion of Fifth Amendment rights, it may consider such silence as a failure to dispute other evidence.

2.5% monthly returns for a total of 30% annually. (*See, e.g.*, App. 71 at 58:5-8; 78-79 at ¶ 7; 115 at § 6.2.1; 131-132; 137 at § 6.2.1.)

2. BUCF's Partnership Agreements and Account Statements

Even though BUCF is a corporation, the Bryant Defendants sold limited partnership interests in BUCF to investors, which were documented by the *Limited Partnership Agreement of Bryant United Capital Funding* (the "BUCF Partnership Agreement"), which designated BUCF as the managing partner. (App. 112, 134.)

The BUCF Partnership Agreement specified that BUCF, subject to very limited exceptions, "shall have full, exclusive and complete authority and discretion in the management and control of the Partnership business […] and shall make all decisions affecting the business of the Partnership." (App. 116 at § 9.1.) The BUCF Partnership Agreement defined the purpose of the partnership as "the return on the equity promised herein[.]" (App. 114 at Art. III.) The BUCF Partnership Agreement specifically stated that:

> Initial Preserved Capital [$_____][4] with the guaranteed annual Distributions of [$_____] (USD) or monthly distribution rate of [$_____] (USD) starting on [_____], and will remain such return throughout the life of the investment. Any or all reinvested capital will grow at a 30% per rate and maintain the 30% Growth per year until "Limited Partner(s)" elects to remove Capital investment amount in full. All initial investment and any and all reinvested growth are retained in a secure escrow account for the benefit of the Limited Partner. No risk to capital account is expressed or implied by General/Managing Partner.[5]

(App. 115 at § 6.2.1.)

[4] The bracketed numbers in this excerpt of the BUCF Partnership Agreement changed for each investor to reflect the actual capital contribution by each investor as well as the associated distribution and date of initial distribution.

[5] The BUCF Partnership Agreements evolved in some respects throughout the course of the scheme. For example, while most of the agreements guaranteed returns of 30% per year, some agreements promised 42% returns for the first year or even throughout the life of the investment. (*See* App. 23 at 134:15-18.)

After executing the BUCF Partnership Agreement, Bryant instructed investors how to tender their investment funds, and investors transferred their funds to BUCF by wire transfer or check. (App. 85.)

Bryant prepared and issued monthly account statements ("BUCF Account Statement(s)") to BUCF investors which purported to identify, among other things, an investor's "Escrow Capital Balance," "Calculated Account Balance," and "Accumulated Account Balance." (*See, e.g.*, App. 128-130, 149-150.) Investors based their understanding of the safety of their investments, the location and application of their funds, and the source of their monthly payments on Bryant's oral promises and on the information in the BUCF Partnership Agreement and monthly BUCF Account Statements. (*See* App. 78-79 at ¶ 7; 80 at ¶ 12; 82 at ¶ 18; 131-132 at ¶ 7; 133 at ¶ 10.)

3. Bryant Knowingly Failed to Escrow Investor Funds, and Instead Directed Funds to Wammel Group Without Investors' Knowledge or Approval

Bryant knowingly disregarded the promises and representations he made to investors about how he would safeguard and use investor funds; instead, he diverted the majority of investor capital to an undisclosed third-party, Wammel Group. (App. 3 at ¶ 5; 71 at 58:9-22; 75 at 84:2-4; 76 at 89:10-12.)

Bank records show that Bryant and BUCF transferred approximately $16.1 million of BUCF investor funds to Wammel Group, without the consent or knowledge of BUCF investors and contrary to their representations to investors regarding how their funds would be used. (App. 6 at ¶ 24; 81 at ¶ 14.) Between July 2011 and April 2017, the Wammel Parties made monthly distributions of purported investment returns to BUCF totaling approximately $15.8 million. (App. 7 at ¶ 26.) However, Wammel Group's investment revenues were significantly less than the sums it distributed to BUCF. Wammel Group's total options trading receipts from

2011 through 2016 amounted to only about $5.9 million. *Id.* Between January 2010 and April 2017, Wammel Group received less than $300,000 from its other investments in, among other things, cars and real estate. *Id.* Hence, while Wammel Group distributed $15.8 million to BUCF as purported investment returns, those sums were in fact comprised of ill-gotten BUCF investor funds, and funds obtained from Wammel Group's other (non-BUCF) investors, and limited earnings from options trading and other investments. *Id.*

4. Bryant Made Material Misrepresentations and Omissions

Through the BUCF Partnership Agreements, the Account Statements, and in oral representations to investors and prospective investors, Bryant made materially false and misleading statements, and omitted material facts necessary to make the statements they did make, in the light of the circumstances under which they were made, not misleading, with regard to, (1) the nature of BUCF's business operations; (2) the risks associated with investing with BUCF; (3) the use of investor proceeds; and (4) the source of investor returns.

a. BUCF's Business Operations

Bryant misrepresented BUCF's business operations. He represented that investor funds would be used to facilitate the funding of mortgage loans. (*See* App. 30-31 at 150:25-151:16; 37 at 166:15-18; 75 at 84:2-4; 78-81 at ¶¶ 7, 14; 131-132 at ¶ 6.) More specifically, Bryant explained that BUCF would fund mortgages, which would be immediately sold to third-party banks and servicers in exchange for a fixed fee. (App. 78-81 at ¶¶ 7, 14; 131-132 at ¶ 6.)

Bryant's representations were fabrications. Bryant conceded in sworn testimony that BUCF did not conduct any of the mortgage-related investment operations they claimed they would. (App. 76 at 89:10-12.) Further, Bryant and BUCF never placed investor funds in secure escrow accounts. (App. 3 at ¶ 5; 6 at ¶ 22; 33 at 161:14-17.) Instead, Bryant and BUCF secretly

diverted approximately 71% of the money invested—$16.1 million—to Wammel Group between 2011 and 2016, without BUCF investors' knowledge or consent. (App. 6 at ¶ 24.) Unbeknownst to investors, Bryant spent the remaining money for other undisclosed and unauthorized purposes, including funding his lifestyle, investing with Goodspeed, and making Ponzi payments to investors disguised as investment returns. (App. 7 at ¶ 27.) Thus, Bryant's representations and omissions to investors as to BUCF's business operations were materially false and misleading.

b. Investment Risk

Bryant made numerous materially false statements regarding the risks associated with investing in BUCF. Bryant represented—orally and in the vast majority of BUCF Partnership Agreements—that investor capital would not be put at any risk but would, instead, be held in a secure escrow account. (*See, e.g.*, App. 115 at § 6.2.1; *see also* App. 24-25 at 137:20-138:2; 28-29 at 148:24-149:12.) In addition, Bryant fabricated and disseminated to investors monthly statements that purported to identify an investor's "Escrow Capital Balance," "Calculated Account Balance," and "Accumulated Account Balance," all of which falsely conveyed that the investor's capital was, in fact, sitting in a secure escrow account. (*See, e.g.*, App. 81-82 at ¶¶ 16-17, 128-130; 132-133 at ¶ 9; 149-150.) These representations had their intended effect, as investors believed their investments with BUCF were safe and bore no or relatively low risk. (App. 78-81 at ¶¶ 7, 14; 131-132 at ¶ 6.)

Bryant knew that their representations concerning the risks of investing, or lack thereof, were false. Bryant knew that investor funds were never stored in a secure escrow account; in fact, no such escrow account(s) ever existed. (App. 3 at ¶ 5; 33 at 161:10-17.) Instead, Bryant deposited investor capital into a single BUCF checking account, where he commingled investor funds with whatever other money BUCF held in its accounts. (*See* App. 11.) The Bryant

Defendants then either transferred those commingled funds to Wammel Group (and later to Goodspeed and Bryant Jr.), or used them to fund Bryant's lifestyle and to make Ponzi payments to investors, creating the misimpression that the payments were returns on no-risk mortgage investments. (App. 3 at ¶ 5; 6-7 at ¶¶ 20, 24, 27.) Thus, Bryant's representations to investors as to the investment risks were materially false. BUCF investors had every reason to believe, based on the monthly account statements they received and representations made by the Bryant Defendants, that their initial investment principal was safely sitting in a secure escrow account. (App. 82 at ¶ 18; 133 at ¶ 10.)

c. Misuse of Proceeds

Bryant also made materially false and misleading statements to investors about how their investment funds would be used. As detailed above, BUCF investor funds were never held in secure escrow accounts to be used solely as proof of funds for a line of credit. (App. 3 at ¶ 5; 6 at ¶ 22; 33 at 161:14-17.) In fact, they were commingled in one checking account. Further, the Bryant Defendants intentionally: (a) misappropriated $4.8 million to pay for Bryant's personal expenses and lifestyle;[6] (b) funneled approximately $16.1 million to Wammel Group for undisclosed, unauthorized, and speculative options and securities trading; (c) sent $1.37 million to Goodspeed for investments in fabricated concerts; (d) transferred $120,000 to Bryant Jr. as

[6] Bryant paid his family's living expenses almost exclusively out of the same BUCF checking account into which investors deposited their funds and believed they would be safely held and never placed at risk. Bryant's approximate *monthly* personal expenses paid with investor funds included, but were not limited to:

- $9,750 (and then $18,000 per month beginning in April of 2016) to rent a house in Frisco, Texas;
- $3,500 in lease payments for luxury and other vehicles;
- $1,800 for a housekeeper;
- $3,000 for meals and groceries;
- $3,400 for private school tuition;
- $1,000 for horse riding expenses; and
- $1,200 for an apartment.

Bryant also spent more than $250,000 to furnish and decorate his *rented* home. (App. 7 at ¶ 27.)

purported investment returns; and (e) made Ponzi payments to investors. (App. 3 at ¶ 5; 6-7 at ¶¶ 20, 24, 27; 10 at ¶ 39.) These uses violated the promises and representations made to investors by Bryant.

d. Source of Investor Returns

Bryant represented to investors that BUCF's guaranteed 30% per year distributions would be generated from short-term investments in the mortgage industry, and would be paid out monthly to investors. (App. 78-81 at ¶¶ 7, 14; 131-132 at ¶ 6; 33 at 161:4-9; 37 at 21-25.) This representation was false. The Bryant Defendants never used investor capital to facilitate the funding of short-term mortgage loans. (App. 6 at ¶ 22; 33 at 161:20-23; 41 at 178:2-5.) Instead, the vast majority of investor capital—nearly $16.1 million (71% of all funds raised) was diverted to Wammel Group. (App. 6 at ¶ 24.) Prior to their investments, BUCF investors were not told about Wammel, Wammel Group, Goodspeed, or their involvement in their investments. (App. 78-81 at ¶¶ 7, 14; 131-132 at ¶ 6; 51-A at 339:9-15.)

Bryant knew that BUCF's purported revenues did not come from its investments in the mortgage industry, as represented to investors, since Bryant alone controlled BUCF's bank account and the receipt, management, use, and repayment of investor funds.

5. Bryant Changed Course When He Learned of the Commission's Underlying Investigation, But He Continued to Defraud New and Existing Investors

Bryant learned of the Commission's investigation in December 2016 after being served with an investigative subpoena. (App. 8 at ¶ 28; 659-672.) Between January 2017 and March 2017, the Bryant Defendants transferred $1.37 million of BUCF investor funds to Goodspeed, who claimed to be a booking agent for well-known entertainers. (App. 8 at ¶ 29.)

Notations on wire transfer documentation for these transactions indicate that the funds were to be used to promote concerts by Taylor Swift and Drake. (App. 8 at ¶ 30.) But BUCF

investors were never apprised that their funds would be used to invest with Goodspeed. (*See* App. 82 at ¶ 18; 133 at ¶ 10; 51-A at 339:9-15.)

B. Goodspeed's Fraud.

Goodspeed also operated a fraud that victimized BUCF investors. In total, the Bryant Defendants wired $1.37 million of BUCF investor money to Goodspeed as investments in purported concert tours and other celebrity appearances. (App. 8 at ¶¶29, 30; 677 at ¶ 46.)

In January 2017, the Bryant Defendants first invested BUCF investor funds with Goodspeed in connection with an alleged Lil Wayne Super Bowl party event in Houston, Texas. Pursuant to an *Investment/Partner Agreement* dated January 22, 2017 ("Lil Wayne Agreement"), BUCF invested $150,000 to receive a fixed profit of $80,000 by no later than February 6, 2017. (App. 681.) Goodspeed guaranteed the return of the $150,000 principal investment if the event was cancelled or postponed. However, instead of receiving the $230,000 distribution on February 6, 2017, Bryant, on behalf of BUCF, agreed to roll over the $230,000 to another purported investment with Goodspeed. (*See* App. at 674.) In reality, Goodspeed did not have $230,000 to pay BUCF if Bryant requested it. (App. 9 at ¶ 37.)

Goodspeed then solicited Bryant's next BUCF investment in a purported concert series headlined by Drake. Pursuant to a February 7, 2017 *Investor Agreement* ("Drake Agreement"), BUCF invested $850,000 with Goodspeed to fund a five-date concert tour for Drake between March 2017 and June 2017.[7] (App. 517-522.) In return, BUCF was to receive the return of its principal investment plus $900,000 from the net profits of ticket sales "within approximately five (5) business days following the final concert date." (App. 518 at § 5(b).) Goodspeed again

[7] On February 8, 2017, Bryant, on behalf of BUCF, wired Goodspeed $620,000, which, along with the "rolled over" $230,000 balance from the Lil Wayne event, comprised the $850,000 investment. (App. at ¶ 37; 674.)

guaranteed the return of BUCF's principal investment if the Drake concert series was cancelled or postponed. (App. 520 at ¶ 11.)

Goodspeed next solicited the Bryant Defendants to invest in a purported concert series headlined by Taylor Swift. Pursuant to two separate agreements labeled *Investor Agreement* dated April 12, 2017 ("Swift Agreement(s)"), BUCF, through Bryant, invested $600,000 with Goodspeed to fund a five-date concert tour for Taylor Swift between June and August 2017. (App. 524-528.) In return, BUCF was to receive the return of its principal investment plus $400,000 from the net profits of ticket sales and any other revenues "on or before July 1st, 2017." (App. 525 at ¶ 5(b).) As in the other two investments, Goodspeed guaranteed the return of BUCF's $600,000 principal investment if the Taylor Swift concert series was cancelled or postponed. (App. 527 at ¶ 11.)

The Drake and Taylor Swift concert series never occurred. (App. 408 at 167:10-14; 449 at 208:12-13.) And Goodspeed misappropriated the BUCF investment funds for his personal use as soon as he received them. (App. 9-10 at ¶¶ 36-37.) Management representatives for Drake and Taylor Swift confirm that Goodspeed and Bryant have never had any contracts or other dealings with these artists. (App. 639 at ¶ 3; 684at ¶ 3.) Further, they each confirmed that no concert tours were planned or contemplated during the relevant time periods. (App. 639 at ¶ 4; 684 at ¶ 4.)

Goodspeed's bank records reveal no expenditures to promote concert tours for Drake or Taylor Swift, or for the Lil Wayne Super Bowl event. (App. 8-9 at ¶¶ 33-34.) Indeed, Goodspeed admits that BUCF investor funds were not used for these purposes. (App. 415 at 174:9-14; 437 at 196:17-25; 457 at 216:8-12.) Instead, as shown by his bank records, Goodspeed used the BUCF money to bankroll a lavish lifestyle, to pay back investors from prior

investments, and to pay other debts including restitution from a previous criminal conviction for fraud. (App. 9-10 at ¶¶ 35-37.)

V.
ARGUMENT AND AUTHORITIES

A. Summary Judgment is Proper as to Bryant

1. The BUCF Interests Were Securities.

The definition of "securities" in Sections 2(a)(1) of the Securities Act and 3(a)(10) of the Exchange Act includes "investment contracts." 15 U.S.C. §§ 77b(a)(1) & 78c(a)(10). An investment contract exists where: (1) individuals are led to invest money; (2) in a common enterprise; and (3) with the expectation that they will earn profits solely[8] through the efforts of the promoter or of someone other than themselves. *SEC v. W.J. Howey Co.*, 328 U.S. 293, 298–99 (1946); *see also United Housing Found., Inc. v. Forman*, 421 U.S. 837, 852-53 (1975) (The "touchstone" of an investment contract "is the presence of an investment in a common venture premised on a reasonable expectation of profits to be derived from the entrepreneurial or managerial efforts of others."). This definition embodies a "flexible rather than a static principle, one that is capable of adaptation to meet the countless and variable schemes devised by those who seek the use of the money of others on the promise of profits." *Howey*, 328 U.S. at 299 (emphasis added). In analyzing whether something is a security, "form should be disregarded for substance," *Tcherepnin v. Knight*, 389 U.S. 332, 336 (1967), "and the emphasis should be on economic realities underlying a transaction, and not on the name appended thereto." *Forman*, 421 U.S. at 849. The BUCF investment interests are securities.

[8] Courts do not take the word "solely" literally and have found the third element of the *Howie* test satisfied even when the investor must expend quite a bit of effort. *See, e.g.*, *SEC v. Glenn W. Turner Enterprises, Inc.*, 474 F.2d 476 (9th Cir. 1973).

a. Investment of Money

It is irrefutable that investors gave the Bryant Defendants money for investment purposes. According to bank records, the Bryant Defendants received $22.7 million from investors. (App. 5 at ¶ 17.)

b. Common Enterprise

In the Fifth Circuit, a common enterprise requires interdependence between the investors and the promoter, which "may be demonstrated by the investors' collective reliance on the promoter's expertise even where the promoter receives only a flat fee or commission rather than a share in the profits of the venture." *Long v. Shultz Cattle Co.*, 881 F.2d 129, 141 (5th Cir. 1989).

Here, BUCF investors relied entirely on the purported expertise of Bryant and BUCF to choose and invest in mortgages that would provide a return in the purported short-term mortgage program. (App. 80 at ¶ 12.) Further, the Bryant Defendants expected to receive profits generated with the BUCF investor's capital. (App. 48 at 202:15-17 ("The company has a profit [. . .]."); 50 at 329:16- 330:1 (Bryant referring to "my profits").)

c. Expectation of Profit from the Efforts of Others

BUCF investors expected to profit solely from the efforts of Bryant and BUCF and not based on the investors' own efforts. (*See* 43-44 at 181:6-182:9; 80 at ¶ 12.) Thus, the investor interests in BUCF were securities by virtue of being investment contracts.

2. Bryant Defrauded Investors by Making Material Misrepresentations or Omissions in Violation of Securities Act Section 17(a)(2) and Exchange Act Section 10(b) and Rule 10b-5(b).

Bryant violated the antifraud provisions of the federal securities laws by making material misrepresentations or omissions. To establish a prima facie case under Section 10(b) of the Exchange Act and Rule 10b-5(b), the SEC must prove by a preponderance of the evidence that a

defendant: (1) made a misstatement or omission (2) of a material fact (3) in connection with the purchase or sale of securities (4) with *scienter*. *SEC v. Gann*, 565 F.3d 932, 936 (5th Cir. 2009). A violation of Section 17(a)(2) requires the same first and second element, in addition to the transaction being "in the offer or sale" of a security and the defendant having "obtained money or property based on" the misstatement or omission. *SEC v. Seghers*, 298 F. App'x 319, 328 (5th Cir. 2008). Section 10(b) and Rule 10b-5(b) require a showing of scienter, i.e., knowing or severely reckless conduct. In the Fifth Circuit, scienter may be established by a showing of "severe recklessness," i.e., "highly unreasonable omissions or misrepresentations that involve not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, and that present a danger of misleading buyers or sellers which is either known to the defendant or so obvious that the defendant must have been aware of it." *Broad v. Rockwell Int'l Corp.*, 642 F.2d 929, 961-62 (5th Cir. 1981). Violation of Securities Act Section 17(a)(2) requires a showing of, at most, negligence.[9] *See SEC v. Hopper*, 2006 WL 778640 at *9 (S.D. Tex. Mar. 24, 2006).

Violations of Section 17(a)(2) and Rule 10b-5(b) only occur if the alleged misrepresentations or omitted facts were material. Information is material if there is a substantial likelihood that a reasonable investor would consider such information important in making an investment decision or if the information would significantly alter the total mix of available information. *Basic, Inc. v. Levinson***,** 485 U.S. 224, 231-32 (1988); *United States v. Bruteyn***,** 686 F. 3d 318, 323 (5th Cir. 2012). "[T]he standard for misrepresentation is whether the information

[9] The Supreme Court has never addressed whether negligence is necessary to prove a violation of Sections 17(a)(2) and (a)(3). In fact, the Court has suggested that, at least under Section 17(a)(3), the focus is only on the "effect of particular conduct on members of the investing public, rather than upon the culpability of the person responsible" for the conduct. *Aaron*, 446 U.S. at 696-97.

disclosed, understood as a whole, would mislead a reasonable potential investor. [And a] statement or omitted fact is material if there is a substantial likelihood that a reasonable investor would consider the information important in making a decision to invest." *SEC v. Provident Royalties, LLC*, 2013 WL 5314354, at *4 (N.D. Tex. Sept. 23, 2013) (quoting *Seghers*, 298 F. App'x at 328; *see Gann*, 565 F.3d at 937 n.17.

Liability arises not only from affirmative representations but also from failures to disclose material information. *SEC v. Dain Rauscher*, 254 F.3d 852, 855-56 (9th Cir. 2001). "An omitted fact is material 'if there is a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the total mix of information made available.'" *SEC v. Platforms Wireless Int'l Corp.*, 617 F.3d 1072, 1092 (9th Cir. 2010) (quoting *SEC v. Phan*, 500 F.3d 895, 908 (9th Cir. 2007)). In other words, a misrepresentation, misstatement, or omission is material if there is a substantial likelihood that a reasonable investor would consider the true or complete information important in making an investment decision. *See id.* As such, the antifraud provisions of the securities laws impose a "'duty to disclose material facts that are necessary to make disclosed statements, whether mandatory or volunteered, not misleading.'" *SEC v. Fehn*, 97 F.3d 1276, 1290 n.12 (9th Cir. 1996) (quoting *Hanon v. Dataproducts Corp*., 976 F.2d 497, 504 (9th Cir. 1992)).

a. Bryant Made Material Misrepresentations and Omissions.

In the BUCF Partnership Agreements, Account Statements, and oral representations to investors and prospective investors, Bryant and BUCF made materially misleading statements and omitted material facts necessary to make the statements he or BUCF made, in light of the circumstances under which they were made, not misleading with regard to, among other things,

(1) the nature of BUCF's business operations; (2) the risk associated with investing with BUCF; (3) the use of investor proceeds; and (4) the source of investor returns.

i. *BUCF's business operations*

Bryant misrepresented BUCF's business operations. Bryant explained that BUCF would fund mortgages, and that those mortgages would be immediately sold to third party banks and servicers in exchange for a fixed fee. (App. 81 at ¶ 14.) Investor funds, according to Bryant and BUCF, would always sit safely in secure escrow accounts and be used for the *sole* purpose of securing a line of credit from an unnamed hedge fund with which BUCF would fund the mortgages. *Id.* Based on these representations, investors reasonably believed that their investments with BUCF were used solely in connection with BUCF's work in the short-term mortgage lending industry. Investors relied on Bryant and BUCF's representations to decide whether to invest with BUCF. (App. 78-81 at ¶¶ 7, 14; 131-132 at ¶ 6.)

These representations were false. BUCF never funded mortgages, much less sold any such mortgages to third parties. (*See* App. 6 at ¶¶ 22, 23.) To the contrary, Bryant transferred $16.1 million to Wammel, sent $1.37 million to Goodspeed for purported concert promotions, used $1 million for an unsuccessful real estate business, and spent the remaining $4.8 million on personal living expenses. (*See* App. 11.)

Also, these misrepresentations were material because BUCF investors would not have invested had they known the true business operations of BUCF. (App. 83 at ¶¶ 20, 21; 133 at ¶¶ 10, 11.)

ii. *Risks associated with the investment*

Bryant also misrepresented the associated risks of investing with BUCF. Bryant and BUCF represented in the BUCF Partnership Agreement that their investment program bore no

risk—"NO risk to capital account is expressed or implied by [BUCF.]" (App. 99 at § 6.2.1. (emphasis in original).) It is axiomatic that any investment poses risk to the invested capital. Further, the investment was obviously risky because Wammel was unable to generate enough earnings to meet the guaranteed investment returns or even the actual distributions purporting to be investment returns. (App. 7 at ¶ 26.) Moreover, Bryant and BUCF represented that the investor's capital would be "retained in a secure escrow account for the benefit of the [named investor]." (*See, e.g.*, App. 99 at § 6.2.1.) In reality, there were no secure escrow accounts. (App. 6 at ¶ 22.)

iii. *Misuse of investor funds*

Bryant also misrepresented how he and BUCF would use BUCF investors' funds. According to Bryant and BUCF, the investors' funds would be preserved in secure escrow funds, which would serve as proof of funds in order to secure a line of credit. (App. 78-81 at ¶¶ 7, 14; 131-132 at ¶ 6.) According to Bryant, this line of credit would be used to fund short-term mortgage loans. (App. 78-81 at ¶¶ 7, 14; 131-132 at ¶ 6.) These representations were simply false. Bryant and BUCF never used the BUCF investor funds for any mortgage-related investments. (App. 76 at 89:10-12.) And again, Bryant and BUCF did not place any investor funds into secured escrow accounts. (App. 6 at ¶ 22.)

Also, these misrepresentations were material because BUCF investors would not have invested had they known how Bryant and BUCF would use their funds. (App. 83 at ¶¶ 21, 22; 133 at ¶¶ 12, 13.)

iv. *Source of the guaranteed 30% annual returns*

Finally, Bryant misrepresented the source of the investors purported investment returns. Bryant orally represented to investors that BUCF's guaranteed 30% per year distributions would

be generated from investments in the mortgage industry, and paid out monthly to investors. (App. 78-81 at ¶¶ 7, 14; 131-132 at ¶ 6.) This was false. The Bryant Defendants never used investor capital to facilitate the funding of short-term mortgage loans. (App. 76 at 89:10-12.) Instead, the vast majority of investor capital—nearly $16.1 million or approximately 71% of all funds raised—was sent to Wammel Group. (App. 6 at ¶ 24.) Neither Wammel nor Wammel Group is involved in the mortgage industry, nor did they offer or sell investments therein. (App. 7 at ¶ 25.)

Also, these misrepresentations were material because BUCF investors would not have invested had they known the true source of their purported investment returns. (App. 83 at ¶ 23; 133 at ¶ 14.)

3. Bryant Violated Securities Act Sections 17(a)(1) and 17(a)(3) and Exchange Action Section 10(b) and Rules 10b-5(a) and (c).

Bryant engaged in fraudulent conduct in addition to their fraudulent misrepresentations and omissions. Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) make it unlawful for any person, in connection with the purchase or sale of a security, directly or indirectly, to "(a) employ any device, scheme, or artifice to defraud" or "(c) engage in any act, practice, or course of business which operates . . . as a fraud or deceit upon any person." Similarly, Sections 17(a)(1) and (3) of the Securities Act make it unlawful for any person in the offer or sale of any securities, directly or indirectly, "(1) to employ any device, scheme, or artifice to defraud" or "(3) to engage in any transaction, practice, or course of business which operates or would operates as a fraud or deceit upon the purchaser."

This Court has previously found that to establish liability under Rule 10b-5(a) and (c) and Section 17(a)(1) and (3), the SEC must show "conduct beyond misrepresentations or omissions." *SEC v. Mapp*, No. 4:16-CV-00246, 2017 WL 5230358 at *5 (N. D. Tex., Nov. 9, 2017) (internal

citations omitted). Such conduct has "the principal purpose and effect of creating a false appearance of fact" and misleads investors independent of misstatements and omissions. *SEC v. Farmer, et al.*, No. 4:14–CV–2345, *2015 WL 5838867* at *15 (S.D. Tex., Oct. 7, 2015) (finding that defendant's undisclosed financing of sham IPO investments was "separately actionable as a fraudulent scheme").

As with the misrepresentations provisions, to establish liability under Section 10(b), Rules 10b-5(a) and (c), and Section 17(a)(1), the SEC must prove a defendant acted with scienter. *Ernst & Ernst v. Hochfelder,* 425 U.S. 185, 193 n.12 (1976). To establish a violation in the offer or sale of a security under Securities Act Section 17(a)(3), the SEC must show that a defendant acted at least negligently. *See SEC v. Seghers*, 298 F. App'x. 319, 327 (5th Cir. 2008) (citing *Aaron v. SEC*, 446 U.S. 680, 702 (1980)).

Bryant engaged in fraudulent conduct beyond their misrepresentations and omissions. First, Bryant devised and sent account statements to investors that created the false impression that the Bryant Defendants had invested in short-term mortgage loans and not in options day trading. (App. 81 at ¶¶16-18.) While these statements may have included misrepresentations and omissions, the act of conceiving, creating, and distributing these statements was separate, inherently fraudulent conduct. Second, Bryant misappropriated investors' funds to pay for his own personal expenses. (App. 7 at ¶ 27.) Nothing in the agreement between the Bryant Defendants and their investors permitted Bryant to use investor funds to pay for his own personal expenses. Thus, this misappropriation was fraudulent conduct beyond misrepresentations and omissions. Finally, the Bryant Defendants sent the investors' funds to third parties not disclosed to their investors, including Wammel and Goodspeed. (App. 3 at ¶ 5.) Again, nothing in the agreement between the Bryant Defendants permitted such a transfer. These inherently deceptive acts demonstrate that Bryant was engaged in a scheme to defraud. *See Zandford*, 535 U.S. at 819-21; *Grippo v. Perazzo*, 357 F.3d 1218, 1223 (11th Cir. 2004).

4. Bryant Acted With Scienter.

Violations of Section 17(a)(1) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder require a showing of *scienter*. *Aaron v. SEC*, 446 U.S. 680 (1980). But Sections 17(a)(2) and (3) of the Securities Act do not require such a showing; at least negligence is sufficient. *Id*. *Scienter* is a "mental state embracing intent to deceive, manipulate or defraud." *Ernst & Ernst v. Hochfelder*, 425 U.S. 185, 193 (1976). The Fifth Circuit has held that *scienter* is established by showing that the defendants acted intentionally or with severe recklessness. *See Broad v. Rockwell Int'l Corp.*, 642 F.2d 929, 961-62 (5th Cir. 1981) (*en banc*). A company's *scienter* can be imputed from management and individuals who control it. *SEC v. Manor Nursing Ctrs., Inc.*, 458 F.2d 1082, 1089, n.3 (2d Cir. 1972); *see, e.g.*, *Southland Sec. Corp. v. INSpire Ins. Solution, Inc.*, 365 F.3d 353, 366 (5th Cir. 2004).

The facts discussed above illustrate that Bryant acted with, at a minimum, severe recklessness if not actual, demonstrable intent. He (1) knew that he and BUCF did not have, and would not open, secure escrow accounts for investors [App. 6 at ¶ 22; 33 at 161:14-17; 36-37 at 165:23-166:1]; (2) intentionally funneled the majority of investor funds to Wammel, who mixed their monies with that of other, unrelated investors and put their funds at risk through speculative trading [App. 7 at ¶ 25; 38 at 167:1-8; 41 at 178:6-16]; (3) funneled investor funds to a purported concert promoter with a history of alleged fraudulent conduct [App. 51A at 339:9-15; 642 at Request for Admission 16; *see also* App. 8 at ¶ 30]; and (4) continued to lie to existing and prospective investors about the nature of their investments and the source of purported returns and referral fees [*see* App. 51A at 339:9-15; 82 at ¶ 18].

B. Summary Judgment is Appropriate as to Goodspeed

1. Goodspeed's Investor Agreements Were Securities

As discussed in Section V.A.1., above, an investment contract exists where: (1) individuals are led to invest money; (2) in a common enterprise; and (3) with the expectation that they would earn a profit solely through the efforts of the promoter or of someone other than themselves. *SEC v. W.J. Howey Co.*, 328 U.S. 293, 298–99 (1946). Here, Goodspeed's aptly named Investor Agreements were investment contracts and, therefore, securities.

a. Investment of Money

It is irrefutable that Goodspeed received money from investors. Goodspeed received $1.37 million of BUCF investor funds from Bryant (App. 8 at ¶ 29; App. 632 at Request for Admission 1.)

b. Common Enterprise

Goodspeed's investors relied on his purported expertise in the entertainment industry to generate returns on the investments. (App. 394 at 153:2-14.)

c. Expectation of Profits

Goodspeed's investors expected to generate profits solely on Goodspeed's efforts and not based on their own efforts or contributions. *Id.*

2. Goodspeed Defrauded Investors by Making Material Misrepresentations or Omissions in Violation of Securities Act Sections 17(a)(2) and Exchange Act Section 10(b) and Rule 10b-5(b).

Goodspeed made material misrepresentations and omissions to investors. He misrepresented the risk associated with his investments as well as the purported use of the invested funds. With regard to the risk of the investments, he made an explicit "Investment Guarantee" acknowledging that the investor believed that "their investment in [the] concert series will involve no risk." (App. 520 at ¶ 11; 527 at ¶ 11.) Moreover, Goodspeed personally

guaranteed the return of the investors' funds. (App. 242A at 151:22-25; 393 at 152:1-18; 520 at ¶ 11; 527 at ¶ 11.) Unfortunately, the investment was inherently risky because Goodspeed never had relationships with Taylor Swift or Drake that formed the basis of this investment. (App. 637 at ¶¶ 3, 4; 684 at ¶¶ 3, 4.)

In addition, Goodspeed misrepresented how he would use BUCF's funds. He represented that BUCF's funds would be "immediately used for the initial deposit for the concert events." (App. 517 at ¶ 2; 524 at ¶ 2.) But Goodspeed never had any intention of using the investor's capital as he represented. Instead, Goodspeed boldly acknowledged that he did not use any of BUCF's capital in furtherance of the purported investments. (App. 415 at 174:9-14; 437 at 196:17-25; 457 at 216:8-12.)

3. Scienter

The facts discussed above illustrate that Goodspeed acted, at a minimum, with severe recklessness, if not intentionally. Goodspeed knew he was not using investor funds to produce, promote, and operate the alleged Drake and Taylor Swift concert series. Goodspeed's bank records and his deposition testimony confirm this fact. (App. 8-9 at ¶¶ 33-35; 415 at 174:9-14; 437 at 196:17-25; 457 at 216:8-12.)

VI.
CONCLUSION

For the foregoing reasons, the Court should grant the Commission's Motion for Partial Summary Judgment, enter an interlocutory judgment against Bryant and Goodspeed finding them liable on all the Commission's claims, and grant the Commission such other relief as it may be entitled.

Dated: May 25, 2018

Respectfully submitted,

/s/ Jason P. Reinsch

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ATTORNEY FOR PLAINTIFF SECURITIES AND EXCHANGE COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that, on May 25, 2018, I electronically filed the foregoing *Plaintiff's Motion for Partial Summary Judgment and Brief in Support* with the Clerk of Court for the Eastern District of Texas, Sherman Division using the CM/ECF system, which will send a notice of electronic filing to all counsel of record who have consented to electronic notification. I further certify that I mailed the foregoing document and the notice of electronic filing by first-class mail to all non-CM/ECF participants.

/s/ Jason P. Reinsch
Jason P. Reinsch

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

SECURITIES AND EXCHANGE COMMISSION	:	
	:	
Plaintiff,	:	
	:	
v.	:	Civil Action No.: 4:17-cv-00336-ALM
	:	
THURMAN P. BRYANT, III,	:	
BRYANT UNITED CAPITAL FUNDING, INC	:	
ARTHUR F. WAMMEL,	:	
WAMMEL GROUP, LLC,	:	
CARLOS GOODSPEED a/k/a SEAN PHILLIPS	:	
a/k/a GC d/b/a TOP AGENT ENTERTAINMENT	:	
d/b/a MR. TOP AGENT ENTERTAINMENT,	:	
	:	
Defendants,	:	
	:	
THURMAN P. BRYANT, JR.,	:	
	:	
Relief Defendant.	:	
	:	

APPENDEX IN SUPPORT OF PLAINTIFF'S MOTION FOR PARTIAL SUMMARY JUDGMENT AND BRIEF IN SUPPORT

Plaintiff Securities and Exchange Commission ("Plaintiff', the "Commission", or "SEC") submits the attached appendix in support of its Plaintiff's Motion for Partial Summary Judgment and Brief in Support. The appendix contains:

INDEX

DATED: May 25, 2018

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CERTIFICATE OF SERVICE

I certify that on May 25, 2018, I electronically submitted the foregoing document with the clerk of court for the U.S. District Court, Eastern District of Texas, Sherman Division, using the electronic case filing system of the court. I hereby certify that I have served all counsel according to Fed. R. Civ. P. 5(b)(2) and Loc. Civ. R. 5(a)(3)(c).

s/ Jason P. Reinsch
JASON P. REINSCH

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

SECURITIES AND EXCHANGE COMMISSION	:	
	:	
Plaintiff,	:	
	:	
v.	:	Civil Action No.: 4:17-cv-00336-ALM
	:	
THURMAN P. BRYANT, III,	:	
BRYANT UNITED CAPITAL FUNDING, INC	:	
ARTHUR F. WAMMEL,	:	
WAMMEL GROUP, LLC,	:	
CARLOS GOODSPEED a/k/a SEAN PHILLIPS	:	
a/k/a GC d/b/a TOP AGENT ENTERTAINMENT	:	
d/b/a MR. TOP AGENT ENTERTAINMENT,	:	
	:	
Defendants,	:	
	:	
THURMAN P. BRYANT, JR.,	:	
	:	
Relief Defendant.	:	
	:	

ORDER GRANTING PLAINTIFF'S MOTION FOR PARTIAL SUMMARY JUDGMENT

This matter comes before the Court on Plaintiff's Motion for Partial Summary Judgment [Dkt. No. __] (the "Motion"). After considering the Motion, evidence, and any responsive pleadings, the Court GRANTS the Motion. It is hereby:

ORDERED that Plaintiff's motion is GRANTED in its entirety.

IT IS THEREFORE ORDERED that interlocutory judgment is entered against Defendant Thurman P. Bryant, III finding him in violation of Section 17(a) of the Securities Act of 1933 [15 U.S.C. § 77q(a)] ("Securities Act") and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder [15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5];

IT IS FURTHER ORDERED that interlocutory judgment is entered against Carlos Goodspeed a/k/a Sean Phillips a/k/a GC d/b/a Top Agent Entertainment d/b/a Mr. Top Agent Entertainment finding him in violation Section 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)] and Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder [15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5(b)];

IT IS FURTHER ORDERED that Plaintiff Securities and Exchange Commission may file a motion for remedies and for entry of final judgment on the issues of the amount of civil monetary penalties, disgorgement amount, and proposed injunctive relief, if any.