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U.S. DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
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**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

**UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,**

Plaintiff,

v.

**MARTIN T. WEGENER,
WEALTH RESOURCES, LLC, and
WEALTH RESOURCES, INC.,**

**CIVIL ACTION
CASE No.**

**1:10-cv-566
Janet T. Neff
United States District Judge**

Defendants,

JURY DEMAND

and

**KRISTIN A. WEGENER,
WU VENTURES, LLC,
SECURA TECHNOLOGY, LLC, and
TRAILBLAZER LEARNING, INC.,**

Relief Defendants.

COMPLAINT

Plaintiff United States Securities and Exchange Commission alleges as follows:

NATURE OF THE COMPLAINT

1. From at least 2007 through at least March 2010, Defendant Martin T. Wegener raised at least \$6.5 million from at least twenty investors by falsely representing that he would invest their funds in securities through Defendants Wealth Resources, Inc.

and Wealth Resources, LLC (collectively, "Wealth Resources"), a Michigan corporation and a limited liability company formed by Wegener. After he received the customers' funds, Wegener gave them purported "brokerage account" statements from Wealth Resources that falsely represented that he had invested their money in a variety of investments. These purported investments included publicly traded securities, publicly traded mutual funds, two private companies in which Wegener had an ownership interest, other private companies, and other "funds."

2. In reality, Wegener did not use the customers' money to purchase the investments as represented. In fact, many of the purported investment vehicles listed on the customers' account statements did not exist. Instead, Wegener used the customers' money: (1) for his personal expenses; (2) to pay business expenses for and make investments on his own behalf in entities in which he had an ownership interest, including WU Ventures, LLC, Secura Technology, LLC ("Securatech"), Trailblazer Learning, Inc. ("Trailblazer Learning"), and Wealth Resources itself; and (3) to make Ponzi-like payments to other customers who requested a return of all or part of their investment.

3. The Commission brings this lawsuit to put an immediate stop to the ongoing violations of the federal securities laws committed by Wegener and entities he controls, to prevent further harm to investors, and to seek disgorgement and civil penalties stemming from such securities laws violations, among other remedies.

JURISDICTION AND VENUE

4. The Commission brings this action pursuant to Section 20(b) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §77t(b)], Sections 21(d) and 21(e) of

the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§78u(d) and 78u(e)], and Section 209(d) of the Advisers Act [15 U.S.C. § 80b-9(d)].

5. This Court has jurisdiction over this action pursuant to Section 22 of the Securities Act [15 U.S.C. § 77v], Section 27 of the Exchange Act [15 U.S.C. § 78aa], Section 214 of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. § 80b-14], and 28 U.S.C. § 1331.

6. Venue is proper in this Court pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Acts, practices, and courses of business constituting violations alleged herein have occurred within the jurisdiction of the United States District Court for the Western District of Michigan and elsewhere.

7. Defendants, directly and indirectly, have made use of the means and instrumentalities of interstate commerce and of the mails in connection with the acts, practices, and courses of business alleged herein, and will continue to do so unless enjoined.

DEFENDANTS

8. **Martin T. Wegener**, age 43, resides in Grand Rapids, Michigan. Until terminated on April 29, 2010, Wegener was a registered representative associated with New England Securities.

9. **Wealth Resources, LLC** is a Michigan limited liability company that Wegener formed on January 14, 2008, with its principal place of business located in Grand Rapids, Michigan. Wegener is the sole member of Wealth Resources, LLC. Wealth Resources, LLC is not registered with the Commission in any capacity.

10. **Wealth Resources, Inc.** is a Michigan corporation that Wegener formed on December 17, 1997, with its principal place of business located in Grand Rapids, Michigan. Wegener is the sole owner of Wealth Resources, Inc. Wealth Resources, Inc. is not registered with the Commission in any capacity.

11. Together, Wealth Resources, LLC and Wealth Resources, Inc. are referred to in this complaint as the "Wealth Resources Entities." Together, Wegener and the Wealth Resources Entities are referred to in this complaint as the "Defendants."

RELIEF DEFENDANTS

12. **Kristin A. Wegener** resides in Caledonia, Michigan. Ms. Wegener is the former wife of Wegener. The two have been separated for several years. On June 3, 2010, a judgment of divorce was entered. Wegener transferred investor funds to Ms. Wegener.

13. **WU Ventures, LLC** is a Michigan limited liability company located in Grand Rapids, Michigan. Wegener and another individual formed WU Ventures to purchase, hold, and manage a large commercial property located at 2118 Three Mile Road NW in Grand Rapids, Michigan, and Wegener is now the sole member of WU Ventures. Wegener used investor funds to finance his investment in WU Ventures, and to support the development and operation of the commercial property.

14. **Secura Technology, LLC**, also known as Securatech, is a Michigan limited liability company located in Grand Rapids, Michigan. It purports to develop and market security technology utilizing automatic facial recognition software. Wegener holds an ownership interest in Securatech which was acquired, in whole or in part, with

investor funds. Wegener also used investor funds to finance certain operational expenses of Securatech.

15. **Trailblazer Learning, Inc.** is a Michigan corporation located in Grand Rapids, Michigan. It purports to develop and market professional education software. Wegener holds an ownership interest in Trailblazer Learning which was acquired, in whole or in part, with investor funds. Wegener also used investor funds to finance certain operational expenses of Trailblazer Learning.

16. Together, Kristin Wegener, WU Ventures, LLC, Securatech, and Trailblazer Learning are referred to in this complaint as the "Relief Defendants." The Relief Defendants received ill-gotten gains from Wegener's fraud, and they do not have any legitimate claim to these funds.

OTHER ENTITY

17. **New England Securities Corp. ("NES")** is owned by Metropolitan Life Insurance Company. NES is a broker-dealer registered with the Commission.

FACTS

18. Wegener is a registered representative who until recently worked at the Grand Rapids, Michigan branch office of NES, a broker-dealer registered with the Commission. Based on the financial information reviewed by the Commission to date, from at least 2007 through at least March 2010, Wegener raised at least \$6.5 million from at least twenty investors.

19. Wegener falsely represented to these investors that he would invest their money in a variety of investments through Wealth Resources. Many of these individuals were Wegener's customers at NES. In several instances, Wegener encouraged investors

to withdraw funds from their NES brokerage accounts and to invest those funds through Wealth Resources. Wegener led at least some investors to believe that Wealth Resources was associated with NES.

20. Wegener told the investors that he would invest their funds in certain publicly traded securities, publicly traded mutual funds, and other investment vehicles, such as certificates of deposit or private businesses. However, upon receiving the investors' money, he deposited it into bank accounts in the name of Wealth Resources.

21. After he received the customers' funds, Wegener gave them purported "brokerage account" statements from Wealth Resources that falsely represented that he had invested their money in a variety of investments. Here is an example of one such "account statement" that Wegener fabricated:

Wealth Resources
2118 Three Mile Road NW, Suite B, Grand Rapids, MI 49544
Tel: (616) 453-9000

Redacted

Your Registered Representative:
MARTIN T. WEGENER
(616) 453-9000

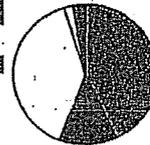
Brokerage
Account Statement

Account Number: Redacted
Statement Period: 3/27/2010 - 4/1/2010
Social Security Number: Redacted

Valuation at a Glance

	This Period
Beginning Account Value	\$329,554.91
Dividends / Interest	
Change in Account Value	8,639.15
Ending Account Value	\$338,204.07
Estimated Quarterly Income	

Asset Allocation	Value 3/26/10	Value This Period	Percent Allocation
American Porcelain	144,461.00	144,461.00	43%
ITM Fund	43,001.58	43,089.70	13%
ITM Select Fund	132,102.33	132,550.33	39%
Phoenix Manufacturing	10,000.00	8,000.00	2%
Dow Chemical Company (DOW)		10,103.23	3%
Account Total	\$329,564.91	\$338,204.07	100%



Asset Allocation percentages are rounded to the nearest whole percentage.

22. The most recent "account statements" obtained by the Commission reflect that forty-six customers held a total of \$10.5 million in investments through Wealth Resources as of April 1, 2010. The Wealth Resources account statements list a variety of

purported investments, including: (1) publicly traded stocks, such as Cephalon, Sun Microsystems, Sapiient Corp., Millennium Pharmaceuticals, Noble Drilling, and Yingli Green Energy; (2) publicly traded mutual funds, such as MFS Sector Rotational Fund A, MFS Special Value Trust, and DWS Alternative Asset Allocation Plus A (AAAAX); (3) investments in Relief Defendants Trailblazer Learning and Securatech; (4) investments in other private entities, including American Porcelain, Aurora, and Phoenix Manufacturing; (5) investments in a variety of "funds," including, ITM Basic Fund, ITM Fund, ITM Fund – D share, ITM MFS (A), ITM MFS (B), ITM MFS (C), ITM MFS Fund, ITM Sector Rotational Fund, and ITM Select Fund; and (6) investments in various other products, such as MetLife 1 Year CD, Tri City Note/Loan, and Variable Annuity. Based on the Commission's research, at least some of these purported investment vehicles, for example, the ITM "funds" and Tri City Note/Loan, do not exist.

23. Wegener did not use the customers' money to purchase the investments as represented or to make any investments on the customers' behalf. Instead, Wegener used the customers' money: (1) for his personal expenses; (2) to pay business expenses for and make investments on his own behalf in entities in which he had an ownership interest, including WU Ventures, Securatech, Trailblazer Learning, and Wealth Resources itself; and (3) to make Ponzi-like payments to other customers who requested a return of all or part of their investment.

24. Based on the information reviewed by the Commission to date, from 2007 through March 2010, Wegener transferred at least \$962,200 of the investors' money to his personal bank accounts. He also transferred at least \$65,500 of the investors' money to his former wife, Relief Defendant Kristin Wegener. Also, pursuant to the June 3, 2010

divorce judgment, Wegener transferred to Kristin Wegener certain real property which may have been acquired or maintained in whole or in part with investor funds.

25. For the same time period, Wegener also transferred at least \$432,605 of investor funds to Relief Defendant WU Ventures, at least \$87,000 of investor funds to Relief Defendant Securatech, and at least \$153,500 of investor funds to Relief Defendant Trailblazer Learning. The transfers were made in Wegener's own name and for his own benefit, for Wegener's own investment in or to pay operational expenses of these entities. In order to prolong and perpetuate his scheme, Wegener made Ponzi-like payments of at least \$1.1 million to certain investors who requested the return of all or part of their investments.

26. The Commission's investigation of this matter continues.

COUNT I

Violations of Section 17(a)(1) of the Securities Act (Against Defendants Wegener and Wealth Resources Entities)

27. Paragraphs 1 through 26 are realleged and incorporated by reference as though fully set forth herein.

28. By engaging in the conduct described above, Wegener and Wealth Resources Entities, 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, have employed devices, schemes, and artifices to defraud.

29. Wegener and Wealth Resources Entities intentionally or recklessly made the untrue statements and omissions and engaged in the devices, schemes, artifices, transactions, acts, practices, and courses of business described above.

30. By reason of the foregoing, Wegener and Wealth Resources Entities violated Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

COUNT II

Violations of Section 17(a)(2) and (3) of the Securities Act (Against Wegener and Wealth Resources Entities)

31. Paragraphs 1 through 26 are realleged and incorporated by reference as though fully set forth herein.

32. By engaging in the conduct described above, Wegener and Wealth Resources Entities, 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, have obtained money or property by means of untrue statements of material fact or by omitting 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 engaged in transactions, practices, or courses of business that operated or would operate as a fraud or deceit upon the purchasers of such securities.

33. Wegener and Wealth Resources Entities made the untrue statements and omissions of material fact and engaged in the devices, schemes, artifices, transactions, acts, practices, and courses of business described above.

34. By reason of the foregoing, Wegener and Wealth Resources Entities have violated Section 17(a)(2) and (3) of the Securities Act [15 U.S.C. § 77q(a)(2)-(3)].

COUNT III

Violations of Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5 (Against Defendants Wegener and Wealth Resources Entities)

35. Paragraphs 1 through 26 are realleged and incorporated by reference.

36. As more fully described in paragraphs 1 through 26 above, Wegener and Wealth Resources Entities, 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: used and employed devices, schemes, and artifices to defraud; made untrue statements of material fact and omitted 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 engaged in acts, practices, and courses of business which operated or would have operated as a fraud and deceit upon purchasers and sellers and prospective purchasers and sellers of securities.

37. Wegener and Wealth Resources Entities knew, or were reckless in not knowing, of the facts and circumstances described in paragraphs 1 through 26 above.

38. By reason of the foregoing, Wegener and Wealth Resources Entities 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 IV

Violation of Section 15(a) of the Exchange Act (Against Defendants Wegener and Wealth Resources Entities)

39. Paragraphs 1 through 26 are realleged and incorporated by reference.

40. Defendants Wegener and Wealth Resources Entities, by the conduct described above, directly or indirectly, singularly or in concert, made use of the mails or the means or instrumentalities of interstate commerce to effect transactions in, or to induce or attempt to induce, the purchase or sale of securities, without registering with the Commission as a broker or dealer.

41. By engaging in the conduct described in above, Defendants Wegener and Wealth Resources Entities violated Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

COUNT V

Violations of Advisers Act Sections 206(1) and 206(2) (Against Defendants Wegener and Wealth Resources Entities)

42. Paragraphs 1 through 26 are realleged and incorporated by reference.

43. By reason of the foregoing, Defendants Wegener and Wealth Resources Entities, directly and indirectly, by the use of the means and instrumentalities of interstate commerce and by the use of the mails, while acting as an investment adviser: (a) with scienter, employed devices, schemes, and artifices to defraud advisory clients or prospective advisory clients; and (b) engaged in transactions, practices, or courses of business which operated as a fraud or deceit upon clients or prospective clients.

44. By reason of the foregoing, Defendants Wegener and Wealth Resources Entities violated Sections 206(1) and (2) of the Advisers Act [15 U.S.C. §80b-6(1) and (2)].

COUNT VI

Unjust Enrichment (Against Relief Defendants Kristin Wegener, WU Ventures, LLC, Secura Technology, LLC, and Trailblazer Learning, Inc.)

45. Paragraphs 1 through 26 are realleged and incorporated by reference.

46. Relief Defendants, directly or indirectly, received funds or benefited from the use of such funds, which are the proceeds, or are traceable to the proceeds, of the unlawful activity alleged above.

47. Relief Defendants have no legitimate claim to these funds that they received or from which they otherwise benefited, directly or indirectly.

48. Relief Defendants have been unjustly enriched by their direct or indirect receipt of or benefit from investor funds.

49. The Commission is entitled to an order requiring Relief Defendants to disgorge all of the proceeds of investor funds that they received or from which they benefited, either directly or indirectly.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court:

I.

Issue findings of fact and conclusions of law that Defendants Martin T. Wegener, Wealth Resources, LLC, and Wealth Resources, Inc. committed the violations charged and alleged herein.

II.

Enter an Order of Permanent Injunction restraining and enjoining Defendants Martin T. Wegener, Wealth Resources, LLC, Wealth Resources, Inc., and their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of the Order, by personal service or otherwise, and each of them from, directly or indirectly, violating 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], and Rule 10b-5 [17 CFR § 240.10b-5] thereunder.

III.

Enter an Order of Permanent Injunction restraining and enjoining Defendants Martin T. Wegener, Wealth Resources, LLC, and Wealth Resources, Inc., their officers, agents, servants, employees, attorneys and those persons in active concert or participation with them who receive actual notice of the Order, by personal service or otherwise, and each of them from, directly or indirectly, violating Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

IV.

Enter an Order of Permanent Injunction restraining and enjoining Defendants Martin T. Wegener, Wealth Resources, LLC, and Wealth Resources, Inc., their officers, agents, servants, employees, attorneys and those persons in active concert or participation with them who receive actual notice of the Order, by personal service or otherwise, and each of them from, directly or indirectly, violating Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1), 80b-6(2)].

V.

Issue an Order requiring Defendants Martin T. Wegener, Wealth Resources, LLC, and Wealth Resources, Inc. to disgorge the ill-gotten gains they received as a result of the violations alleged in this complaint, including prejudgment interest.

VI.

With regard to the Defendant Wegener's violative acts, practices, and courses of business set forth herein, issue an Order imposing upon Wegener appropriate civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)],

Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)].

VII.

Enter an Order requiring Relief Defendants Kristin Wegener, WU Ventures, LLC, Secura Technology, LLC, and Trailblazer Learning, Inc. to disgorge all funds they received from Defendants' ill-gotten gains or by which they have been unjustly enriched, including all investor funds transferred to them or used for their benefit, including prejudgment interest thereon.

VIII.

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

IX.

Grant such other relief as this Court deems appropriate.

JURY DEMAND

The Commission hereby requests a trial by jury.

Dated: June 14, 2010



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