

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO.

SECURITIES AND EXCHANGE COMMISSION, )  
)  
Plaintiff, )  
v. )  
)  
QURI RESOURCES, INC. and )  
JAIME SANTIAGO GOMEZ, )  
)  
Defendants. )  
\_\_\_\_\_)

**COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF**

Plaintiff Securities and Exchange Commission alleges:

**INTRODUCTION**

1. Quri Resources, Inc. and its CEO and president, Jaime Santiago Gomez, orchestrated a “pump-and-dump” stock fraud scheme by issuing false and misleading press releases that artificially inflated Quri’s stock price. Through a company he controlled, Gomez sold more than half a million shares of Quri stock at these inflated prices.

2. From February to July 2009, Quri and Gomez issued a series of false and misleading press releases about Quri’s ownership and development of four mining projects in Ecuador and Arizona. In these press releases, Quri falsely claimed the company: was ready to drill at a mine in Ecuador that had a probable gold reserve worth more than \$1 billion; had signed letters of intent to acquire valuable mining projects in Arizona and Ecuador; and had acquired a mining project in Ecuador that, within three months, would produce at least \$100,000 worth of gold per month.

3. Among other things, Quri misrepresented in the press releases the value of the

assets it was claiming it had purchased, the status of its ownership claims, and the potential revenue it could realize from the mining projects. In virtually every case, Quri omitted to mention that it had no funds or reasonable prospect of funds needed to develop the mining projects so they could realize any revenue.

4. Gomez also authored Quri's internet website and approved its profile on the social network website LinkedIn. These falsely described Quri as having ongoing operations, 28 employees worldwide, a geologist with a PhD on staff, and an impressive management team led by Gomez, a college graduate. None of these claims were true.

5. Gomez took advantage of the inflated price and trade volume the press releases created by selling 690,000 Quri shares from the account of another company he controlled. The sale of these shares from March to July 2009 involved transactions improperly not registered with the Commission. Quri realized approximately \$27,100 from these particular sales, of which Gomez received at least \$17,500.

6. No registration statement was ever filed with the Commission or in effect for any class of Quri shares, and there was no exemption from the registration requirements for Gomez's stock sales.

7. Through their conduct, Quri and Gomez violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5, 17 C.F.R. § 240.10b-5. In addition, Gomez violated Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77e(a), 77e(c), and 77q(a). Unless the Court enjoins the Defendants, they are reasonably likely to continue to violate these provisions of the federal securities laws.

**DEFENDANTS**

8. **Quri** is incorporated in Delaware, with its principal places of business in Miami, Florida and Quito, Ecuador. Quri purports to be a gold, silver, and copper exploration and mining company. Its stock is quoted on the Pink Sheets, operated by Pink OTC Markets Inc. under the ticker symbol "QURS." Before July 21, 2009, the stock traded under the symbol "QURI." Quri was previously named Transoft Technologies, Inc.

9. **Gomez**, 46, is a resident of Miami, Florida and Quito, Ecuador. He was Quri's president at all relevant times. In 1993, the Commission barred Gomez from association with any broker, dealer, municipal securities dealer, investment company or investment adviser.

**RELEVANT ENTITY**

10. **G&G Mining Corp.** is a private, non-reporting company, incorporated in Florida, with its former principal place of business located in Miami, Florida. Gomez formed, controlled, and managed G&G through a family friend and family members who held the titles of president and directors. Gomez sold Quri shares and received sales proceeds through an account in G&G's name. During the relevant time period, G&G purported to be a mining company.

**JURISDICTION AND VENUE**

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

12. This Court has personal jurisdiction over the Defendants, and venue is proper in the Southern District of Florida because many of the Defendants' acts and transactions constituting violations of the Securities Act and the Exchange Act occurred in the Southern

District. In addition, at all relevant times, Quri's principal place of business was in the Southern District, and Gomez resided in the District.

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

### **DEFENDANTS' PUMP-AND-DUMP SCHEME**

#### **A. Quri's Business**

14. Quri purports to be a gold, silver and copper exploration and mining company with mining properties in various stages of exploration in Ecuador and the United States. Gomez was the only Quri employee in the United States.

15. Gomez became president of Quri in January 2009. He was involved in all aspects of Quri's business including: evaluating potential mining properties; negotiating and signing letters of intent to acquire mining properties; entering into service and consulting contracts; seeking financing; handling creditors' requests for payment; and communicating with investors and the public about Quri's business. He wrote the content for Quri's website and drafted and issued press releases.

#### **B. Quri's False and Misleading Press Releases**

##### **1. The Wellington Project Press Releases**

16. On February 11, 2009, Quri and Gomez issued two press releases falsely touting the imminent development of the Wellington Project, a gold mine in Ecuador. Both press releases falsely represented the Wellington Project was in the "last phases of exploration" and that Quri "was ready to begin a 16,000-meter drilling program to prove its resources."

17. The press releases highlighted a report by an independent geologist stating the Wellington Project had a “probable reserve of 1,225,000 ounces of Gold” with a reserve value of slightly more than \$1 billion.

18. These press releases were false and misleading. First, the geologist who drafted the report informed Gomez at the time he provided the report to him that the report was only a first draft and that it would not be correct to represent the Wellington reserves were worth more than \$1 billion without further, detailed exploration.

19. Moreover, as Gomez knew, Quri was nowhere near ready to conduct a drilling program at the Wellington Project because it was only in the initial stages of exploration. Quri needed at least \$3 million to develop Wellington and, at the time, Quri had no funds or liquid assets, was heavily indebted, and had no reasonable expectation of receiving any funding because it had no sales or other revenues.

## **2. The Emerald Isle Copper Mines Press Releases**

20. On February 20, 2009, Quri issued a press release regarding its purported imminent acquisition of the Emerald Isle Copper Mines, located in Kingman, Arizona. The press release falsely represented Quri had signed a letter of intent with Copper Mesa Corp. to acquire the Emerald Isle Copper Mines, and that Quri was scheduled to close the purchase of the mines in less than a month.

21. The press release further represented that an independent appraisal had valued a mining plant on the properties at more than \$1.2 million, and that prefeasibility studies gave an open pit mine on the property a life of approximately four years, assuming removal of 5.4 million pounds of copper per year. Quri issued two more press releases on February 23, 2009, repeating many of the same misstatements. Those releases also described Quri as a “U.S.-based

junior mining company with properties in various stages of exploration in Ecuador and the United States.”

22. The claims about the Emerald Isle Copper Mine in these press releases were false and misleading. First, Gomez did not sign a letter of intent between Quri and the owners of the Emerald Isle Mines until August 2009, months after issuing the three press releases. Moreover, at the time of the press releases, Quri was in no financial position to complete an acquisition or exploit the resources at the Emerald Isle mine. As Gomez knew, Quri had no funds or liquid assets, was heavily indebted, had no sales or other revenues, and had no reasonable expectation of receiving any funding.

### **3. The Oatman Gold Mines Press Release**

23. On March 16, 2009, Quri issued a press release stating it had entered into a letter of intent with G&G giving Quri the option to acquire G&G’s purported mining projects in the United States and in Ecuador. The press release further stated that Quri planned to acquire “100% interest in the Oatman Gold mines” from G&G, and had informed G&G of its intent to exercise the option within the month. The press release quoted Gomez as saying Quri expected its “transformation to a producing gold company to be complete by mid-year.”

24. However, the March 16 press release was false and misleading because Quri had not signed a letter of intent to acquire the Oatman mines from G&G (and never did). In addition, Quri could not have afforded to develop any mines or become a producing gold company by mid-2009. As Gomez knew, Quri had no money, owed several different vendors and creditors more than \$300,000 and was unable to raise any funds because of its indebtedness and lack of any sales or revenue. In addition, the March 16 press release was misleading because it failed to disclose that Gomez controlled G&G.

#### 4. The La Conquista Gold Mines Press Releases

25. In April and June 2009, Quri issued five press releases falsely touting its purported acquisition of the La Conquista gold mines in Ecuador, and the significant revenues Quri expected to receive from the mines.

26. In an April 17, 2009 press release, Quri falsely claimed it had acquired 40 hectares of land within the La Conquista concession. The press release claimed Quri had begun designing a new gold production plant and that once it was designed, the plant would take no more than three months to begin producing gold.

27. Three days later, Quri issued an apparently contradictory press release in which it said it had only entered into a letter of intent with G&G that gave Quri the *option* of acquiring the Conquista Project. The press release went on to say Quri *planned* to acquire a 100% interest in the Conquista Gold mines. The press release further stated “[i]t is the intention of the company to begin production within 18 months after acquiring the Project.”

28. A press release on June 23, 2009 further contradicted the April 17 release by stating Quri had merely secured *the rights* to acquire the 40 hectares of land to build the production plant. Two days later, Quri issued another press release announcing positive results from initial explorations of the mines, Quri’s intent to exercise its option to acquire the mines, its discussions with an investment group to finance the acquisition, and its expectation of closing the acquisition within 30 days.

29. On June 29, 2009, Quri announced it had acquired the La Conquista gold mines, it expected to “go into production with La Conquista in the next 3 months” with “a revenue stream of \$100,000 per month.” The press release further stated that Quri “should be able to increase

production to 10 kilos of gold per month 6 months after we begin operations, bringing revenues up over \$280,000 per month.”

30. These claims were false. First, Quri had not acquired the 40 hectares at the time of any of the April or June press releases. Second, as Gomez knew, there was no reasonable basis at the time of the press releases to claim Quri would be able to develop La Conquista to produce any gold in the foreseeable future, if at all, because of the financial problems set forth above.

31. In addition, the statement regarding discussions with an investment group to finance an acquisition was misleading. Gomez had signed an April 2009 “Financial Services Agreement” between Quri and a Swiss investment group, but all the group did in the agreement was to help Quri to list its stock on the Frankfurt Stock Exchange and make a stock offering to raise 1.5 million Euro. Furthermore, a listing and stock offering could not have taken place soon enough to fund Quri’s development of the La Conquista project within three months.

**C. Quri’s Misleading Website**

32. Quri’s website and LinkedIn company profile, which Gomez authored or approved, falsely represented, among other things, that: Quri’s operations were ongoing, and the company had 28 employees worldwide, a geologist with a PhD on staff, and an impressive management team led by Gomez, purportedly a college graduate.

33. In fact, Quri had no ongoing operations, never had any employees in its U.S. location, and employed at most a handful of low-level employees in Ecuador. Furthermore, it had no independent geologist on staff; and Gomez never graduated from college.



**D. Quri's Press Releases Materially Inflated the Market for Quri Shares**

34. The price and trading volume for Quri shares jumped dramatically in response to several of Quri's press releases. For example, the day before the February 11, 2009 press releases regarding drilling on the Wellington Project (Paragraphs 17-18, above), trading volume was only 5,000 shares, with a closing price of \$0.03. The day after the press releases, trading volume increased thirteen-fold to 80,000 shares and the share price increased to an intraday high price of \$0.08, later closing at \$0.06.

35. Similarly, the day before the February 23, 2009 Emerald Isle press release (Paragraphs 21-22, above), trading volume was 135,000 shares, with an intraday high price of \$0.16, and closing at \$0.15. On the day of the press release, trading peaked at more than a million shares, with a share price reaching an intraday high price of \$0.24, and closing at \$0.18.

36. The market responded strongly again to the April 2009 press releases about La Conquista (Paragraphs 27-28, above). Trading volume jumped from 15,500 shares on April 16, 2009 to 568,896 shares on April 20, 2009, with a corresponding closing price increase from \$0.05 to \$0.09 and an increase in the intraday high price from \$0.055 to \$0.105.

**E. Gomez Dumped Quri Stock**

37. Taking advantage of Quri's artificially raised stock price, Gomez sold Quri stock, trading through G&G. Gomez appointed a friend to the board of G&G, asked the friend to open a brokerage account in G&G's name, and provided the friend with 4 million shares of Quri stock to deposit in the new brokerage account. From March 2009 until July 2009, G&G sold 690,000 shares of this Quri stock, in unregistered transactions, and made approximately \$27,100 in proceeds. Gomez received at least \$17,500 of these sales proceeds from G&G.

38. Gomez benefitted financially from the sale of Quri stock at prices inflated by the false press releases he issued. For example, on April 17 and April 20, 2009, Gomez directed his friend to sell a total of 20,000 shares of Quri stock from the G&G account at prices inflated by the La Conquista press releases (Paragraphs 27-28, 37, above). The day before the first La Conquista press release, Quri stock traded only 15,500 shares and its closing price was \$.05. However, on April 20, 568,896 shares were traded and the stock closed at \$.09.

39. In another example, on June 22, 24 and June 25, 2009, Gomez sold, through G&G, a total of 350,000 shares of Quri stock at prices inflated by the online promotion of Quri's stock beginning June 20 and by the June 23 and June 25, 2009 La Conquista press releases (Paragraph 29, above). On the day before the online promotion and press releases began, only 1.2 million shares of Quri's stock were traded and the closing price was \$.039. However, on June 22, the stock traded 6.6 million shares and closed at \$.05. On June 23, 2009, the stock traded 2.6 million shares and closed at \$.042.

**F. Gomez's Stock Sales Through G&G Circumvented Registration Requirements**

40. In or about September 2008, Quri's transfer agent issued G&G a certificate for 8 million shares of Quri stock. The stock was restricted and could not be freely sold. In January 2009, Gomez, as Quri's president, authorized reissuing the shares to G&G in two certificates of 4 million shares, each without a restricted legend.

41. In or about June 2008, Gomez asked a friend to open a brokerage account for G&G. Gomez provided the friend with a resolution of G&G's board of directors appointing the friend as Director and officer of the company and authorizing the friend to open financial accounts on behalf of G&G. In or about January 2009, the friend opened a brokerage account at Wachovia. Gomez provided the friend with a stock certificate for four million shares of Quri

stock in the name of G&G, and asked the friend to deposit the shares in the newly opened account.

42. Between March and July 2009, Gomez directed sales of 690,000 of the Quri shares in the account. During the period he ordered the shares sold, Quri did not provide to the public certain current public information, including the company's balance sheet, profit and loss or retained earnings statements for the then-current and preceding two years. In addition, Gomez did not disclose that the sales through G&G were directly or indirectly on his behalf or state the basis, for any exemption under the federal securities laws for the sales. Finally, Gomez did not give notice to the Commission of his sales.

**CLAIMS FOR RELIEF**

**COUNT I**

**Quri and Gomez Violated Section 10(b) of the  
Exchange Act and Exchange Act Rule 10b-5**

43. The Commission repeats and realleges Paragraphs 1 through 39 of its Complaint.

44. Quri and Gomez directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of securities, as described herein, knowingly, willfully, or recklessly: (i) employed devices, schemes or artifices to defraud; (ii) made untrue statements of material facts 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/or (iii) engaged in acts, practices and courses of business which have operated, are now operating and will continue to operate as a fraud upon the purchasers of such securities.

45. By reason of the foregoing, Quri and Gomez violated and, unless enjoined, are reasonably likely to continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5.

## **COUNT II**

### **Gomez Violated Section 17(a)(1) of the Securities Act**

46. The Commission repeats and realleges Paragraphs 1 through 39 of its Complaint.

47. Gomez, directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by use of the mails, in the offer or sale of securities, as described in this Complaint, knowingly, willfully or recklessly employed devices, schemes or artifices to defraud.

48. By reason of the foregoing, Gomez, directly and indirectly, violated and, unless enjoined, is reasonably likely to continue to violate, Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a).

## **COUNT III**

### **Gomez Violated Sections 17(a)(2) and 17(a)(3) of the Securities Act**

49. The Commission repeats and realleges paragraphs 1 through 39 of its Complaint.

50. Gomez, directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by the use of the mails, in the offer or sale of securities: (a) obtained money or property by means of untrue statements of material facts and omissions to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; or (b) engaged in transactions, practices and courses of business which are now operating and will operate as a fraud or deceit upon purchasers and prospective purchasers of such securities.

51. By reason of the foregoing, Gomez, directly and indirectly, violated and, unless enjoined, is reasonably likely to continue to violate, Sections 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(2) and 77q(a)(3).

**COUNT IV**

**Gomez Violated Sections 5(a) and (c) of the Securities Act**

52. The Commission repeats and realleges paragraphs 1 through 15 and 40 through 42 of its Complaint.

53. Gomez directly and indirectly: (i) made use of means or instruments of transportation or communication in interstate commerce or of the mails to sell, through the use or medium of a prospectus or otherwise, securities as to which no registration statement was in effect; (ii) for the purpose of sale or delivery after sale, carried and/or caused to be carried through the mails or in interstate commerce, by means or instruments of transportation, securities as to which no registration statement was in effect; and (iii) made use of means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell, through the use or medium of a prospectus or otherwise, securities as to which no registration statement had been filed.

54. No exemption from registration exists with respect to the securities and transactions described in this Complaint.

55. By reason of the foregoing, Gomez violated, and, unless enjoined, is reasonably likely to continue to violate, Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

**RELIEF REQUESTED**

**WHEREFORE**, the Commission respectfully requests that the Court:

**I.**

**Declaratory Relief**

Declare, determine, and find that the Defendants have committed the violations of the federal securities laws alleged herein.

**II.**

**Permanent Injunctive Relief**

Issue permanent injunctions pursuant to Rule 65(d) of the Federal Rules of Civil Procedure enjoining Quri and Gomez, their agents, servants, employees, attorneys, and all persons in active concert or participation with each of them, from directly or indirectly violating 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, and enjoin Gomez, his agents, servants, employees, attorneys, and all persons in active concert or participation with him, from directly or indirectly violating Sections 5(a), 5(c), and 17(a) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c); 15 U.S.C. §§ 77q(a).

**III.**

**Disgorgement**

Issue an Order directing Gomez to disgorge all ill-gotten gains, including prejudgment interest, resulting from the acts or courses of conduct alleged in this Complaint.

**IV.**

**Penalties**

Issue an Order directing Gomez to pay civil money penalties pursuant to Section 20(d) of

the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d).

V.

**Penny Stock Bar**

Issue an order barring Gomez from participating in any offering of penny stock, pursuant to Section 20(g) of the Securities Act, 15 U.S.C. § 77t(g), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d), for the violations alleged herein.

VI.

**Further Relief**

Grant such other and further relief as may be necessary and appropriate.

VII.

**Retention of Jurisdiction**

Further, the Commission respectfully requests that the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that it may enter, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

September 30, 2010

Respectfully submitted,

By:



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