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19 **UNITED STATES DISTRICT COURT**
20 **CENTRAL DISTRICT OF CALIFORNIA**
21 **Western Division**

22 SECURITIES AND EXCHANGE
23 COMMISSION,

24 Plaintiff,

25 vs.

26 FREDERICK TAYTON DENCER, LUKE
27 ABELARD DENCER, STANDARD
28 HOLDINGS, INC., STANDARD HUAXIA,
LTD., and DENNIS EDWARD BUTLER,

Defendants.

Case No. 2:24-cv-10622

COMPLAINT

DEMAND FOR JURY TRIAL

1 Plaintiff Securities and Exchange Commission (“SEC”), for its Complaint
2 against Defendants Frederick Tayton Dencer (“Tayt Dencer”), Luke Abelard Dencer
3 (“Luke Dencer”), Standard Holdings, Inc. (“Standard Holdings”), and Standard
4 Huaxia, Ltd. (“Huaxia”) (collectively, “Standard Holdings Defendants”), and
5 Defendant Dennis Edward Butler (“Butler”), alleges as follows:

6 **JURISDICTION AND VENUE**

7 1. The Court has jurisdiction over this action under Sections 20(b),
8 20(d)(1), and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§
9 77t(b), 77t(d)(1), and 77v(a), and Sections 21(d), 21(e), and 27(a) of the Securities
10 Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d), 78u(e), and 78aa(a).

11 2. Defendants Tayt Dencer, Luke Dencer, Standard Holdings, Huaxia, and
12 Butler have, directly or indirectly, used the means or instrumentalities of interstate
13 commerce in connection with the transactions, acts, practices, and courses of business
14 alleged in this complaint.

15 3. Venue is proper in this district under Section 22(a) of the Securities Act,
16 15 U.S.C. § 77v(a), and Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a),
17 because certain transactions, acts, practices, and courses of conduct constituting
18 violations of the federal securities laws occurred within this district. In addition,
19 venue is proper in this district as to the Standard Holdings Defendants because
20 Defendants Tayt Dencer and Luke Dencer reside in this district, and the principal
21 places of business of Defendants Standard Holdings and Huaxia are in this district.
22 This civil action should be assigned to the Western Division because a substantial
23 part of the events or omissions giving rise to the SEC’s claims occurred in Los
24 Angeles County, Defendants Tayt Dencer and Luke Dencer reside within Los
25 Angeles County, and the principal places of business of Defendants Standard
26 Holdings and Huaxia are in Los Angeles County.

27 4. Venue is also proper in this district as to defendant Butler under Section
28 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a), because acts and transactions

1 constituting violations of the federal securities laws occurred within this District,
2 including that the securities issuer for whom Butler sold securities as an unregistered
3 broker (further described below) has its principal place of business in this District and
4 investors that Butler solicited to purchase such securities reside in this District.

5 SUMMARY

6 5. From late 2017 to at least 2023 (the “Relevant Period”), the Standard
7 Holdings Defendants defrauded at least 40 investors out of millions of dollars, which
8 Defendants Tayt Dencer and his son, Luke Dencer, misappropriated to fund their
9 lavish lifestyle. Defendants Tayt Dencer and Luke Dencer, and their companies, Los
10 Angeles County-based Standard Holdings and Huaxia, raised over \$17 million from
11 approximately 40 investors purportedly to form a company to provide streaming
12 content to China via an app. Defendants offered and sold investors shares of
13 common stock and promissory notes, and promised investors that their funds would
14 be used towards launching the streaming business.

15 6. In reality, however, the Standard Holdings Defendants sold investors
16 shares of stock that had not actually been created or issued, misappropriated millions
17 of dollars of investor funds, misused certain investors’ money to make Ponzi-like
18 payments to other investors, and made numerous false and misleading statements to
19 investors about the use, value, and safeguarding of their investments. Tayt Dencer
20 and Luke Dencer used investors’ money to fund their luxurious lifestyle, including
21 spending millions on homes, luxury cars, designer clothes and jewelry, vacations and
22 gifts for family and girlfriends, and hundreds of thousands of dollars in cash
23 withdrawals.

24 7. Despite raising millions of dollars over seven years through offering and
25 selling Standard Holdings and Huaxia securities, the Standard Holdings Defendants
26 never had an app or content ready to distribute in China, had no agreements to
27 provide any streaming services in China, and they depleted nearly all of the \$17
28

1 million raised from investors, using millions of it to enrich themselves. Most, if not
2 all, of the investors' investments are now worthless.

3 8. For his part, Butler served as an unregistered broker on behalf of
4 Standard Holdings and Huaxia by engaging in the business of effecting transactions
5 in securities for the account of others. Specifically, from 2019 through at least July
6 2022, Butler raised over \$2.3 million for Standard Holdings and Huaxia by selling
7 securities — approximately 1.15 million shares of Huaxia Class A common stock —
8 to 15 investors in at least 75 transactions. Butler earned at least \$235,700 in
9 transaction-based compensation from those sales.

10 9. By engaging in the conduct alleged in this Complaint, the Standard
11 Holdings Defendants violated the antifraud provisions of Section 17(a) of the
12 Securities Act, 15 U.S.C. §77q(a), and Section 10(b) of the Exchange Act, 15 U.S.C.
13 §78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5. Tayt Dencer and Luke
14 Dencer are also liable as control persons for Standard Holdings' and Huaxia's
15 violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder pursuant
16 to Section 20(a) of the Exchange Act.

17 10. By engaging in the conduct alleged in this Complaint, Butler acted as a
18 broker as defined by Section 3(a) of the Exchange Act, 15 U.S.C. § 78c(a)(4)(A), but
19 was not registered as a broker-dealer and was not associated with a registered broker-
20 dealer. As a result of this conduct, Butler violated the broker-dealer registration
21 provisions under Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a).

22 11. The SEC seeks a judgment from the Court as set forth more fully in the
23 Prayer for Relief below: (i) permanently enjoining the Standard Holdings Defendants
24 from violating Securities Act Section 17(a), 15 U.S.C. §77q(a), and Exchange Act
25 Section 10(b), 15 U.S.C. §78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5;
26 (ii) directing Defendants to disgorge all ill-gotten gains derived from the acts and/or
27 courses of conduct complained of, plus prejudgment interest thereon; (iii) directing
28 Defendants to pay civil money penalties; (iv) barring Tayt Dencer and Luke Dencer

1 from serving as an officer or director of a public company; (v) permanently enjoining
2 Tayt Dencer and Luke Dencer from, directly or indirectly, participating in the
3 issuance, purchase, offer, or sale of any security provided that such injunction shall
4 not prevent them from purchasing or selling securities for their own personal
5 accounts; (vi) permanently enjoining Butler from violating Section 15(a)(1) of the
6 Exchange Act, 15 U.S.C. § 78o(a)(1); and (vii) granting such other relief as this Court
7 may determine to be just, equitable, and necessary.

8 DEFENDANTS

9 12. **Frederick Tayton Dencer (“Tayt Dencer”)**, age 68, is a resident of Los
10 Angeles, California. Tayt Dencer and his son, Luke Dencer, founded, control, and
11 operate Standard Holdings and Huaxia. Tayt Dencer also holds himself out as
12 executive chairman of Standard Holdings.

13 13. In 2009, the Alabama Securities Commission ordered Tayt Dencer to
14 cease and desist from offering and selling any securities in the state of Alabama based
15 on findings that he (i) offered and sold unregistered securities to an Alabama investor
16 — stock, promissory notes, and a put contract for which an investor reported
17 receiving no return or repayment for a \$650,000 investment; and (ii) offered and sold
18 such securities without properly registering as a broker-dealer with the state of
19 Alabama. In 2015, the California State Bar disbarred Tayt Dencer as an attorney for,
20 among other things, issuing five checks totaling \$65,000 when he knew or should
21 have known there were insufficient funds to pay the checks.

22 14. Tayt Dencer is listed as executive vice president of Cur Holdings, Inc. in
23 several filings with the SEC in December 2017. Tayt and Luke Dencer were involved
24 in raising money from investors through Cur Holdings for a prior unsuccessful music
25 streaming public company, Cur Media, Inc. In June 2021, the SEC revoked the
26 registration of securities of Cur Media because it was delinquent in its filings.

27 15. **Luke Abelard Dencer (“Luke Dencer”)**, age 36, is a resident of
28 Encino, California. Luke Dencer is listed as the president, secretary, treasurer, and a

1 director of Standard Holdings in incorporation documents. Luke Dencer is listed as a
2 director of Huaxia in certain corporate documents. Luke and his father, Tayt Dencer,
3 founded, control, and operate Standard Holdings and Huaxia.

4 16. Luke Dencer signed several filings with the SEC in 2017 and 2018 as the
5 vice president and secretary of Cur Holdings, Inc. Luke and Tayt Dencer were
6 involved in raising money from investors through Cur Holdings for Cur Media, Inc.,
7 prior to the SEC revoking the registration of Cur Media's securities.

8 17. **Standard Holdings, Inc. ("Standard Holdings")** is a Nevada company
9 with its principal place of business in Encino, California. Standard Holdings founded
10 Huaxia as a wholly owned subsidiary and was involved in all aspects of Huaxia's
11 business affairs, including raising money from investors.

12 18. **Standard Huaxia, Ltd. ("Huaxia")** was formed by Standard Holdings
13 as its wholly owned subsidiary and was incorporated in Hong Kong in May 2018.
14 Huaxia's business is conducted in Encino, California. Investors in Huaxia were
15 provided Tarzana, California or New York, New York addresses for Huaxia.

16 19. **Dennis Edward Butler ("Butler")**, age 47, is a resident of Westwood,
17 New Jersey. From 2002 to April 16, 2019, Butler was associated with over a dozen
18 different registered broker-dealers. Since April 17, 2019, Butler has not been
19 registered as a broker or associated with any registered broker-dealer. Butler raised
20 money from investors for Standard Holdings and its subsidiary, Standard Huaxia,
21 Ltd.

22 20. Each of the Defendants entered into agreements with the SEC in which
23 they agreed to toll, for various periods and various lengths of time, any statute of
24 limitations applicable to the conduct and claims alleged herein. The tolling
25 agreements for each Defendant cover the period between September 22, 2023,
26 through December 11, 2024.

1 **FACTUAL ALLEGATIONS WITH RESPECT TO STANDARD HOLDINGS**
2 **DEFENDANTS**

3 **A. The Purported Business of Standard Holdings and Huaxia**

4 21. Tayt Dencer and Luke Dencer founded, operated, and controlled
5 Standard Holdings and Huaxia. Tayt Dencer holds himself out as executive chairman
6 of Standard Holdings. Luke Dencer is the only officer of Standard Holdings and also
7 serves as a director.

8 22. In May 2018, Standard Holdings formed Huaxia as a wholly owned
9 subsidiary incorporated under Hong Kong law. Luke Dencer is listed in certain
10 company documents as the CEO and only director of Huaxia.

11 23. Tayt and Luke Dencer operated Standard Holdings and Huaxia from
12 several addresses in the Los Angeles, California area. Starting in 2017, the Standard
13 Holdings Defendants told investors that the companies were developing an app that
14 would stream content to China. The Standard Holdings Defendants initially stated
15 that they planned to stream music into China. By 2019, the Standard Holdings
16 Defendants changed their purported business plans to provide educational content to
17 children in China.

18 24. Tayt and Luke Dencer told several investors that they planned to take the
19 companies public through an IPO. For example, in June 2020, Tayt Dencer emailed
20 an investor about his plan to take the companies public through an IPO in the United
21 States or China. In June 2022, Luke Dencer sent a text message to an investor
22 discussing plans to take the companies public through an IPO.

23 **B. The Standard Holdings Defendants Offered and Sold Securities In**
24 **the Form of Stock and Promissory Notes**

25 25. During the Relevant Period, Tayt and Luke Dencer raised more than \$17
26 million from at least 40 investors for Standard Holdings and Huaxia by offering and
27 selling shares of stock and promissory notes.

28

1 26. Most investors were located in the United States and some were elderly.
2 Tayt Dencer had phone conversations with a number of potential and existing
3 investors to explain the business and negotiate the terms of their investments. Tayt
4 Dencer also met in person with some investors in the United States. Luke Dencer
5 solicited prospective investors in phone conversations and personal meetings, and
6 provided updates to existing investors in phone conversations, text messages, and
7 emails.

8 27. Certain representations to investors were documented in subscription
9 agreements for shares of Huaxia stock, offering term sheets, promissory notes in
10 exchange for repayment of principal plus shares of Huaxia stock, investor
11 presentations, emails, and text messages. Luke Dencer signed some investor
12 agreements and he authorized an employee of Standard Holdings (the “Standard
13 Holdings Employee”) to sign agreements for other investors. Some investor
14 agreements instructed investors to send executed copies to an email address for Luke
15 Dencer or to Huaxia’s mailing address to Luke Dencer’s attention. Tayt Dencer
16 reviewed the form investor agreements. He also negotiated and approved the final
17 investment terms for numerous investors.

18 28. Additionally, the Standard Holdings Defendants paid Butler to solicit
19 investors for Huaxia. From April 2019 to at least July 2022, Butler solicited about 15
20 investors to invest over \$2.3 million of the total amount raised. Butler did this in
21 about 75 transactions involving the sale of about 1.15 million shares of Huaxia series
22 A common stock. As set forth below, Butler operated as an unregistered broker on
23 behalf of Standard Holdings and Huaxia in violation of the federal securities laws.

24 29. Standard Holdings also retained the Standard Holdings Employee
25 located in New Jersey to manage the investor onboarding process.

26 30. The chart below shows the approximate amounts that the Standard
27 Holdings Defendants raised, number of investors, and time periods for offerings of
28 securities involving stock and promissory notes:

Type of Offering	Amount Raised	Investors	Time Period
Standard Holdings promissory notes, which were purportedly converted into Huaxia Class A common shares	\$4,250,000	1	11/2017 – 10/2018
Huaxia Class B common shares	\$500,000	1	07/2018
Huaxia promissory notes that included sales of Class A common shares	\$1,730,000	19	09/2018 – 07/2020
Huaxia class A common shares	\$5,930,000	24	09/2018 – 07/2022
Huaxia class A preferred shares	\$3,000,000	1	03/2022
Huaxia class A common shares	\$1,650,000	2	2023
Total Raised	\$17,060,000		

C. The Standard Holdings Defendants Fraudulently Sold Investors Stock that Did not Exist

31. From November 2017 through March 2022, the Standard Holdings Defendants sold more than 9.2 million Class A or Class B common shares of Huaxia stock to approximately 35 investors through debt or equity investments totaling approximately \$12 million. Under the subscription agreements, the investors irrevocably applied to acquire shares of Huaxia and paid consideration for the right to purchase such shares. Subscription agreements noted the number of shares each investor was acquiring, as well as each investor's percentage of equity ownership of Huaxia represented by the shares. Huaxia accepted the subscriptions and the investors wired their funds to the Standard Holdings bank account, which was controlled by Luke Dencer and Tayt Dencer.¹ Accompanying promissory notes

¹ Luke Dencer was the signatory on Standard Holdings' three bank accounts located at a bank branch office in Encino, California. Luke Dencer discussed expenditures

1 reiterated the quantity of Huaxia shares set forth in the subscription agreements and
2 stated that in consideration for the investments, Huaxia agreed to issue the shares to
3 the investors.

4 32. In fact, as Tayt Dencer and Luke Dencer knew or were reckless and/or
5 negligent in not knowing, this stock had not actually been created and was never
6 issued to most investors. When Huaxia was formed in 2018, only 10,000 ordinary
7 shares were created and all were owned by and issued to Standard Holdings. On
8 October 22, 2018, Huaxia's then director in Hong Kong signed a resolution
9 subdividing the 10,000 ordinary shares into 100 million ordinary shares, but still no
10 Class A or Class B common shares were created or issued to investors.

11 33. Internal Huaxia capitalization tables from 2019 through 2021
12 documented: (1) all shares were still owned by Standard Holdings; (2) a board
13 resolution was needed to convert the 100 million Huaxia shares into Class A and
14 Class B shares; and (3) the Class A and Class B shares that needed to be issued to
15 various individual investors. Luke Dencer testified in the SEC's investigation that he
16 often reviewed versions of the company's capitalization table.

17 34. Internal drafts of Huaxia corporate filings for the Hong Kong Companies
18 Registry, dated May 2020 and May 2021, state that Huaxia had only 40 million
19 ordinary shares and all were owned by Standard Holdings.

20 35. It was not until March 14, 2022, that Luke Dencer and Huaxia created
21 shares of Class A and Class B common stock — nearly four and a half years after
22 Standard Holdings Defendants had already sold millions of these shares to investors.
23 In March 2022, a prospective investor questioned whether Huaxia had authorized and
24 issued the shares it was about to purchase. Shortly thereafter, Luke Dencer signed a
25 resolution to create Class A and Class B common stock for Huaxia. The resolution
26 also provided that 15 million Class A common shares would be set aside with the

27 _____
28 from these accounts with his father and gave his father access to the bank accounts
through debit cards.

1 intention to be issued and held by Standard Holdings as nominee for various investors
2 and 500,000 Class B common shares would be issued and held by Standard Holdings
3 as nominee for a specific investor. When the Standard Holdings' Employee sought
4 Luke Dencer's signature on the draft resolution, the Standard Holdings Employee
5 texted that "we were supposed to have had it for three years." Luke Dencer and the
6 Standard Holdings employee then backdated the resolution to December 13, 2019.

7 36. On March 15, 2022, the day after Luke signed the backdated resolution,
8 the employee emailed the prospective investor, copying Luke and Tayt Dencer,
9 explaining that Huaxia had created and issued to the investor the shares the investor
10 was acquiring. Most other investors were never issued shares.

11 37. Before the shares were actually created in March 2022, Tayt and Luke
12 Dencer actively solicited investors to buy Huaxia Class A and Class B common
13 stock. For example, in 2018 and 2019, Tayt Dencer had telephone calls and emails
14 with numerous investors to offer and sell Class A common shares in Huaxia.
15 Numerous investors then purchased such shares based on Tayt Dencer's
16 representations about the investments, including the amount of shares they were
17 purchasing. Luke Dencer also had telephone calls with investors discussing
18 investments in Huaxia Class A common shares. Luke Dencer signed term sheets and
19 promissory notes selling Huaxia Class A common shares and authorized the Standard
20 Holdings Employee to sign accompanying subscription agreements on his behalf.
21 Tayt and Luke Dencer had final approval over the terms of all investor agreements.

22 38. The Dencers knew or were reckless or negligent in not knowing that the
23 Huaxia Class A and Class B common stock they were purportedly selling to investors
24 did not exist prior to March 2022. Tayt Dencer controlled and operated Huaxia,
25 along with Luke Dencer. Tayt Dencer testified in the SEC's investigation that he
26 knew Huaxia did not have Series A and Series B common shares prior to the
27 resolution signed in March 2022 and backdated to December 2019, and that he knew
28 Huaxia needed these shares for investors.

1 39. Luke Dencer was the founder and director of Huaxia, the only officer
2 and owner of its parent company Standard Holdings, and he controlled and operated
3 both companies along with Tayt Dencer. Only Luke Dencer could sign the resolution
4 authorizing the creation of the Class A or Class B common shares as he was the only
5 director of Huaxia at the time. He knew that he had not signed a resolution to create
6 Class A or Class B common shares until March 2022, and he admitted in testimony in
7 the SEC’s investigation that shares were never issued to most investors.

8 40. Complaints from at least one investor put the Dencers on notice that
9 investors were not receiving the shares of Huaxia stock that they were sold. In
10 October 2019, the Standard Holdings Employee forwarded to Tayt and Luke Dencer
11 an email from an attorney for the estate of a deceased investor, Investor 2, who had
12 invested \$50,000 under a promissory note. Under the promissory note, Huaxia
13 provided the investor 57,143 shares of Series A common stock as additional
14 consideration for the loan. The attorney complained that no stock certificate was ever
15 executed or delivered, and he demanded the return of Investor 2’s \$50,000 for
16 “securities which were never obtained.” Despite receiving this complaint in 2019,
17 Luke and Tayt Dencer took no steps to create and issue Class A common shares in
18 Huaxia for more than two years, and they continued to offer and sell millions of
19 shares of this purported stock to other investors.

20 41. In deciding whether to invest in Huaxia Class A and Class B common
21 stock, reasonable investors considered it important to know that the shares they were
22 purportedly purchasing had not been created or issued. One institutional investor
23 asked the Standard Holdings Defendants during negotiations about the “process of
24 new share issuances” because the investor “need[ed] to be sure we are in effective
25 possession of the shares.” Similarly, the attorney for the estate of the deceased
26 investor demanded return of the entire investment in part because the Standard
27 Holdings Defendants never issued the stock certificates.

28

1 42. Based on the facts alleged above, the Standard Holdings Defendants
2 intentionally, knowingly, recklessly, and/or negligently carried out their fraudulent
3 scheme by selling shares of stock that had not been created or issued.

4 **D. The Standard Holdings Defendants Misappropriated and Misused**
5 **Millions of Dollars of Investors' Money**

6 **1. The Dencers and Standard Holdings Misappropriated More**
7 **than \$900,000 from the Largest Investor's First Two**
8 **Investments**

9 43. From the start of the scheme in 2017, the Dencers misappropriated
10 investor funds. The first investor in the Standard Holdings Defendants' business was
11 an individual, "Investor 1," through an entity he owned and controlled. The Dencers
12 had personal meetings, regular telephone calls, and email exchanges with Investor 1
13 to solicit investments and discuss the status of existing investments. Tayt Dencer told
14 Investor 1 that his initial investments in Standard Holdings and his subsequent
15 investments in Huaxia would be used to develop a streaming app business that would
16 provide content into China.

17 44. In November 2017, Investor 1 invested \$1.25 million in Standard
18 Holdings under a promissory note payable by Standard Holdings and secured by
19 stock warrants² owned by Standard Holdings that were described as securities. This
20 investment was later purportedly converted to shares of Series A common stock in
21 Huaxia. Luke Dencer signed the promissory note on behalf of Standard Holdings.

22 45. In March 2018, Investor 1 invested another \$3 million in Standard
23 Holdings under a similar promissory note payable by Standard Holdings and secured
24 by stock warrants owned by Standard Holdings. This investment was later
25 purportedly converted to shares of Series A common stock in Huaxia. Luke Dencer's
26

27 ² A stock warrant is a contract between a company and an investor giving the investor
28 the right to buy or sell the company's stock within a certain time frame for a specific
price.

1 name is listed as the signatory on the promissory note for Standard Holdings. The
2 Standard Holdings Defendants raised a total of \$4.25 million from Investor 1 from
3 the November 2017 and March 2018 investments.

4 46. Contrary to Tayt Dencer's representations to Investor 1 that investor
5 funds would be used to develop a streaming business, the Dencers immediately began
6 spending Investor 1's money for their lavish personal expenses. In fact, right after
7 Investor 1's first investment of \$1.25 million in late November 2017, Tayt Dencer
8 told a friend that the Standard Holdings checking account — used to hold Investor 1's
9 money — was Tayt Dencer's personal bank account. Tayt Dencer had no actual
10 personal bank accounts throughout the Relevant Period and instead used the Standard
11 Holdings back account as his own.

12 47. In just the first six months after Investor 1's first two investments, the
13 Dencers misappropriated at least \$900,000. They used this money to pay for personal
14 expenses, such as paying their personal credit card bills; lease payments for Luke
15 Dencer's home; luxury vehicles for the Dencers and Luke Dencer's wife; designer
16 clothes and jewelry; a private detective to follow two of Tayt Dencer's girlfriends;
17 restitution payments owed by Tayt Dencer in a prior unrelated Alabama criminal
18 case; over \$300,000 in checks, ATM withdrawals, and wire transfers for themselves,
19 friends, and family members; and a host of other personal expenses unrelated to the
20 business of Standard Holdings and Huaxia.

21 48. For example, on November 27, 2017, Standard Holdings' checking
22 account had an ending balance of \$2,553.01. On November 28, 2017, Investor 1's
23 \$1.25 million was transferred into that checking account for his first investment in
24 Standard Holdings. Over the next two weeks there were no further deposits into the
25 account aside from \$582.95 in retail and fee refunds. During those two weeks, the
26 Dencers made the following payments from the checking account:

1 a. On November 29, 2017, Luke Dencer withdrew \$20,000 in cash from a
2 local bank branch, which he then deposited into his personal checking account
3 later that day;

4 b. On November 29, 2017, Luke Dencer wrote himself a check for an
5 additional \$9,500;

6 c. Between November 30, 2017 and December 12, 2017, \$21,331 in
7 payments were made to Super Eye Investigations, a private detective firm hired
8 by Tayt Dencer to follow two of his girlfriends;

9 d. On December 1, 2017, Tayt Dencer's debit card was used to pay
10 \$179.85 to Elitesingles.com, an online dating service;

11 e. On December 6, 2017, Luke Dencer's debit card was used to pay \$92.15
12 to LA Sports Massage, a massage provider in Los Angeles, California;

13 f. On December 7, 2017, Luke Dencer's debit card was used to pay two
14 transactions totaling \$8,668.20 to Sit 'N Sleep, a mattress store; and

15 g. On December 8, 2017, \$120,000 was transferred to the bank account of
16 Tayt Dencer's attorney in Alabama, which was then used towards restitution
17 payments Tayt Dencer was ordered to pay in an unrelated criminal securities
18 fraud case in Alabama involving conduct from 2006 to 2008.

19 49. Tayt and Luke Dencer both admitted in testimony in the SEC's
20 investigation that they used investor funds in the Standard Holdings bank accounts
21 for personal expenses.

22 50. Given their role in misappropriating money, Tayt and Luke Dencer knew
23 or were reckless or negligent in not knowing that the statements about the use of
24 Investor 1's money for business purposes were false.

25 51. When deciding whether to invest in Standard Holdings, investors would
26 have considered it important to know that the Dencers would use the funds for
27 personal expenses unrelated to the purported business of Standard Holdings.
28

1 52. Based on the facts alleged above, the Dencers and Standard Holdings
2 intentionally, knowingly, recklessly, and/or negligently made materially false and
3 misleading statements to Investor 1 regarding the use of his investment funds and
4 carried out a fraudulent scheme by misappropriating Investor 1’s funds.

5 **2. The Standard Holdings Defendants Misappropriated Other**
6 **Investors’ Funds, Misrepresented How their Funds Would Be**
7 **Used, and Failed to Safeguard \$4.5 Million of Investor Funds**
8 **in a Segregated Account, as Promised**

9 53. Between September 6, 2018, and March 13, 2022, the Standard Holdings
10 Defendants raised more than \$4.5 million in investments in Huaxia from several other
11 investors in addition to the \$4.25 million previously raised from Investor 1. These
12 investors purchased Class A common shares in Huaxia through promissory notes and
13 equity investments.

14 54. Promissory notes and offering term sheets associated with these
15 investments stated that investor funds would be used for Huaxia’s streaming business,
16 including developing the software, advertising, and launching the business in China.
17 For example, promissory notes associated with these investments state, “[Huaxia]
18 certifies that the loan evidenced by this Note is obtained for business or commercial
19 purposes and that the proceeds thereof will not be used primarily for personal, family,
20 household or agricultural purposes.”

21 55. Term sheets issued to investors state, “After deducting fees and expenses
22 related to the Offering, including legal fees and expenses and fees payable to the
23 escrow agent, if applicable, the net proceeds from the Offering will be used for
24 certain fees and expenses related to the announcement of [Huaxia] and its strategy via
25 a live, nationally televised, press conference, costs to develop the software, costs
26 associated with bundling transactions, general corporate purposes and working
27 capital.”
28

1 56. Contrary to these representations about using investor funds for business
2 purposes, the Dencers misappropriated at least \$1.7 million of these investor funds to
3 support their lavish lifestyles, as detailed below.

4 57. In addition, the subscription agreements for these investments state that
5 “Subscription funds shall remain in a segregated account of [Huaxia] until the
6 offering is fully subscribed and [Huaxia]’s shares has [sic] been issued.” These
7 statements were false because (i) no Huaxia bank account ever existed; (ii) no Class A
8 common shares were created until at least March 14, 2022, after these investments
9 were made; and (iii) Class A common shares still have not been issued to most
10 investors.

11 58. Instead of safeguarding these investors’ money in a segregated account,
12 the funds were deposited into a Standard Holdings checking account and commingled
13 with an additional \$2.1 million that Investor 1 had invested in the Huaxia business.
14 Another \$585,000 from other sources also was deposited into the account. The
15 Dencers then used over \$2.3 million from this account for their personal expenses.
16 Excluding the \$585,000 from other sources, the Dencers misappropriated at least \$1.7
17 million from these investors.

18 59. From the start in September 2018, the Dencers began spending the
19 money raised from these investors on personal items, such as luxury cars, a vacation
20 for Luke Dencer and his wife to Moscow, travel for the Dencers’ family and friends,
21 more designer clothes and jewelry, and about \$600,000 in cash and transfers to Tayt
22 and Luke Dencer and their family members.

23 60. For example, on June 29, 2020, an investor transferred \$40,000 for an
24 investment in Huaxia to one of Standard Holdings’ bank accounts. Later that day,
25 Luke Dencer transferred the \$40,000 to a different Standard Holdings checking
26 account. Before this deposit, the checking account held a balance of \$846.01. After
27 the \$40,000 investor deposit, and before any other deposits, the following payments
28 were made from the account: (i) \$26,000 was transferred to Luke Dencer’s personal

1 bank account; (ii) \$3,900 was used to pay rent for Luke Dencer's residence; (iii)
2 \$264.12 was used for a car insurance payment; and (iv) \$900.00 was transferred via
3 Venmo to Luke Dencer's friend who had no connection to Standard Holdings or
4 Huaxia.

5 61. Luke Dencer also used hundreds of thousands of dollars from the
6 Standard Holdings bank accounts for the benefit of his wife. Luke made payments
7 and wire transfers to his wife's bank account for personal expenses such as a
8 Mercedes and BMW, gifts for her birthdays and anniversaries, and cash transfers and
9 travel expenses for her relatives. Luke Dencer also used the Standard Holdings
10 checking account to pay his wife's personal credit card bills. Luke Dencer's wife
11 was not a Standard Holdings employee, she had no employment agreement or
12 contractor agreement, and she did not receive a salary. Standard Holdings never
13 issued a W-2 form, a 1099 form, or other tax documents reflecting any payment for
14 work performed by her. She did not include any amounts she received from Standard
15 Holdings as income on her tax returns.

16 62. Luke and Tayt Dencer had ultimate authority over and were responsible
17 for the misrepresentations in the investor agreements about using funds for business
18 purposes and safeguarding the funds in a segregated account. Luke Dencer signed
19 the term sheet and promissory note for at least one investor, and he authorized the
20 Standard Holdings Employee to sign other investor agreements on behalf of Huaxia.
21 Most of these investor agreements provided a signature line for Luke Dencer to sign
22 on behalf of Huaxia as the company's CEO. Subscription agreements instructed
23 investors to return signed agreements to Luke Dencer at his Standard Holdings email
24 address or mailing address. Luke and Tayt Dencer testified in the SEC's
25 investigation that they reviewed investment agreements for Huaxia investors and
26 approved the final terms of agreements for many investors.

27 63. The Dencers knew, or were reckless or negligent in not knowing, that
28 the representations in the investor agreements about using the funds for Huaxia's

1 business and safeguarding the funds in a segregated account were false. Luke Dencer
2 controlled the bank accounts and testified in the SEC's investigation that he knew
3 there was no separate Huaxia bank account. Tayt Dencer had access to the accounts
4 through Luke. Tayt Dencer testified that he knew investor funds for Huaxia
5 investments were deposited into the Standard Holdings bank accounts. The Dencers
6 both testified in the SEC's investigation that they used investor funds in the Standard
7 Holdings bank accounts for their personal expenses.

8 64. When deciding whether to invest in Huaxia, investors would have
9 considered it important to know that their funds would not be safeguarded in a
10 segregated account and would be used by the Dencers for personal expenses.

11 65. Based on the facts alleged above, the Standard Holdings Defendants
12 intentionally, knowingly, recklessly, and/or negligently made materially false and
13 misleading statements regarding the use of investor funds and carried out their
14 fraudulent scheme by misappropriating investor funds for the Dencers' personal use
15 and failing to safeguard investor funds in a segregated account.

16 **3. Luke Dencer Misappropriated Another \$235,000 of Investor**
17 **Funds in November 2022**

18 66. Luke Dencer misappropriated another \$235,000 by transferring money
19 from the Standard Holdings checking account to his personal bank accounts. Then,
20 on November 3, 2022, two days after the SEC served its first investigational
21 subpoena on Standard Holdings, Luke Dencer transferred \$235,000 from his personal
22 account to his wife's personal bank account. There was no legitimate reason for
23 Luke Dencer's wife to receive these funds from Standard Holdings.

24 67. In May 2024, \$182,000 of these funds was transferred from the wife's
25 account to a bank account in Abu Dhabi in the name of Luke Dencer. In March and
26 June 2024, about \$8,000 from the wife's account was transferred to her sister. There
27 was no legitimate reason for Luke Dencer's sister-in-law to receive these funds from
28 Standard Holdings.

1 68. Based on the facts alleged above, Luke Dencer intentionally, knowingly,
2 recklessly, and/or negligently carried out a fraudulent scheme by misappropriating
3 these investor funds.

4 **4. The Dencers and Standard Holdings Failed to Safeguard \$2.5**
5 **Million of Investor 1’s Investment in a Trust Account, as**
6 **Represented**

7 69. In addition to misappropriating Investor 1’s money, the Dencers failed to
8 place \$2.5 million from Investor 1 in a trust account, contrary to their representations
9 to Investor 1.

10 70. Specifically, on February 21, 2018, Tayt Dencer sent an email to
11 Investor 1 stating that \$2.5 million of his anticipated \$3 million investment in March
12 2018 would be used to open a trust account in the name of Standard Holdings. Tayt
13 Dencer told Investor 1 that this money would help facilitate a \$102 million
14 institutional investment in Standard Holdings, out of which Investor 1’s \$3 million
15 investment would be repaid.

16 71. In fact, none of the \$3 million was used to open a Standard Holdings
17 trust account. The money was first deposited into the Standard Holdings checking
18 account, not a trust account. The Dencers then wired over \$2.1 million of the money
19 to two foreign bank accounts, neither of which was a Standard Holdings trust
20 account.

21 72. In late March and early April 2018, the Dencers made three wire
22 transfers totaling \$1.16 million to a U.S. bank account “FOR FURTHER CREDIT
23 TO” a bank account in Mexico. The account was in the name of the purported wife
24 of the promoter of the institutional investment and was not a trust account. This
25 individual was not otherwise connected to the business of Standard Holdings.

26 73. Next, in early April 2018, the Dencers wired \$952,000 to a bank account
27 in Abu Dhabi. The account was in the name of a company and was not a trust
28

1 account. This company was not otherwise connected to the business of Standard
2 Holdings.

3 74. The institutional investment never occurred and Investor 1's \$3 million
4 investment was never repaid.

5 75. The Dencers knew or were reckless or negligent in not knowing that
6 Investor 1's funds were not going to fund a Standard Holdings trust account because
7 before wiring the funds to foreign bank accounts, the Dencers received wiring
8 instructions noting that the recipients of the money were a women in Mexico and a
9 company in Abu Dhabi, not trust accounts in the name of Standard Holdings.

10 76. Any reasonable investor would consider it important to know that their
11 money would not be safeguarded in a trust account, as represented, but instead wired
12 to foreign bank accounts held by parties unrelated to Standard Holdings.

13 77. Based on the facts alleged above, the Dencers and Standard Holdings
14 intentionally, knowingly, recklessly, and/or negligently made materially false and
15 misleading statements regarding the use of investment funds and carried out their
16 fraudulent scheme by wiring investor funds to foreign accounts rather than holding
17 the money in a Standard Holdings trust account, as represented.

18 **5. The Standard Holdings Defendants Used Investor Money to**
19 **Make Ponzi-Like Payments to Other Investors**

20 78. The Standard Holdings Defendants misused money from certain
21 investors to make Ponzi-like payments to other investors, some of whom had
22 complained about not receiving the timely return of their money invested through
23 promissory notes. Company records show that a total of about \$380,000 was paid to
24 investors in promissory notes during the Relevant Period.

25 79. Tayt Dencer admitted in testimony in the SEC's investigation that he
26 used investor funds to pay back other investors. Text messages show Luke Dencer
27 raising funds from investors for the purpose of using the money to repay another
28 investor.

1 80. There are a number of instances where the Standard Holdings checking
2 account did not have enough money to repay an investor until the Standard Holdings
3 Defendants raised additional money from other investors, at which point the Standard
4 Holdings Defendants used the new investor funds to repay the old investor.

5 81. For example, in late 2019, an investor began sending text messages and
6 making phone calls to Luke Dencer demanding repayment of an overdue \$200,000
7 promissory note payable by Huaxia. On December 13, 2019, Luke Dencer texted the
8 investor that “there is nothing in the account to wire” but Luke assured the investor
9 that he is working on raising money which “we could wire out of to you” in the
10 following days or weeks.

11 82. Later that day, another investor wired \$10,000 to the Standard Holdings
12 checking account for an investment under a subscription agreement for Class A
13 common shares of Huaxia stock. The following business day, December 16, 2019, a
14 second investor wired \$3,000 to the Standard Holdings checking account for a similar
15 investment for Class A common shares of Huaxia stock. No other deposits were
16 made into the Standard Holdings checking account at this time.

17 83. Later the same day, Luke Dencer wired \$1,000 from the Standard
18 Holdings checking account to the investor demanding repayment. This money came
19 from the \$10,000 and \$3,000 investments from the other investors.

20 84. The Standard Holdings Defendants did not disclose to investors that they
21 would use investment funds to make payments to other investors.

22 85. Based on the facts alleged above, the Standard Holdings Defendants
23 intentionally, knowingly, recklessly, and/or negligently carried out their fraudulent
24 scheme by using investor funds to make Ponzi-like payments to other investors.

25 **E. The Standard Holdings Defendants Failed to Repay or Timely**
26 **Repay Investors in Short-Term Promissory Notes**

27 86. From late 2018 to mid-2020, the Standard Holdings Defendants solicited
28 about 19 investors to invest approximately \$1.7 million in Huaxia through promissory

1 notes. The promissory notes stated that “[i]n consideration for [the loan], [Huaxia]
2 agrees to issue [certain] shares of Series A Common Shares to Holder.” In total,
3 Huaxia issued approximately 2 million shares of Series A common stock to investors
4 under these promissory notes. The notes provided that the funds would be used “for
5 business or commercial purposes.” The promissory notes were supposed to be bridge
6 loans until future large or institutional investments were made into the business.

7 87. The promissory notes also stated that Huaxia promised to repay the loan
8 on or before the maturity dates, which were typically one week to several months
9 after the investor funded the investment.

10 88. The Standard Holdings Defendants engaged in a pattern of not repaying
11 or not timely repaying most investors in these notes, even when they had sufficient
12 funds for repayments. Rather than repay most investors, the Standard Holdings
13 Defendants solicited a number of the investors to grant debt-repayment extensions
14 that extended the loan terms, often beyond nine months, in exchange for additional
15 shares of stock and cash. Contrary to the representations in the loan extensions, the
16 Standard Holdings Defendants did not repay by the extended time frame, did not
17 make the cash payments, and did not issue the additional shares to investors.

18 89. In one example, on December 12, 2018, Investor 3, an 85-year-old
19 investor, invested \$20,000 via a promissory note in exchange for 22,857 Class A
20 common shares in Huaxia. The note was due and payable on or before January 23,
21 2019. Even though the balance in Standard Holdings’ bank account on January 23,
22 2019, was more than \$48,000, double the amount owed to Investor 3, the investor
23 was not repaid. It was not until after Investor 3 passed away in 2021, that Luke
24 Dencer paid a total of only \$7,000 to the estate.

25 90. In another example, a different investor, Investor 4, signed four
26 promissory notes in December 2018 and January 2019 for a total of \$45,000 in
27 exchange for 51,429 Class A common shares in Huaxia. Each note was due within
28 six weeks, and none were ever paid despite Standard Holdings having sufficient

1 funds to repay the loans on each of their due dates. In August 2019, Investor 4 signed
2 an amendment to the promissory notes that postponed the maturity dates until
3 October 15, 2019, in exchange for \$7,000 and additional Class A common shares.
4 Even though the balance in Standard Holdings' bank account on October 15, 2019,
5 was more than \$90,000, double the amount owed to Investor 4, the investor was not
6 repaid.

7 91. Tayt Dencer admitted in testimony in the SEC's investigation that he
8 knew most investors in these notes were never repaid. Luke Dencer received emails
9 from investors demanding repayment of overdue promissory notes, and Luke Dencer
10 personally emailed investors about Huaxia's overdue payments. In one example, in
11 early February 2019, an investor, Investor 5, requested repayment on two overdue
12 promissory notes executed in December 2018 and January 2019 for a total of
13 \$150,000. Several days later, Luke Dencer emailed Investor 5 stating that he was
14 working to close several large financings and would repay the investor within a few
15 days. Luke also offered the investor additional cash due to the delay. Luke did not
16 respond to Investor 5 thereafter. A month later, in March 2019, after not hearing
17 from Luke and not receiving any payment, Investor 5 again emailed Luke demanding
18 the overdue payments. The Standard Holdings Defendants have never repaid
19 Investor 5 on these overdue promissory notes and never paid the additional cash
20 offered.

21 92. Throughout this period, as described above, the Dencers were
22 misappropriating investor funds for their own personal expenses.

23 **F. Tayt Dencer Lied to the Largest Investor About the Value of His**
24 **Investments**

25 93. On June 17, 2020, Tayt Dencer sent the largest investor, Investor 1, an
26 email on behalf of Standard Holdings and Huaxia stating that Investor 1's \$5.9
27 million in total investments were worth between \$20 million and \$63 million based
28 on the company's recent equity financing. Tayt Dencer, however, failed to disclose

1 that at the time, Standard Holdings' financial condition was dire. Standard Holdings
2 had only a few thousand dollars in its bank accounts. Standard Holdings' federal tax
3 returns for 2020 showed income of negative \$1.1 million and total assets of about
4 \$1,400 at the beginning of the year and \$243,000 at the end of the year. Huaxia's
5 internal draft balance sheet as of March 1, 2021, showed total owner's equity was
6 negative. The companies had not launched an app business, not developed any other
7 source of revenue, and were losing money at the time. Tayt Dencer disclosed none of
8 this to Investor 1.

9 94. After learning of the SEC's investigation in late 2022, the Standard
10 Holdings Defendants admitted to Investor 1 that his investments were essentially
11 worthless. On December 12, 2022, about 6 weeks after receiving the first SEC
12 subpoena, all four Standard Holdings Defendants entered into an agreement with
13 Investor 1, which stated that Huaxia lacked financing to launch its products in China
14 and Investor 1's investments had "little, if any, value." As a result of the lack of
15 value, Investor 1 agreed to sell all his investment interests, representing about \$5.9
16 million, back to the Standard Holdings Defendants for a total of \$50,000. Luke
17 Dencer signed the agreement as CEO of both Standard Holdings and Huaxia. Tayt
18 Dencer signed the agreement as the transferor of the \$50,000.

19 95. Tayt Dencer knew owner's equity was negative because he drafted the
20 March 2021 financial statement reflecting the negative equity. Tayt Dencer admitted
21 in testimony in the SEC's investigation that he knew the companies were "losing
22 money" at the time the 2021 financial statement was created. Tayt Dencer also had
23 access to the Standard Holdings bank accounts, through Luke Dencer, and knew or
24 was reckless or negligent in not knowing that the funds were depleted. In fact, Tayt
25 Dencer was responsible for depleting a significant portion of the company's funds on
26 his own personal expenses.

1 96. A reasonable investor would consider it important to know whether his
2 or her investments were worthless instead of valued at tens of millions of dollars, as
3 represented.

4 97. Based on the facts alleged above, Tayt Dencer intentionally, knowingly,
5 recklessly, and/or negligently carried out a fraudulent scheme by making materially
6 false and misleading statements to an investor about the value of his investments.

7 98. Because, at all relevant times, Tayt Dencer and Luke Dencer exercised
8 control over Standard Holdings and Huaxia, the Dencers' knowledge, recklessness,
9 and negligence, as detailed above, is imputed to Standard Holdings and Huaxia.

10 **FACTUAL ALLEGATIONS WITH RESPECT TO BUTLER**

11 99. During the Relevant Period, Butler regularly solicited investors to
12 purchase more than one million shares of Huaxia Class A common stock. Butler
13 raised a total of about \$2,357,000 from these investors for Standard Holdings and
14 Huaxia. Butler received transaction-based compensation for selling these shares of
15 Huaxia Class A common stock to investors. At the time, Butler was not associated
16 with any registered broker-dealer.

17 100. Through his conduct, Butler was engaged in the business of effecting
18 transactions in Huaxia stock during the Relevant Period, but was not registered as a
19 broker with the SEC, as required by the federal securities laws.

20 **Butler Was An Active Finder of Investors**

21 101. Butler solicited about 15 of the total investors in Huaxia. Most of these
22 investors had been his customers when he previously was associated with a registered
23 broker-dealer, which he left on April 17, 2019. While he was associated with a
24 registered broker-dealer, Butler had solicited these customers to purchase securities
25 of other issuers. Butler solicited these customers to invest in Huaxia after he left the
26 registered broker-dealer. Even after Butler left the registered broker-dealer, at least
27 one of these investors continued to refer to Butler as his stockbroker.
28

1 **Butler Regularly Participated In Securities Transactions Involving Huaxia Stock**

2 102. From April 2019 to at least July 2022, Butler regularly solicited
3 investors to invest a total of approximately \$2,357,000 in about 75 transactions in
4 which 15 investors were sold a total of about 1.15 million shares of Huaxia Class A
5 common stock, including investors who resided in the District. At the time, Butler
6 was not associated with any registered broker-dealer.

7 103. Butler discussed the Huaxia investments with investors in phone calls,
8 text messages, and emails, and he emailed investment materials to investors.

9 **Butler Was Involved In Negotiations Between Issuers And Investors**

10 104. During the Relevant Period, Butler was involved in the negotiation and
11 execution of investment agreements for Huaxia Class A common stock. Butler
12 communicated directly to investors by phone, email, and text messages about
13 potential investment terms. Butler then relayed those terms to principals of Standard
14 Holdings and Huaxia, who resided in the Los Angeles area, for approval. Butler also
15 helped negotiate repayment extensions for investors' promissory notes, which
16 included selling them more shares of Huaxia Class A common stock.

17 105. Butler also relayed information about investment terms to the Standard
18 Holdings Employee, who was responsible for finalizing the written investment
19 agreements, including subscription agreements and promissory notes. Butler emailed
20 subscription agreements and promissory notes to investors which detailed the number
21 of shares of Huaxia Class A common stock the investors were purchasing. He also
22 provided wire instructions directing investors to send their money to a bank account
23 in Encino, California in the name of Standard Holdings or asked the Standard
24 Holdings Employee to do so.

25 106. For example, from at least December 2019 through the end of 2020,
26 Butler solicited four investments from an investor, Investor 6, for a total investment
27 of \$65,000 to purchase 47,142 shares of Huaxia Series A common stock.
28

1 107. Butler solicited Investor 6 by telephone and text messages, arranged for
2 Investor 6 to receive access to an online data room containing documents regarding
3 Huaxia's purported business, arranged a call for Investor 6 to speak with a principal
4 of Standard Holdings and Huaxia about the investment, discussed investment terms
5 with Investor 6, asked the Standard Holdings Employee to send subscription
6 agreements to Investor 6, provided Investor 6 with wire instructions for Standard
7 Holdings' bank account, and notified a principal of Standard Holdings when Investor
8 6's wire transfers would be deposited in Standard Holdings' bank account.

9 108. Huaxia's internal documents credit Butler with raising each of the four
10 investments from Investor 6.

11 **Butler Received Transaction-Based Compensation**

12 109. Butler received transaction-based compensation for selling shares of
13 Huaxia Class A common stock to investors. Standard Holdings paid Butler at least
14 \$235,700, which was about 10% of the money he raised from investors. One of
15 Standard Holdings' principals wired these funds to Butler from a Standard Holdings
16 bank account held at a branch of the bank in Encino, California.

17 110. For example, in April 2021, Butler solicited a \$50,000 investment from
18 an investor, Investor 7, and asked a principal of Standard Holdings to confirm when
19 the funds arrived in Standard Holdings' bank account. After receiving confirmation
20 that Investor 7's money had been deposited, Butler requested a \$5,000 payment.
21 Bank records show that the same day Investor 7 transferred \$50,000 to a Standard
22 Holdings bank account, \$5,000 was transferred from a Standard Holdings bank
23 account to Butler's bank account.

24 **Butler Was Not Registered As A Broker While Acting As One**

25 111. Since April 17, 2019, while Butler was engaging in the business of
26 effecting transactions in shares of Huaxia Class A common stock for the account of
27 others, Butler was not registered as a broker, was not associated with any registered
28 broker-dealer, and did not meet any exemption to the registration requirements.

1 **FIRST CLAIM FOR RELIEF**

2 **Violations of Exchange Act Section 10(b) and Rule 10b-5 thereunder**
3 **(against all Standard Holdings Defendants)**

4 112. The SEC realleges and incorporates by reference paragraphs 1 through
5 111 above.

6 113. By engaging in the conduct described above, the Standard Holdings
7 Defendants directly or indirectly, singly or in concert with others, in connection with
8 the purchase or sale of a security and by the use of means or instrumentalities of
9 interstate commerce, or the mails, with scienter: (a) employed devices, schemes, or
10 artifices to defraud; (b) made one or more untrue statements of a material fact or
11 omitted to state one or more material facts necessary in order to make the statements
12 made, in the light of the circumstances under which they were made, not misleading;
13 and (c) engaged in acts, practices or courses of business which operated or would
14 operate as a fraud or deceit upon the purchasers of securities offered or sold by the
15 Standard Holdings Defendants, and other persons.

16 114. By reason of the conduct described above, the Standard Holdings
17 Defendants violated, and unless restrained and enjoined will continue to violate,
18 Section 10(b) of the Exchange Act, 15 U.S.C. §78j(b), and Rule 10b-5 thereunder, 17
19 C.F.R. § 240.10b-5.

20 **SECOND CLAIM FOR RELIEF**

21 **Violations of Securities Act Section 17(a)**
22 **(against all Standard Holdings Defendants)**

23 115. The SEC realleges and incorporates by reference paragraphs 1 through
24 114 above.

25 116. By engaging in the conduct described above, the Standard Holdings
26 Defendants, singly or in concert with others, in the offer or sale of securities, by the
27 use of means or instruments of transportation or communication in interstate
28 commerce or by use of the mails, directly or indirectly: (a) while acting knowingly or

1 recklessly, employed devices, schemes, or artifices to defraud; (b) while acting
2 knowingly, recklessly, or negligently, obtained money or property by means of untrue
3 statements of a material fact or by omitting to state a material fact necessary in order
4 to make the statements made, in light of the circumstances under which they were
5 made, not misleading; and (c) while acting knowingly, recklessly, or negligently,
6 engaged in transactions, practices, or courses of business which operated or would
7 operate as a fraud or deceit upon the purchasers of securities offered or sold by the
8 Standard Holdings Defendants.

9 117. By reason of the conduct described above, the Standard Holdings
10 Defendants violated Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

11 **THIRD CLAIM FOR RELIEF**

12 **Control Person Violations of Exchange Act Section 10(b) and Rule 10b-5**

13 **thereunder, pursuant to Exchange Act Section 20(a)**

14 **(against Tayt Dencer and Luke Dencer)**

15 118. The SEC realleges and incorporates by reference paragraphs 1 through
16 117 above.

17 119. At all relevant times herein, Defendants Tayt Dencer and Luke Dencer
18 were control persons of Standard Holdings and Huaxia because they possessed,
19 directly or indirectly, and exercised actual control over the operations of Standard
20 Holdings and Huaxia.

21 120. Specifically, Tayt Dencer founded Standard Holdings and Huaxia and
22 holds himself out as executive chairman of Standard Holdings, the parent of Huaxia.
23 Luke Dencer founded Standard Holdings and Huaxia and holds himself out as the
24 president, secretary, treasurer, and a director of Standard Holdings and as a director
25 and CEO of Huaxia. Tayt Dencer and Luke Dencer jointly control all business
26 operations of Standard Holdings and Huaxia. Accordingly, Tayt Dencer and Luke
27 Dencer were control persons for Standard Holdings and Huaxia within the meaning
28 of Section 20(a) of the Exchange Act.

1 121. Luke Dencer is the signatory on all relevant bank accounts and
 2 improperly directed transfers out of the Standard Holdings accounts for the personal
 3 expenses of himself and Tayt Dencer. Tayt Dencer had access to the Standard
 4 Holdings accounts through Luke Dencer and personal debit cards. Luke Dencer and
 5 Tayt Dencer reviewed and approved the terms of investor agreements involving
 6 Standard Holdings and Huaxia. Luke Dencer signed, or authorized another employee
 7 to sign on his behalf, agreements with investors. Tayt Dencer and Luke Dencer
 8 directly or indirectly induced Standard Holdings and Huaxia to misuse and
 9 misappropriate investor money. They also directly or indirectly induced Standard
 10 Holdings’ and Huaxia’s false and misleading statements. Tayt Dencer and Luke
 11 Dencer did not act in good faith as to any of this conduct.

12 122. Accordingly, pursuant to Section 20(a) of the Exchange Act, 15 U.S.C.
 13 § 78t(a), Defendants Tayt Dencer and Luke Dencer are jointly and severally liable to
 14 the SEC to the same extent that Standard Holdings and Huaxia are liable for their
 15 respective violations of Section 10(b) of the Exchange Act and Rule 10b-5
 16 thereunder.

17 **FOURTH CLAIM FOR RELIEF**
 18 **Violation of Section 15(a)(1) of the Exchange Act**
 19 **(against Butler)**

20 123. The SEC realleges and incorporates by reference paragraphs 1 through
 21 122 above.

22 124. By engaging in the conduct described above, Defendant Butler used the
 23 mails and the means and instrumentalities of interstate commerce to effect
 24 transactions in, or induce or attempt to induce the purchase or sale of, securities for
 25 the account of others without registering as a broker-dealer with the Commission,
 26 associating with a broker-dealer registered with the Commission, or having an
 27 exemption or exception from such registration.

1 125. By reason of the foregoing, Defendant Butler violated, and unless
2 restrained and enjoined will continue to violate, Section 15(a)(1) of the Exchange
3 Act, 15 U.S.C. § 78o(a)(1).

4 **PRAYER FOR RELIEF**

5 WHEREFORE, the SEC respectfully requests that the Court enter a Final
6 Judgment:

7 **I.**

8 Finding that Defendants Tayt Dencer, Luke Dencer, Standard Holdings,
9 Huaxia, and Butler committed the violations alleged in this Complaint;

10 **II.**

11 Permanently restraining and enjoining Defendants Tayt Dencer, Luke Dencer,
12 Standard Holdings, and Huaxia from violating Section 17(a) of the Securities Act, 15
13 U.S.C. § 77q(a), Section 10(b) of the Exchange Act, 15 U.S.C. §§ 78j(b), and Rule
14 10b-5 thereunder, 17 C.F.R. § 240.10b-5;

15 **III.**

16 Permanently prohibiting Defendants Tayt Dencer and Luke Dencer, under
17 Section 20(e) of the Securities Act, 15 U.S.C. § 77t(e), and Sections 21(d)(2) of the
18 Exchange Act, 15 U.S.C. § 78u(d)(2), from acting as an officer or director of any
19 issuer that has a class of securities registered under Section 12 of the Exchange Act,
20 15 U.S.C. § 78l, or that is required to file reports pursuant to Section 15(d) of the
21 Exchange Act, 15 U.S.C. § 78o(d);

22 **IV.**

23 Permanently enjoining Defendants Tayt Dencer and Luke Dencer from directly
24 or indirectly, including, but not limited to, through an entity owned or controlled by
25 them, participating in the issuance, purchase, offer, or sale of any security; provided,
26 however, that such injunctions shall not prevent Tayt Dencer or Luke Dencer from
27 purchasing or selling securities listed on a national securities exchange for their own
28 personal accounts;

1 **V.**

2 Ordering Defendants Tayt Dencer and Luke Dencer, jointly and severally with
3 each other, jointly and severally with Defendant Standard Holdings, and jointly and
4 severally with Defendant Huaxia, to disgorge all ill-gotten gains they received
5 directly or indirectly as a result of the alleged violations, and ordering Defendant
6 Butler to disgorge all ill-gotten gains or unjust enrichment derived from the activities
7 set forth in this Complaint, together with prejudgment interest thereon, pursuant to
8 Sections 21(d)(3), 21(d)(5), and 21(d)(7) of the Exchange Act, 15 U.S.C.
9 §§ 78u(d)(3), 78u(d)(5), and 78u(d)(7);

10 **VI.**

11 Ordering Defendants Tayt Dencer, Luke Dencer, Standard Holdings, and
12 Huaxia to pay civil monetary penalties under Section 20(d) of the Securities Act, 15
13 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3),
14 and ordering Defendant Dennis Butler to pay civil monetary penalties under Section
15 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3);

16 **VII.**

17 Permanently enjoining Defendant Butler from, directly or indirectly, violating
18 Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o(a)(1); and

19 **VIII.**

20 Granting such other and further relief as this Court may deem just and proper.
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DEMAND FOR JURY TRIAL

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the SEC demands trial by jury.

Dated: December 10, 2024

/s/ Stephen T. Kam

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