

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLORADO

Civil Action No. \_\_\_\_\_

UNITED STATES SECURITIES AND  
EXCHANGE COMMISSION,

Applicant,

v.

RAYMOND Y. CHIN, KENYATTO MONTEZ JONES,  
HENNING D. MORALES, BENJAMIN J. PORT,  
ALAN M. ROTHMAN, RONALD C. TOUCHARD,  
MISTY D. TOUCHARD, AUGUST, INC., DELTA  
CONSULTING, LLC, EWORLD COMPANIES, INC.,  
GLOBALQX, KNIGHT CONSULTING CORP.,  
MONARCHY CAPITAL, INC., NEBTROPOLIS  
CONSULTING, INC., NEWPORT HOLDINGS, INC.,  
NEWPORT STOCKS, INC., NUTRIPURE BEVERAGES,  
INC., PREZENSE, INC., RMT CONSULTING, INC.,  
SUNRISE CONSULTING GROUP, INC., TOUCHARD FAMILY  
TRUST, and RBID.COM, INC.

Respondents.

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***EX PARTE* APPLICATION FOR ORDER TO SHOW CAUSE AND FOR AN ORDER  
COMPELLING COMPLIANCE WITH ADMINISTRATIVE SUBPOENAS**

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1. Applicant, the United States Securities and Exchange Commission (the “Commission”), hereby applies to this Court for an *ex parte* Order to Show Cause why an Order should not issue requiring Respondents to comply with the following administrative subpoenas issued by the Commission staff and properly served on the Respondents:

a. July 21, 2011 subpoenas for documents to Respondents Kenyatto Montez

Jones, Benjamin Port, Alan Rothman, Ronald C. Touchard, and Misty D. Touchard;

- b. January 23, 2012 subpoenas for documents to Respondents August, Inc., Delta Consulting, LLC, GlobalQx, Knight Consulting Corp., Monarchy Capital, Inc., Nebtropolis Consulting, Inc., Newport Holdings, Inc., Newport Stocks, Inc., Nutripure Beverages, Inc., Prezense, Inc., RMT Consulting, Inc., Touchard Family Trust, and RBID.com, Inc.;
- c. August 25, 2011 subpoena for documents to Respondent Sunrise Consulting Group, Inc.;
- d. February 1, 2012 subpoena for testimony and documents to Sunrise's CEO, Respondent Raymond Y. Chin;
- e. August 8, 2011 subpoena for documents to Respondent eWorld Companies, Inc.; and
- f. February 2, 2012 and March 7, 2012 subpoenas for testimony to eWorld's CEO, Respondent Henning D. Morales.

2. Despite proper service and actual knowledge of the Subpoenas, Respondents have failed to comply. In many cases, Respondents have simply invoked a blanket claim of a Fifth Amendment privilege, without describing their claims on a particularized basis, as required by both the Subpoenas and by relevant Tenth Circuit law. In other cases, Respondents have not fully complied or not complied at all.

3. This Application is based on the concurrently-filed Declaration of Rachael Clarke ("Clarke Declaration"), the exhibits to the Clarke Declaration, the Memorandum of Law filed in

support of this Application, and any written or oral evidence that may be offered at any hearing on the Application.

### **JURISDICTION AND VENUE**

4. Jurisdiction is conferred upon this Court by Section 21(c) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78u(c)]. Venue is proper in the District of Colorado because this is the district where the Commission is carrying on the relevant investigation. 15 U.S.C. § 78u(c).

### **RESPONDENTS<sup>1</sup>**

5. *The Touchards and the Touchard Entities.* Ronald C. Touchard and Misty D. Touchard are husband and wife residing in Newport Beach, California. The Touchards use numerous entities – including August, Inc.; Delta Consulting LLC; Knight Consulting Corp.; Newport Holdings, Inc.; Newport Stocks, Inc.; RMT Consulting, Inc; and the Touchard Family Trust (collectively, the “Touchard Entities”) – to purchase and trade securities in fraudulent stock schemes. More specifically:

- a. Ronald Touchard is the CEO of August, Inc., a Delaware corporation, and he and Misty Touchard are joint account holders on at least one of August’s brokerage accounts;
- b. Ronald Touchard is the beneficial owner of the Delta Consulting LLC and Knight Consulting Corp. accounts at an offshore brokerage firm, Gibraltar Global Securities, in the Bahamas;

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<sup>1</sup> The below detail is based on the Commission’s best information and belief as a result of a thorough investigation. Additional detail about the Respondents is contained in the attached declaration of Ms. Clarke.

- c. Ronald Touchard is the contact person for the Newport Holdings, Inc., a/k/a Newport Stocks, Inc., brokerage account at Scottsdale Capital Advisors, and has signed forms authorizing wire transfers out of the Newport account at Gibraltar;
- d. Ronald Touchard is the Secretary, and Misty Touchard is the President and Treasurer, of RMT Consulting, Inc.; and
- e. Ronald Touchard is the beneficial owner of shares held by the Touchard Family Trust.

6. *Jones and the Jones Entities.* Kenyatto Montez Jones resides in Santa Ana, California. Jones is an officer and director of Prezense, Inc., a Nevada corporation. Jones is also the CEO of Nutripure Beverages, Inc., a Nevada corporation. Jones also appears to control GlobalQx.

7. *Port and the Port Entities.* Benjamin Port is a stock promoter residing in San Marcos, California. He is the sole officer of Monarchy Capital, Inc. and Nebtropolis Consulting, Inc., which are both Nevada corporations.

8. *Rothman.* Alan Rothman resides in Newport Beach, California. Rothman has been the CEO of RBID.com, Inc. since at least 2009, and was the CEO of Sunrise Consulting, Inc. from May 2009 until October 2010.

9. *Chin.* Raymond Y. Chin appears to reside in Penn Valley, Pennsylvania, but may presently be traveling to or residing in China. Chin was employed by Sunrise from 2007 until September 2011, including as Chairman and CEO.

10. *Morales.* Henning D. Morales resides in Los Angeles, California, and has been

the CEO of eWorld Companies, Inc. since at least 2007.

11. *eWorld*. eWorld Companies, Inc. appears to be a Nevada corporation headquartered in Beverly Hills, California. eWorld's stock is traded over the counter and listed on what is commonly called the "Pink Sheets." Morales has served as the company's CEO since at least 2007. Certain of the individual Respondents and/or entities they control, received and sold billions of shares of eWorld common stock, often while eWorld was issuing misleading press releases and other disclosure documents to the investing public.

12. *Sunrise*. Sunrise Consulting, Inc. is a Nevada corporation headquartered in Newport Beach, California. Sunrise's common stock is traded over the counter and listed on the Pink Sheets. Rothman appears to have been Sunrise's CEO until October 2010, and Chin appears to have been employed by Sunrise from 2007 until September 2011, including as Chairman and CEO. Certain of the individual Respondents purportedly served as "consultants" to the company. They, and/or entities they control, received and sold billions of shares of Sunrise common stock, often while Sunrise was issuing misleading press releases and other disclosure documents to the investing public.

13. *Nutripure*. Nutripure Beverages, Inc. is a Nevada corporation headquartered in Newport Beach, California. Nutripure's common stock is traded over the counter and listed on the Pink Sheets. Jones is Nutripure's CEO, and the company has other employees and consultants, including an individual who apparently served as CEO of Nutripure before Jones and as CEO and President of a Nutripure subsidiary, a "Senior Research Scientist," and the "management" of a distributorship Nutripure claims to have purchased. Certain of the individual Respondents and/or their entities received billions of "free trading" Nutripure shares, often while

Nutripure was issuing apparently misleading press releases and other disclosure documents to the investing public.

14. *RBID*. RBID.com, Inc. is a Florida corporation headquartered in Newport Beach, California. RBID's common stock is traded over the counter and listed on the Pink Sheets.

Rothman has been RBID's CEO since at least 2009.

#### **THE COMMISSION'S INVESTIGATION AND THE ADMINISTRATIVE SUBPOENAS**

15. Pursuant to Section 20(a) of the Securities Act, [15 U.S.C. § 77t(a)], and Section 21(a) of the Exchange Act, [15 U.S.C. § 78u(a)], Congress conferred on the Commission the authority to conduct investigations. *See, e.g.*, 15 U.S.C. § 78u(a)(1) ("The Commission may, in its discretion, make such investigations as it deems necessary to determine whether any person has violated, is violating, or is about to violate any provision of" the securities laws, rules and regulations.)

16. On May 4, 2011, the Commission issued an Order Directing Private Investigation and Designating Officers to Take Testimony entitled *In the Matter of August, Inc.* (Commission File No. D-3203) (the "Formal Order") pursuant to Section 20(a) of the Securities Act, [15 U.S.C. § 77t(a)], and Section 21(a) of the Exchange Act, [15 U.S.C. § 78u(a)].

17. The Formal Order authorized the Commission's staff to investigate whether Respondent Touchard and others had violated or were violating various provisions of the securities laws, including the antifraud and registration provisions of the Securities Act, [15 U.S.C. § 77q(a), 15 U.S.C. § 77e], and the antifraud provisions of the Exchange Act, [15 U.S.C. § 78j(b), 17 C.F.R. § 240.10b-5].

18. Pursuant to Section 19(c) of the Securities Act, [15 U.S.C. § 77s(c)], and Section

21(b) of the Exchange Act [15 U.S.C. § 78u(b)], the Formal Order designated certain members of the Commission staff as officers of the Commission. As officers, the Commission staff are empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which are relevant or material to the inquiry and to perform all other duties in connection therewith as prescribed by law.

19. In connection with the Commission's investigation, the Commission staff are seeking information regarding, among other things, possible violations of the antifraud provisions of the federal securities laws by the Respondents and others in connection with Respondents' apparent scheme to artificially inflate, and then sell, the stock of various small companies (a "pump and dump" scheme). Commission staff are also investigating whether certain Respondents made false or misleading statements in issued press releases.

**Subpoenas to the Touchards, Jones, Port, Rothman, and Their Corporate Entities**

20. As more fully described in the Clarke Declaration and the attached Memorandum of Law, pursuant to the Formal Order, the staff issued subpoenas on July 21, 2011 to Respondents Ronald C. Touchard, Misty D. Touchard, Alan Rothman, Benjamin Port, and Kenyatto Montez Jones, requiring each recipient to produce documents. The subpoenas were properly served. All of the subpoena recipients, save Mr. Port, immediately retained the same counsel, asserted a blanket Fifth Amendment privilege against self incrimination, and refused to produce any documents. After retaining separate counsel and making a partial production, Mr. Port eventually retained the same counsel as the other recipients and asserted his Fifth Amendment rights to refuse to produce any additional documents. None of the recipients

produced a log or any other description of their privilege claims on a document-by-document basis, as required by the subpoenas.

21. On January 23, 2012, the staff issued subpoenas for documents to Respondents August, Inc., Delta Consulting, LLC, GlobalQx, Knight Consulting Corp., Monarchy Capital, Inc., Nebtropolis Consulting, Inc., Newport Holdings, Inc., Newport Stocks, Inc., Nutripure Beverages, Inc.,<sup>2</sup> Prezense, Inc., RMT Consulting, Inc., Touchard Family Trust, and RBID.com, Inc. These companies are all related to the individual Respondents who received – and failed to respond to – the July 21, 2011 subpoenas. The January 23 subpoenas were served on the individual Respondents known to control each corporate entity, the address listed as the company’s principal place of business (if one existed and could be found), and/or the company’s domestic registered agent (if one existed and could be found). All of the subpoenas were delivered, and none were returned. The subpoenas were also delivered to counsel representing the individual Respondents who controlled these corporate entities. On February 2, 2012, counsel wrote the staff, continuing to assert that his clients would not produce documents in reliance on the Fifth Amendment’s protections. Further, none of the recipients produced a log or any other description of their privilege claims on a document-by-document basis, as required by the subpoenas.

### **Subpoenas to Sunrise and Chin**

22. The staff also issued a subpoena on August 8, 2011, and then again on August 25, 2011, to Respondent Sunrise Consulting Group, Inc., requiring it to produce

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<sup>2</sup> The staff had previously tried to serve Nutripure with a subpoena for documents on August 8, 2011, at the address listed as the company’s principal place of business, but that subpoena was returned because the company was not actually located at that address.



documents. Although sent to Sunrise's purported principal place of business, the August 8 subpoena was returned because the company was not actually located at that address. The August 25 subpoena was served on Sunrise's registered agent in Nevada. That subpoena required the production of documents on or before September 12, 2011. To date, the staff has received no response.

23. On February 1, 2012, the staff issued a subpoena for testimony and documents to Sunrise's CEO, Respondent Raymond Y. Chin. The subpoena was properly served. It required Mr. Chin to produce documents on or before February 13, 2012, and to appear for testimony on March 5, 2012. Although the staff has had some communication with Mr. Chin, and a lawyer who was not representing Mr. Chin, but rather acting as an "intermediary," Mr. Chin has to date not produced documents or appeared for testimony.

#### **Subpoenas to eWorld and Morales**

24. On August 8, 2011, the staff issued a subpoena for documents to Respondent eWorld Companies, Inc. The staff received a partial production of documents on October 4, 2011.

25. On February 2, 2012, the staff issued a subpoena for testimony of eWorld's CEO, Respondent Henning Morales. Morales appeared for testimony and acknowledged that eWorld's production in response to the August 8 subpoena was incomplete. What's more, before Morales' testimony was completed, his counsel requested that testimony be adjourned because counsel was not sufficiently comfortable with securities enforcement actions. The testimony was adjourned under the specific condition that Morales would retain new counsel and reschedule. While the staff has had some communications with an eWorld employee, and received some

additional documents, they have not received the required assurance that eWorld's subpoena response is complete or that Morales will travel to Denver to testify on a date that is satisfactory to the staff.

### **THE COURT SHOULD ENFORCE THE SUBPOENAS**

26. As set forth more fully in the attached Memorandum of Law, the Court should enforce each of these subpoenas. The Commission's investigation is being conducted for a proper purpose, the subpoenas were issued in accordance with required administrative procedures, and the information sought is relevant to the pending investigation and is necessary to determine whether violations of the federal securities laws have occurred or may be occurring. *See, e.g., U.S. v. Powell*, 379 U.S. 48, 57-58 (1964) (enforcing administrative subpoena).

27. While certain Respondents may have valid Fifth Amendment claims to certain documents, both the subpoenas and relevant Tenth Circuit law require more than a simple, blanket assertion. Respondents must assert their privilege claims on a document-by-document basis in order for the Commission, and this Court, to assess the validity of the claims. Further, certain categories of documents – such as records the Respondents hold in their capacity as corporate custodians, and records about which the Commission knew prior to the issuance of the subpoenas – are not protected by the Fifth Amendment and must be produced. Finally, Respondents Chin, Sunrise, Morales, and eWorld have asserted no even arguably valid defense to the subpoenas; they have simply refused to comply or comply fully.

28. Respondents' continuing refusal to comply with the subpoenas is hindering the Commission staff's efforts to determine what, if any, violations of the securities laws have occurred or continue to occur. Accordingly, the Commission requests an order requiring the

Respondents to promptly comply with their obligations to produce documents and to provide sworn testimony.

WHEREFORE, based on the foregoing, the Applicant respectfully requests that the Court:

1. Forthwith issue an *ex parte* Order to Show Cause directing Respondents to show cause, if there be any, why this Court should not order them to comply with the subpoenas, produce non-privileged documents and, where appropriate, appear and provide testimony to a duly designated officer or officers of the Commission in the investigation entitled *In the Matter of August, Inc.* (Commission File No. D-3203);

2. Issue an Order directing Respondents to comply with the subpoenas, produce non-privileged documents and, where appropriate, appear and provide testimony to a duly designated officer or officers of the Commission in the investigation entitled *In the Matter of August, Inc.* (Commission File No. D-3203) within 20 days of the date of the Order; and

3. Grant the Commission such other and further relief as may be appropriate.

DATED: May 22, 2012

Respectfully submitted,

s/ Nicholas P. Heinke

Nicholas P. Heinke

Rachael Clarke (*application for admission pending*)

U.S. Securities and Exchange Commission

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CERTIFICATE OF SERVICE

I hereby certify that on May 22, 2012, the foregoing document was served by first class

U.S. Mail addressed to the following:

Raymond Y. Chin, <i>Pro Se</i> 103 Valley View Way Newtown, PA 18940	
Kenyatto Montez Jones, <i>Pro Se</i> 3415 S. Main St., Unit B Santa Ana, CA 92707	Henning D. Morales, <i>Pro Se</i> 9663 Santa Monica Blvd., Suite 559 Beverly Hills, CA 90210
Benjamin J. Port, <i>Pro Se</i> 1686 Sagewood Way San Marcos, CA 92078	Alan M. Rothman, <i>Pro Se</i> 612 Hilvanar Newport Beach, CA 92660
Ronald C. Touchard, <i>Pro Se</i> 3 Marble Sands Newport Beach, CA 92660	Misty D. Touchard, <i>Pro Se</i> 3 Marble Sands Newport Beach, CA 92660
August, Inc. c/o Harvard Business Services, Inc. Registered Agent 16192 Coastal Highway Lewes, DE 19958	Delta Consulting, LLC c/o Ronald C. Touchard 3 Marble Sands Newport Beach, CA 92660
eWorld Companies, Inc. c/o Henning Morales 9663 Santa Monica Blvd., Suite 559 Beverly Hills, CA 90210	GlobalQx c/o Kenyatto M. Jones 3415 S. Main St., Unit B Santa Ana, CA 92707
Knight Consulting Corp. c/o Ronald C. Touchard 3 Marble Sands Newport Beach, CA 92660	Monarchy Capital, Inc. c/o Killucan International, Inc. Registered Agent 4830 Impresario Court Las Vegas, NV 89149

<p>Nebtropolis Consulting, Inc.  c/o Killucan International, Inc.  Registered Agent  4830 Impresario Court  Las Vegas, NV 89149</p>	<p>Newport Holdings, Inc.  c/o Ronald C. Touchard  3 Marble Sands  Newport Beach, CA 92660</p>
<p>Newport Stocks, Inc.  c/o Ronald C. Touchard, Registered Agent  3 Marble Sands  Newport Beach, CA 92660</p>	<p>Nutripure Beverages, Inc.  c/o Kenyatto Jones, CEO  3415 S. Main St., Unit B  Santa Ana, CA 92707</p>
<p>Prezense, Inc.  c/o Incorporating Solutions Group, Inc.  Registered Agent  10120 S. Eastern Ave. #200  Henderson, NV 89052</p>	<p>RBID.com, Inc.  c/o Alan Rothman, President  895 Dove St., Third Floor  Newport Beach, CA 92660</p>
<p>RMT Consulting, Inc.  c/o Ronald C. Touchard, Registered Agent  3 Marble Sands  Newport Beach, CA 92660</p>	<p>Sunrise Consulting, Inc.  c/o Incorporating Solutions Group, Inc.  Registered Agent  10120 S. Eastern Ave. #200  Henderson, NV 89052</p>
<p>Touchard Family Trust  c/o Ronald C. Touchard  3 Marble Sands  Newport Beach, CA 92660</p>	

s/ Nicholas P. Heinke

Nicholas P. Heinke