

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

SECURITIES AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No.:
)	
THOMAS COLLINS,)	JURY TRIAL DEMANDED
PATRICK THOMAS,)	
GARY KOULETAS,)	
SCOTT LEVINE, and)	
BRIAN KINGSFIELD,)	
)	
Defendants.)	

COMPLAINT

Plaintiff Securities and Exchange Commission (the “Commission” or “SEC”) alleges:

NATURE OF THE ACTION

1. The Commission brings this action against Thomas Collins, Patrick Thomas, Gary Kouletas, Scott Levine, and Brian Kingsfield (collectively, “Defendants”) for violations of the federal securities laws. In a scheme that lasted for more than a year, Collins and Thomas secretly gained control over Global Resource Energy, Inc. (“GBEN”) and nearly all of the company’s shares available for public trading. Collins and Thomas then coordinated efforts with Kouletas, Kingsfield, and Levine to fraudulently sell GBEN stock into the market, maintaining secrecy about the source of the shares. As part of the Defendants’ scheme, Kingsfield also acted as an unregistered broker in soliciting investors to purchase GBEN shares. Defendants collectively received approximately \$1.7 million in proceeds from these fraudulent securities transactions.

2. GBEN was purportedly a health-and-wellness business, offering lifestyle products including the distribution of a ready-to-drink, hemp-infused cocktail called “Hemp Hazed.” In February 2019, Collins and Thomas obtained control of GBEN through a series of misleading transactions designed to conceal their control of the company and ownership of vast amounts of GBEN stock.

3. Collins and Thomas engaged a network of salespeople, including Kingsfield, to sell GBEN shares to the public. Using sham consulting agreements, Collins and Thomas orchestrated the transfer of millions of restricted shares of GBEN stock to a third-party entity to give the appearance that the shares were freely tradeable. Kingsfield and others then sold to the public the shares held by the third-party entity to generate profits that Kingsfield split with Thomas and Collins. In so doing, Kingsfield knowingly offered and sold GBEN stock without being registered as a broker with the Commission.

4. To carry out this fraudulent scheme, Collins also enlisted the aid of Levine, a market-maker. A market-maker is a person or entity who buys securities from sellers and sells to buyers, providing liquidity to the market. Collins directed Levine to identify incoming investor bids to buy GBEN so that Collins and Thomas could dump their purportedly free-trading shares through an entity owned by Kouletas (the “Kouletas Entity”) – a process known as “flashing the bid.” Typically, Levine would sell short GBEN shares into the public market, thereby matching with the unsuspecting investors that salespeople like Kingsfield were soliciting and advising to buy GBEN. Collins agreed that Levine could keep approximately five-percent of the public sale price for himself when he closed out his short positions.

5. To further conceal their control of GBEN shares that they sold to the market, Collins and Thomas also entered into a sham agreement with the Kouletas Entity. The Kouletas

Entity then appeared to enter into an agreement with an entity that Thomas controlled to acquire 500,000 shares of GBEN stock for \$10,000. In reality, Thomas, Collins, and Kouletas had a secret understanding, whereby the Kouletas Entity would only retain a percentage of the proceeds of the sales of these shares to the public. The Kouletas Entity then sold more than 1.3 million GBEN shares to the public, generating approximately \$938,000 in trading proceeds.

6. Collins and Thomas planned an aggressive promotional campaign to “pump” GBEN stock and obtain more trading profits, but these plans were thwarted when the Commission suspended trading in GBEN stock in August 2020.

7. Through their actions, Defendants violated, and unless enjoined will continue to violate, the antifraud provisions of the federal securities laws, namely Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rules 10b-5(a) and (c) thereunder [17 C.F.R. §§ 240.10b-5(a) and (c)] and Sections 17(a)(1) and (3) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77q(a)(1) and (3)].

8. Additionally, through his actions, Defendant Kingsfield violated, and unless enjoined will continue to violate, the broker-registration provisions of the federal securities laws, namely Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

9. To protect the public from further harm and fraudulent activity, the SEC brings this action against Defendants and seeks: (i) permanent injunctive relief; (ii) disgorgement of ill-gotten gains, plus prejudgment interest; (iii) civil penalties; (iv) penny stock bars; and (v) officer-and-director bars against Collins and Thomas.

DEFENDANTS

10. **Thomas Collins**, age 50, formerly lived in Weatherford, Texas. On December 13, 2022, Collins was sentenced to 41 months imprisonment after he pled guilty to Conspiracy to

Commit Securities Fraud under 18 U.S.C. § 371. *United States v. Collins, et al.*, 1:20-cr-00842-BYP (N.D. Ohio). In his criminal case, Collins was also ordered to pay restitution of \$2,303,824.97 on a joint-and-several basis with the other Defendants.

11. **Patrick Thomas**, age 50, formerly lived in Carrollton, Texas. On October 18, 2022, Thomas was sentenced to 18 months imprisonment after he pled guilty to Conspiracy to Commit Securities Fraud under 18 U.S.C. § 371. *United States v. Collins, et al.*, 1:20-cr-00842-BYP (N.D. Ohio). In his criminal case, Thomas was ordered to pay restitution of \$2,848,372.97 on a joint-and-several basis with the other Defendants.

12. **Gary Kouletas**, age 47, formerly lived in Hasbrouck Heights, New Jersey. On August 30, 2022, Kouletas pled guilty to Conspiracy to Commit Securities Fraud under 18 U.S.C. § 371. On March 17, 2023, Kouletas was sentenced to 43 months imprisonment and ordered to pay restitution of \$902,564.57 on a joint-and-several basis with the other Defendants. *United States v. Collins, et al.*, 1:20-cr-00842-BYP (N.D. Ohio).

13. **Scott Levine**, age 44, lives in Delray Beach, Florida. Levine was charged by criminal information on May 3, 2023 of one count of Conspiracy to Commit Securities Fraud under 18 U.S.C. § 371. *United States v. Levine*, 1:23-cr-00262-SL (N.D. Ohio). Levine pleaded guilty on June 12, 2023 and awaits sentencing. The Financial Industry Regulatory Authority (“FINRA”) suspended Levine on December 22, 2021 and permanently barred him on March 25, 2022.

14. **Brian Kingsfield**, age 53, formerly lived in Laguna Niguel, California. In 2015, Kingsfield was convicted on November 20, 2017 of one count of Conspiracy to Commit Wire Fraud under 18 U.S.C. § 371 for a stock-related fraud unrelated to the facts of this case. *United States v. Kingsfield*, 15-cr-00014-JVS (C.D. Cal.). On July 27, 2022, Kingsfield pled guilty to Conspiracy to Commit Securities Fraud under 18 U.S.C. § 371, was sentenced to 37 months

imprisonment, and was ordered to pay restitution of \$584,950.63 on a joint-and-several basis with the other Defendants. *United States v. Collins, et al.*, 1:20-cr-00842-BYP (N.D. Ohio).

Related Entity

15. **Global Resource Energy, Inc.** is a Nevada corporation with its principal place of business in Fort Worth, Texas. Global Resource Energy, Inc.’s common stock was quoted on OTC Link, an electronic inter-dealer quotation system, under the symbol “GBEN,” until August 17, 2020, when the Commission suspended trading in GBEN pursuant to Section 12(k) of the Exchange Act.

JURISDICTION AND VENUE

16. The Commission brings this action pursuant to authority conferred upon it by Sections 20(b) and 20(d) of the Securities Act [15 U.S.C. §§ 77t(b) and 77t(d)] and Sections 21(d) and 21(e) of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u(e)].

17. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), (e), and 78aa].

18. In connection with the conduct described in this Complaint, Defendants, directly or indirectly, made use of the mails or the means or instruments of transportation or communication in interstate commerce, including but not limited to email, wiring of funds, and use of brokerage accounts.

19. Venue is proper in this District because Collins and Thomas resided in, and GBEN had its principal place of business in, this District at all relevant times. Further, acts, transactions, and courses of business constituting violations of the federal securities laws alleged in this

Complaint occurred within this District, including Collins's and Thomas's transmission and receipt of documents and proceeds that effectuated this scheme.

FACTUAL ALLEGATIONS

A. Background

20. Formed in November 2008, GBEN purported to be engaged in the health-and-wellness business, offering lifestyle products including the distribution of their ready-to-drink, hemp-infused cocktail called "Hemp Hazed." Although GBEN reported more than 77 million shares outstanding and a market capitalization of more than \$40 million in June 2020, GBEN's financial statements for the period ended March 31, 2020, showed that the company had total revenue of negative \$2,116, a net loss of \$66,384, and negative retained earnings of \$2,046,473.

B. Collins and Thomas Obtained Undisclosed Control of GBEN

21. Beginning in February 2019 through the date of the Commission's trading suspension in GBEN's stock on August 17, 2020, Collins and Thomas exercised undisclosed control of the vast majority of GBEN's securities with the intent to profit from shareholders via a number of manipulative and deceptive actions. Collins and Thomas had an agreement to split the profits of their scheme.

22. On or about February 26, 2019, Thomas—through multiple companies he controlled—acquired seven million shares of GBEN stock from one of GBEN's largest shareholders. Within a month, Thomas and Collins obtained control of GBEN through a reverse merger involving a company Collins controlled, with Collins's wife taking the role of GBEN's nominal CEO. Collins controlled all decisions related to GBEN's securities.

23. Thomas, although not a licensed public accountant, facilitated the preparation of GBEN's financial statements and posted them to the OTC Markets website. As a controlling

shareholder, Thomas knowingly failed to disclose in these statements the material fact that he had acquired two outstanding convertible promissory notes from a single GBEN shareholder, thus obtaining a near super majority of outstanding shares.

24. In fact, up until the SEC suspended trading in GBEN's stock in August 2020, GBEN's OTC Disclosure Statement (published on June 23, 2020) falsely listed the convertible promissory notes that Thomas had acquired as still being owned by the prior shareholder. The value of these two notes, based on the outstanding principal and accrued interest, allowed Collins and Thomas to convert the notes into as much as 150 million shares of GBEN stock (out of the 250 million shares authorized).

C. **Collins, Thomas, Kingsfield, and Levine Fraudulently Offered and Sold Shares of GBEN Stock to Investors**

25. Shortly after Collins and Thomas obtained their undisclosed control of GBEN, they engaged in a series of fraudulent transactions to profit from their scheme. On or about March 25, 2019, Collins and Thomas directed GBEN to issue three million restricted shares of GBEN stock to a third-party entity (Company A), pursuant to a fraudulent consulting agreement between Company A and GBEN dated January 7, 2019.

26. In fact, Company A did not actually enter into this agreement. Instead, Thomas forged the signature of Company A's CEO on the January 7, 2019 agreement.

27. Collins and Thomas then engaged a network of salespeople, including Kingsfield and others, to solicit investors to purchase the restricted GBEN shares issued to Company A. Unknown to those investors, Collins and Thomas agreed to pay up to 50% of the sales proceeds of the GBEN shares to the salespeople.

28. Between April 2, 2019, and July 26, 2019, Collins and Thomas used Kingsfield and others to sell approximately 2,921,261 shares of restricted GBEN stock that had been issued to

Company A. Those sales generated \$784,125 in proceeds, which was split evenly between Thomas, Collins, Kingsfield, and another salesperson.

29. Kingsfield also coordinated with Thomas to deceive investors with respect to the GBEN stock held by Company A. First, due to his previous criminal history, detailed in paragraph 14 above, Kingsfield used the alias “Brian Evans” when offering and selling GBEN shares to investors. Collins and Thomas both knew that Kingsfield used the alias when trying to sell the GBEN stock.

30. Also, in part because of his criminal history, Kingfield and another salesperson sold restricted GBEN shares to investors through another entity, Company B. Kingsfield and Thomas orchestrated a second sham consulting agreement to transfer 1,461,904 of these restricted shares from Company A to Company B in three separate transfers.

31. Kingsfield actively solicited investors through cold calls, advised potential investors on the attractiveness of investing in GBEN, and received transaction-based compensation from Collins and Thomas. Throughout this time, Kingsfield knew that he was offering and selling GBEN stock without being registered as a broker.

D. Collins and Thomas Dump GBEN Shares on the Market

32. Collins and Thomas sold unrestricted shares of GBEN stock that they owned in several fraudulent ways, including through orchestrated open-market transactions.

33. Collins and Thomas directed Kingsfield and others to solicit GBEN shareholders and others to purchase GBEN shares on the open market. For these open-market trades, Collins and Thomas paid Kingsfield and others transaction-based compensation amounting to approximately 35% of the sales’ proceeds.

34. To assist Collins in carrying out the scheme, Kingsfield advised investors by phone as to specific prices and volumes for their open market trades. Later, Kingsfield contacted Collins and informed him of the amounts that each investor was willing to purchase.

35. Collins then used the information conveyed by Kingsfield to direct Levine, a market-maker. Collins asked Levine to look for incoming bids of GBEN stock so that Collins and Thomas could dump their free-trading shares—a process known as “flashing the bid.” Levine knew that Collins and Thomas had purported free-trading shares that they were selling into the market. As part of the scheme, Levine typically engaged in short selling GBEN shares into the public market, thereby matching with the unsuspecting investors that Kingsfield and others had solicited and advised to buy GBEN.

36. Collins and Levine had an agreement with Levine that he could keep five-percent of the public purchase price upon closing out his short positions.

37. Collins and Thomas also sold shares of GBEN stock into the market through the Kouletas Entity. In order to conceal the fact that Collins and Thomas were the source of the GBEN shares being dumped on the market, the Kouletas Entity executed a Stock Purchase Agreement (“SPA”) with an entity controlled by Thomas. Pursuant to the SPA, the Kouletas Entity purported to acquire 500,000 shares of GBEN stock for \$10,000 on or about March 27, 2019.

38. In reality, Collins and Thomas had a handshake agreement with Kouletas that his entity was merely a pass-through entity for sales of GBEN stock, for which Collins and Thomas agreed that the Kouletas Entity could retain up to 17% of the proceeds from the sales of GBEN stock. Collins, Thomas, and Kouletas failed to disclose this fact to GBEN’s transfer agent when the Kouletas Entity presented the SPA for the transfer of GBEN shares.

39. Between July 3, 2019, and July 13, 2020, the Kouletas Entity sold more than 1.3 million shares of Collins's and Thomas's GBEN stock to the market, generating approximately \$938,000 in trading proceeds. The Kouletas Entity then wired the majority of the trading proceeds to bank accounts controlled by Thomas. A significant number of the Kouletas Entity's sales of GBEN stock were matched with Levine's transactions closing out his short positions.

40. As he conducted the Kouletas Entity transactions, Levine knew that Collins and Thomas were the only sellers of GBEN stock.

CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF

Fraud in Connection with the Purchase or Sale of a Security

Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rules 10b-5(a) and (c) thereunder [17 C.F.R. §§ 240.10b-5(a) and (c)]

Against All Defendants

41. Plaintiff re-alleges and incorporates paragraphs 1 through 40 of this Complaint by reference as if set forth verbatim in this Claim.

42. By engaging in the acts and conduct alleged herein, Defendants, directly or indirectly, in connection with the purchase or sale of securities, by the use of any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange, knowingly or with severe recklessness:

- a. employed a device, scheme, or artifice to defraud; and/or
- b. engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit upon any person.

43. By reason of the foregoing, Defendants violated, and unless enjoined will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rules 10b-5(a) and (c) thereunder [17 C.F.R. §§ 240.10b-5(a) and (c)].

SECOND CLAIM FOR RELIEF

Fraud in the Offer or Sale of a Security

**Violations of Sections 17(a)(1) and 17(a)(3) of the Securities Act
[15 U.S.C. §§ 77q(a)(1) and (3)]**

Against All Defendants

44. Plaintiff re-alleges and incorporates paragraphs 1 through 40 of this Complaint by reference as if set forth verbatim in this Claim.

45. By engaging in the acts and conduct alleged herein, Defendants, directly or indirectly, in the offer or sale of a security, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, have:

a. knowingly or with severe recklessness employed a device, scheme, or artifice to defraud; and/or

b. knowingly (or with severe recklessness), recklessly, or negligently engaged in a transaction, practice, or course of business which operated or would operate as a fraud or deceit upon the purchaser.

46. By reason of the foregoing, Defendants have violated, and unless enjoined will continue to violate, Sections 17(a)(1) and (3) of the Securities Act [15 U.S.C. §§ 77q(a)(1) and (3)].

THIRD CLAIM FOR RELIEF

Broker-Registration Violations

**Violations of Sections 15(a) of the Exchange Act
[15 U.S.C. § 78o(a)]**

Against Kingsfield

47. Plaintiff re-alleges and incorporates paragraphs 1 through 40 of this Complaint by reference as if set forth verbatim in this Claim.

48. By engaging in the conduct described herein, Defendant Kingsfield, while engaged in the business of effecting transactions in securities for the account(s) of others, made use of the mails or any means or instrumentality of interstate commerce to effect transactions in, or to induce or attempt to induce the purchase or sale of, a security without being registered with the Commission as a broker or dealer or as an associated person of a registered broker or dealer, in accordance with Section 15(b) of the Exchange Act.

49. By engaging in this conduct, Defendant Kingsfield has violated, and unless enjoined will continue to violate, Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court enter a judgment:

1. Permanently enjoining the Defendants from violating Sections 17(a)(1) and (3) of the Securities Act [15 U.S.C. §§ 77q(a)(1) and (3)] and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rules 10b-5(a) and (c) thereunder [17 C.F.R. §§ 240.10b-5(a) and (c)];

2. Permanently enjoining Defendant Kingsfield from violating Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)];

3. Permanently barring Defendants from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1];

4. Permanently enjoining Defendants Collins and Thomas from serving as an officer or director of any issuer required to file reports with the SEC under Section 12(b), 12(g), or 15(d) of the Exchange Act [15 U.S.C. §§ 78l(b), 78l(g), and 78o(d)] pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)];

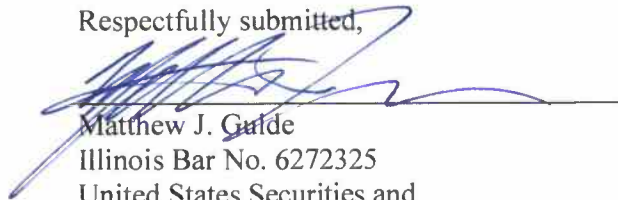
5. Ordering the Defendants to disgorge all ill-gotten gains received as a result of the violations alleged herein, plus prejudgment interest on those amounts, pursuant to the Court's equitable powers and Section 21(d)(3), 21(d)(5), and 21(d)(7) of the Exchange Act [15 U.S.C. §§ 78u(d)(3), (5), and (7)];

6. Ordering the Defendants to pay civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]; and

7. Imposing such other and further relief as the Court may deem just and proper.

Dated: June 30, 2023

Respectfully submitted,



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