

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

**UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,**

Plaintiff,

v.

Civil Action No. _____

**JASON DODD BULLARD,
ANGELA ROMERO-BULLARD,
and BULLARD ENTERPRISES
LLC,**

Defendants,

and

**DLJ REAL ESTATE L.L.C.,
EMPIRE INVESTMENTS L.L.C.,
EMPIRE RACING STABLES
L.L.C., and TI 13 L.L.C.,**

Relief Defendants.

COMPLAINT FOR EMERGENCY RELIEF

Plaintiff, the United States Securities and Exchange Commission (“Commission” or “SEC”), alleges the following:

1. From at least 2007 to August 2021, Jason Dodd Bullard (“Bullard”), his wife Angela Romero-Bullard (“Romero-Bullard”) and their entity Bullard

Enterprises LLC (collectively “Defendants”) raised approximately \$17.6 million from around 200 investors for a fraudulent Ponzi scheme.

2. A significant amount of the funds were raised since 2019, including \$1,970,000 since 2020.

3. Defendants told investors that their money would be invested in two self-described “investment funds,” each of which purported to trade foreign currencies.

4. Instead of using the funds as promised, Defendants used most of the investors’ funds to pay other investors and for their own personal uses, including funding four unrelated businesses in which the investors had no stake—DLJ Real Estate L.L.C., Empire Investments L.L.C., Empire Racing Stables L.L.C., and TI 13 L.L.C. (collectively “Relief Defendants”).

5. Since at least 2015, no investor funds have been used to trade foreign currencies.

6. Defendants have also provided falsified periodic account statements to investors, misrepresenting that their investments were profitable. In truth, investor funds were not invested or suffered investment losses.

7. Defendants, by virtue of their conduct, directly or indirectly, have engaged and, unless enjoined, will continue to engage in violations of Section

17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77q(a)], and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

8. Emergency relief is necessary to stop the on-going fraudulent scheme and to preserve assets for the benefit of investors. Accordingly, the Commission seeks a temporary restraining order, preliminary and permanent injunctions, an accounting, disgorgement and prejudgment interest, civil penalties, and an asset freeze as to each defendant and relief defendant.

JURISDICTION AND VENUE

9. The Commission brings this action pursuant to Sections 20 and 22 of the Securities Act [15 U.S.C. §§ 77t and 77v] and Sections 21(d) and 21(e) of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u(e)] to enjoin Defendants from engaging in the transactions, acts, practices, and courses of business alleged in this complaint, and transactions, acts, practices, and courses of business of similar purport and object, for disgorgement plus prejudgment interest, civil penalties, and for other equitable relief.

10. This Court has jurisdiction over this action pursuant to Section 22 of the Securities Act [15 U.S.C. § 77v], Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), (e) and 78(aa)] and 28 U.S.C. § 1331.

11. Certain of the transactions, acts, practices, and courses of business constituting violations of the Securities Act and the Exchange Act occurred in this district. In addition, defendants reside in this judicial district.

12. Defendants, unless restrained and enjoined by this Court, will continue to engage in the transactions, acts, practices, and courses of business alleged in this complaint, and in transactions, acts, practices, and courses of business of similar purport and object.

THE DEFENDANTS AND RELIEF DEFENDANTS

13. **Jason Dodd Bullard**, age 57, lives in Shakopee, Minnesota. He is a co-owner and operator of Bullard Enterprises, LLC. From 2000 to 2004, Bullard was associated with a broker-dealer and had series 6 and 63 securities licenses. In 2010, he began the process to register with the National Futures Association as an “Associated Forex Person,” but did not complete the process.

14. **Angela Romero-Bullard**, age 49, lives in Shakopee, Minnesota. She is a co-owner and operator of Bullard Enterprises, LLC. Romero-Bullard also owns a fitness gym and a transportation company. Romero-Bullard has no known securities licenses.

15. **Bullard Enterprises, LLC**, founded in 2008, is located in Shakopee, Minnesota. The company is operated and controlled by Bullard and Romero-

Bullard. It is currently considered an inactive corporation with the State of Minnesota because it failed to file its corporate renewal by December 31, 2019. In 2010, Bullard Enterprises began the process to register with the National Futures Associations as a Commodity Pool Operator and Forex Firm, but did not complete the process.

16. **DLJ Real Estate L.L.C.**, founded in 2014, is located in Shakopee, Minnesota. The company's principal office is Bullard and Romero-Bullard's home address. According to the Minnesota Secretary of State's website, Bullard is the company's Manager and Romero-Bullard is the Registered Agent. It is currently considered an inactive corporation with the State of Minnesota because it failed to file its corporate renewal by December 31, 2019.

17. **Empire Investments L.L.C.**, founded in 2014, is located in Shakopee, Minnesota. The company's principal office is Bullard and Romero-Bullard's home address. According to the Minnesota Secretary of State's website, Romero-Bullard is the company's Manager and Registered Agent. It is currently considered an inactive corporation with the State of Minnesota because it failed to file its corporate renewal by December 31, 2019.

18. **Empire Racing Stables L.L.C.**, founded in 2015, is located in Shakopee, Minnesota. Its principal office is Bullard and Romero-Bullard's home

address. According to the Minnesota Secretary of State's website, Bullard is the company's Manager. The company is currently considered an inactive corporation with the State of Minnesota because it failed to file its corporate renewal by December 31, 2019. According to its website, Empire Racing Stables has 24 horses in its stables and offers members of the public the opportunity to participate in five different "investing levels."

19. **TI 13 L.L.C.**, founded in 2013, is located in Shakopee, Minnesota. The company's principal office is Bullard and Romero-Bullard's former home address. According to the Minnesota Secretary of State's website, Romero-Bullard is the company's Manager and Bullard and Romero-Bullard are its Registered Agents. It is currently considered an inactive corporation with the State of Minnesota because it failed to file its corporate renewal by December 31, 2019.

FACTS

A. Defendants' Sales Pitch to Investors

20. Bullard and Romero-Bullard began soliciting investors by 2007 at the latest, and continued after establishing Bullard Enterprises in 2008. Investors, who Defendants found mainly through word of mouth, were told that their money would be used to trade foreign currencies through either the "Flagship Fund" or the "Platinum Fund."

21. The two funds appeared to have similar purported investment strategies, albeit different initial investment requirements. Bullard and Romero-Bullard told investors the funds were “pay for performance”—*i.e.*, Defendants would only earn a fee if the funds earned a profit (usually 20% of profit, calculated monthly).

22. Bullard and Romero-Bullard also told investors they could reinvest their profits, or be paid their earned profits via a quarterly dividend check. Finally, any account closures usually would be paid out over 20 months (5% of account balance per month).

23. To open an account with Bullard Enterprises, investors completed account-opening documents labeled as “investment contracts,” and transmitted funds to Bullard Enterprises’ bank account. After funding an account, investors were sent a monthly or quarterly account statement via email, usually from Romero-Bullard. Although Defendants stated that the return was not guaranteed, Bullard verbally informed investors that they could expect an annual return of 10-12%.

24. Defendants pooled a small portion of the investor funds into Bullard Enterprises’ brokerage accounts at TD Ameritrade. Both Bullard and Romero-

Bullard are listed as account holders with trading authorization for these brokerage accounts.

25. Bullard purportedly tracked manually each investor's individual investment accounts with the help of Romero-Bullard.

B. Defendants Misappropriated and Misused Investors' Funds

26. Defendants deposited investor funds directly into one of the Bullard Enterprises bank accounts and then misappropriated and misused those funds.

27. For example, on January 1, 2019, Bullard Enterprises' bank and TD Ameritrade brokerage accounts had a value of \$377,528, in total. From January 1, 2019 through April 30, 2021, Defendants received into their bank accounts via wire transfers or checks, customer monies of at least \$2,531,879 from investors.

28. During that same time, Defendants transferred only \$193,125 of the \$2,531,879 in investor funds from their Bullard Enterprises bank accounts into the Bullard Enterprises TD Ameritrade accounts for investment.

29. In contrast, Defendants transferred \$493,869 to TI 13 L.L.C.; \$118,980 to Empire Racing Stables L.L.C.; \$14,426 to DLJ Real Estate L.L.C; and \$10,495 to Empire Investments L.L.C. from the Bullard Enterprises bank accounts.

30. Approximately \$250,000 of these funds were used ostensibly to repay loans the entities had made to Bullard so that Bullard could pay investors. Nothing of value was provided in return for the remaining amounts of these transfers.

31. Defendants also used \$1,917,938 of these investor funds to pay other investors in Ponzi-style payments and for their own personal uses, including funding other unrelated businesses, making car payments, and paying for personal credit cards, life insurance premiums, and general living expenses.

C. Defendants' Numerous Misrepresentations to their Investors

1. False Investor Account Statements

32. Defendants produced and distributed account statements for over 14 years, nearly all of which indicated that every account had earned a trading profit.

33. The only statements that did not show a profit were for a few months in the summer of 2020. Bullard told investors that those months were flat because he pulled the investments out of the markets due to the pandemic.

34. Most if not all of the account statements that Defendants provided investors were false.

35. In reality, Bullard Enterprises did not earn any meaningful return for the investors, and, in fact, suffered large losses in its trading account.

36. By way of example, in October 2020, Defendants created and sent to a single investor an account statement for the Platinum Fund showing a balance of over \$1.4 million in his account.

37. At that time, Bullard Enterprises' bank and TD Ameritrade brokerage accounts only had approximately \$30,083, collectively. In fact, all of Defendants' bank and TD Ameritrade brokerage accounts, including Bullard's and Romero-Bullard's personal accounts, only had approximately \$210,000.

38. Overall, based upon an initial review of their brokerage statements, Defendants realized trading losses of: (49.19%) in 2018 resulting from selling assets with a cost basis of \$595,642 at a loss of \$293,001; and (65.97%) in 2019 resulting from selling assets with a cost basis of \$1,128,197 at a loss of \$744,218.

39. Defendants realized a total gain of \$1,046 in 2020.

40. By January 31, 2020, Defendants had essentially fully depleted the Bullard Enterprises TD Ameritrade accounts and had a balance of \$275.

41. Defendants made no investments of customer money from February 1, 2019, through January 31, 2021, despite receiving at least \$1,393,829 from investors during those months.

42. In February 2021, Defendants began making small transfers of customer money to invest at TD Ameritrade. As of April 2021, they had

transferred \$193,125 to the trading account, which is less than 8% of the investor money received in the bank accounts from January 2019 through April 30, 2021.

2. *Trading Foreign Currency*

43. Defendants told investors that they would use investor funds to profitably trade foreign currencies. This was false.

44. Bullard has admitted that he has not traded foreign currencies with investor funds since approximately 2015.

45. Defendants' bank and brokerage accounts confirm that Defendants have not engaged in any foreign currency trading in at least the past six years.

46. In fact, Defendants only invested a small portion of investor funds at all, instead using them to make Ponzi payments to other investors or for personal uses.

47. From November 1, 2020, to April 30, 2021, Defendants transferred only 9.5% of investor deposits to the Bullard Enterprise TD Ameritrade accounts.

48. For example, in early April 2021, two investors provided checks for a total of approximately \$700,000. However, during the entire month of April 2021, Defendants only sent \$25,000 to TD Ameritrade. Furthermore, during the 24-month period ending April 30, 2021, Defendants transferred \$637,769 into their personal LLC's, which was three times as much as they transferred into the Bullard

Enterprises TD Ameritrade accounts. None of the funds sent to TD Ameritrade were used to trade foreign currencies.

3. *Fraudulent Dividends and Return of Capital*

49. Defendants told investors that any periodic dividend payments they received represented actual profits earned by the funds from Defendants' successful trading of foreign currencies.

50. In reality, these payments often came from the capital contributions of other investors.

51. Additionally, when investors requested the return of their capital contribution and purported returns, the funds actually came from the capital of other investors.

52. For example, on June 1, 2020, an investor requested to withdraw \$100,000. Bullard told the investor that the investor's account balance as of the June 2020 request was \$317,588. As of June 1, 2020, however, there was a total of only \$49,607 across all Bullard Enterprises' accounts, including TD Ameritrade. Further, there was only \$106,713 across all bank accounts owned by Bullard and Romero-Bullard, including their personal checking accounts.

53. When Bullard began sporadically repaying this investor a portion of his request, the funds were derived from a combination of new investor funds

received after June 2020 and some of the \$434,400 that Defendants had obtained in June and July 2020 via the Small Business Association's Paycheck Protection Program.

54. Defendants used the bulk of the proceeds they received from the Paycheck Protection Program to either temporarily fund investor payments until new investor monies were received, or to fund the Bullards' horse racing efforts.

4. Registration and Regulators

55. Bullard told some investors that Bullard Enterprises was not required to register with any government agency.

56. He told other investors that Bullard Enterprises was in fact registered, but did not specify with whom.

57. When one investor attempted to make a large withdrawal in June 2020, Bullard stated over a series of emails that the customer's withdrawal request had to be "approved by my regulators," "[b]elieve it or not, this is a regulated business," and "I have SEC regulators"

58. In reality, Bullard Enterprises was not registered or negotiating with his supposed regulators. Instead, he was lying to delay the investor's attempts to withdraw funds.

COUNT I—FRAUD
Violations of Section 17(a)(1) of the Securities Act
[15 U.S.C. § 77q(a)(1)]

59. Paragraphs 1 through 58 are hereby realleged and incorporated herein by reference.

60. Beginning in or around 2007 and continuing through the present, Defendants, in the offer and sale of the securities described herein, by the use of means and instruments of transportation and communication in interstate commerce and by use of the mails, directly and indirectly, employed devices, schemes and artifices to defraud purchasers of such securities, all as more particularly described above.

61. Defendants knowingly, intentionally, and/or recklessly engaged in the aforementioned devices, schemes and artifices to defraud.

62. While engaging in the course of conduct described above, Defendants acted with scienter, that is, with an intent to deceive, manipulate or defraud or with a severe reckless disregard for the truth.

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

COUNT II—FRAUD

**Violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act
[15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)]**

64. Paragraphs 1 through 58 are hereby realleged and incorporated herein by reference.

65. Beginning in or around 2007 and continuing through the present, Defendants, acting knowingly, recklessly, or negligently in the offer and sale of the securities described herein, by use of means and instruments of transportation and communication in interstate commerce and by use of the mails, directly and indirectly:

a. obtained money and property by means of untrue statements of material fact and omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

b. engaged in transactions, practices and courses of business which would and did operate as a fraud and deceit upon the purchasers of such securities, all as more particularly described above.

66. By reason of the foregoing, Defendants, directly and indirectly, have violated and, unless enjoined, will continue to violate Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

COUNT III – FRAUD

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

67. Paragraphs 1 through 58 are hereby re-alleged and are incorporated herein by reference.

68. Between in or around 2008 and the present, Defendants, in connection with the purchase and sale of securities described herein, by the use of the means and instrumentalities of interstate commerce and by use of the mails, directly and indirectly:

- a. employed devices, schemes, and artifices to defraud;
- b. made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and
- c. engaged in acts, practices, and courses of business which would and did operate as a fraud and deceit upon the purchasers of such securities, all as more particularly described above.

69. Defendants knowingly, intentionally, and/or recklessly engaged in the aforementioned devices, schemes and artifices to defraud, made untrue statements of material facts and omitted to state material facts, and engaged in fraudulent acts, practices and courses of business. In engaging in such conduct, Defendants acted with scienter, that is, with an intent to deceive, manipulate or defraud or with a severe reckless disregard for the truth.

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

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully prays for:

I.

A temporary restraining order, preliminary injunction, and permanent injunction enjoining the Defendants, their officers, agents, servants, employees, and attorneys from violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; and Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. § 77q].

II.

An order requiring an accounting by Defendants of the amounts raised and the use of proceeds from the fraudulent conduct described in this Complaint and the disgorgement by Defendants of all ill-gotten gains or unjust enrichment with prejudgment interest, and the disgorgement of Relief Defendants' unjust enrichment, to effect the remedial purposes of the federal securities laws.

III.

An order pursuant to Section 21(d) of the Exchange Act [15 U.S.C. §78u(d)] and Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] imposing civil penalties against Defendants.

IV.

An order freezing the assets of Defendants and Relief Defendants pending further order of the Court.

V.

An order preventing Defendants from destroying or concealing documents until further order of this Court.

VI.

Such other and further relief as this Court may deem just, equitable, and appropriate in connection with the enforcement of the federal securities laws and for the protection of investors.

JURY TRIAL DEMAND

The Commission hereby demands a trial by jury as to all issues that may be so tried.

This 27th day of August, 2021.

Respectfully submitted,

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