

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

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| SECURITIES AND EXCHANGE COMMISSION, | : | |
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| Plaintiff, | : | |
| v. | : | Civil Action No. 1:07-CV-0767-WSD |
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| GLOBAL ONLINE DIRECT, INC., BRYANT E. BEHRMANN and LARRY "BUCK" E. HUNTER, | : | |
| | : | |
| | : | |
| Defendants. | : | |
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**FIRST AMENDED COMPLAINT
FOR INJUNCTIVE AND OTHER RELIEF**

Plaintiff, Securities and Exchange Commission ("Commission"), pursuant to Rule 15(a) of the Federal Rules of Civil Procedure, files this First Amended Complaint alleging that:

OVERVIEW

1. Bryant E. Behrmann ("Behrman") and Larry "Buck" E. Hunter ("Hunter"), and an entity they control, Global Online Direct, Inc. ("Global"),

have orchestrated a fraudulent Ponzi scheme from as early as October 2005 through March 2007.

2. Global, Behrmann and Hunter (collectively, the “Defendants”) have offered and sold interests in Global described to investors as “loans.” In exchange for these interests in Global, Defendants have promised investors effective annual returns of more than 1,800% on their principal investment.

3. Defendants represented to investors that to generate the promised returns, the proceeds from investor interests in Global would be pooled and utilized to purchase distressed inventory, which Global would then resell for a profit in various internet auction websites as well as through flea markets, street sales and more traditional retail storefronts. Defendants referred to the pooling of investor assets to purchase and resell inventory as a “Secured Profit Inventory Program” or “SPIP.”

4. Defendants failed to disclose to investors that the purported business model described in the SPIP was wholly incapable of generating the returns promised to investors, and that the vast majority of returns paid to existing investors were in fact the proceeds invested by later investors – the key hallmark of a Ponzi scheme.

5. Upon information and belief, Defendants have sold approximately \$45 million of unregistered securities in the Global SPIP to more than 9,000 investors located throughout the United States and Canada, including multiple investors who are residents of the Northern District of Georgia.

6. Through their conduct, Defendants have engaged, and unless restrained and enjoined by this Court, will continue to engage in acts and practices that constitute and will constitute violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77e(a), 77e(c) and 77q(a)], 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].

JURISDICTION AND VENUE

7. 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 civil penalties and for other equitable relief.

8. This Court has jurisdiction over this action pursuant to Sections 20 and 22 of the Securities Act [15 U.S.C. §§ 77t and 77v] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e) and 78aa].

9. Defendants, directly and indirectly, made use of the mails, the means and instruments of transportation and communication in interstate commerce and the means and instrumentalities of interstate commerce in connection with the transactions, acts, practices, and courses of business alleged in this complaint.

10. Certain of the transactions, acts, practices, and courses of business constituting violations of the Securities Act and the Exchange Act occurred in the Northern District of Georgia. Defendant have solicited investments from and sold interests in their Ponzi scheme to multiple individuals who reside in the Northern District of Georgia.

11. 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

12. **Global Online Direct, Inc.**, is a Nevada corporation organized in 2005 with its principal place of business in Union, Oregon. In June 2006, the Pennsylvania Securities Division issued an order requiring Global to cease and desist from offering or selling unregistered securities to residents of Pennsylvania (the “Pennsylvania C&D”). In September 2006, the South Dakota Department of Revenue and Regulation, Division of Securities, issued an order requiring Global to cease and desist from offering or selling unregistered securities to residents of South Dakota.

13. **Bryant E. Behrmann** is 60 years of age and is a resident of Las Vegas, Nevada. Behrmann is the secretary and treasurer and, along with Hunter, is co-owner and co-lead promoter of Global. In 2000, the South Dakota Department of Commerce and Regulation, Division of Securities issued an order requiring Behrmann to cease and desist from offering or selling unregistered securities to residents of South Dakota. In September 2002, the Securities Commissioner of the State of North Dakota issued an order requiring Behrmann to cease and desist from offering or selling unregistered securities to residents of North Dakota (the “North Dakota C&D”). Behrmann was also individually

named and ordered to cease and desist from offering or selling unregistered securities in the Pennsylvania C&D.

14. **Larry “Buck” E. Hunter** is 60 years of age and is a resident of La Grande, Oregon. Hunter is the president of Global and, along with Behrmann, is co-owner and co-lead promoter of Global. In November 1973, the Minnesota Department of Commerce, Division of Securities issued an order for Hunter to cease and desist from violations of the laws and regulations of the State of Minnesota. In August 1998, the Washington State Department of Financial Institutions, Division of Securities issued an order for Hunter to cease and desist from offering or selling unregistered securities and for violating the antifraud provisions of Washington state law. In October 1998, the State of Idaho, Department of Finance obtained a stipulated judgment permanently enjoining Hunter from offering or selling unregistered securities and from violating the antifraud provisions of Idaho state law. In July of 1999, the State of Oregon Division of Finance and Corporate Securities issued an order for Hunter to cease and desist from offering or selling unregistered securities and from violating the antifraud provisions of Oregon state law. In 2000, the South Dakota Department of Commerce and Regulation, Division of Securities issued an order requiring

Hunter to cease and desist from offering or selling unregistered securities to residents of South Dakota. In July 2003, the Securities Department of the State of Illinois issued an order prohibiting Hunter from offering or selling unregistered securities to residents of Illinois. Hunter was also individually named and ordered to cease and desist from offering or selling unregistered securities in the North Dakota C&D and the Pennsylvania C&D.

DEFENDANTS' FRAUDULENT PONZI SCHEME

15. In September 2005, Behrman and Hunter organized Global as a Nevada corporation.

16. In October 2005, Defendants began publicly offering interests in Global's SPIP, which they also described as the Global Online Depository.

17. The primary vehicle used to promote Global's SPIP was Global's internet website, www.globalonlinedirect.com. In the Frequently Asked Questions ("F.A.Q.") section of its website, Global describes the operation of the SPIP to prospective investors as follows:

Members agree to lend money to Global for a term of one year.

During the term of the loan, Global uses the money to finance the cyclical purchase and resale of product inventories at a profit. In

exchange for the use of the money, Global agrees to pay members a specific, daily interest rate, and also to return the original loan principal at the end of the one-year term.

18. The daily interest rate which Global represented it would pay to investors was dependent upon the initial amount of the investor's loan to Global – the greater the amount of the initial loan the greater the promised return. From October 2005 through October 2006, Global offered the following grid to explain the promised interest returns and corresponding “plan names”:

| <i>Plan Name</i> | <i>Initial Loan Amount</i> | <i>Daily Interest Rate</i> |
|---------------------------|----------------------------|----------------------------|
| <i>Bronze Start-Up</i> | <i>\$10 - \$100</i> | <i>0.20%</i> |
| <i>Silver Club</i> | <i>\$101 - \$200</i> | <i>0.25%</i> |
| <i>Gold Club</i> | <i>\$201 - \$300</i> | <i>0.35%</i> |
| <i>Diamond Club</i> | <i>\$301 - \$499</i> | <i>0.50%</i> |
| <i>President Club</i> | <i>\$501 - \$4,999</i> | <i>0.75%</i> |
| <i>Top Katt</i> | <i>\$5,000 - \$9,999</i> | <i>0.85%</i> |
| <i>The Big Dawgs Club</i> | <i>\$10,000 and more</i> | <i>1.00%</i> |

19. Global's terms required investors to commit the principal amount of their loan to Global for a lock-up period of 365 days. Interest accrued at the

specified daily rate during what Global referred to as “banking days” and defined in its F.A.Q. as Monday through Friday, fifty-two weeks per year, less federal holidays. This resulted in 251 interest accruing days per calendar year. Investors were not permitted to withdraw their principal until 365 days from the date of their initial investment, but, after ninety days investors were permitted to begin withdrawing accrued interest.

20. Global also offered SPIP participants the opportunity to have the interest on portions of their principal compound each day. The percentage of the loan balance an investor elected to compound was required to be inversely proportional to the minimum amount of time before which an investor could begin withdrawing accrued interest. This created a sliding scale for SPIP participants such that if they elected to have no portion of their investment compounding, they could begin withdrawing accrued interest after 90 days; if they elected to have the entire loan amount compounding, they were required to wait the full 365 days of the loan before withdrawing any accrued interest.

21. In order to further attract new investors, Defendants frequently offered “sign-up bonuses” of up to 25% and “recruitment bonuses” of up to

35% to investors. Defendants represented to investors these purported bonuses would be automatically credited to their purported account balances.

22. Given the compounding terms and daily interest accrual, along with sign-up and recruitment bonuses, Defendants were promising SPIP participants effective annual returns of between 65% (for a loan of \$100 or less with no bonuses) and 1,825% (for a loan of greater than \$10,000 with a 25% sign-up bonus and 35% recruitment bonus).

23. Global required that in order to participate in the SPIP, a new investor must be “referred” by an existing investor. This additional requirement had little practical effect as it simply required that a prospective new investor either receive an e-mail from an existing investor containing a link to Global’s website, or, that a prospective new investor link to Global’s website from the webpage of an existing investor.

24. Upon information and belief, more than 9,400 persons have invested approximately \$45 million in Global’s SPIP.

GLOBAL’S POOLING OF INVESTOR FUNDS AND MANAGERIAL EFFORTS TO GENERATE RETURNS FOR INVESTORS

25. Defendants claim on Global’s website that the SPIP:

[S]tands apart from online investment programs in that it is based entirely upon product inventories and the sale of those inventories in conjunction with several online auction programs. While online investment programs "play" volatile, high-risk financial markets, each dollar loaned to Global Online is SECURED by tangible product inventories stored in our own warehouses.

Global Online has established relationships with several online auction programs to fund their product inventory purchases. In turn, they sell these inventories through

- Public auctions*
- Private auctions*
- Online auctions*
- Flea markets*
- Flea market vendors*
- Bazaars*
- Street sales*

Large quantities of products are also moved through online auction sellers by means of various product inventory wholesale

*auctions. Although each component is independent, each works with and supports every other component in the program! The Global Online Team has over **50 years** of combined marketing experience in buying and selling product inventories all over the world.... Your loan is **secured and backed by actual product inventories**. This is what distinguishes the **Secured Profit Inventory Program** from online investment programs, which are all too often based on dubious "trading" in various financial markets.*

"BUY RIGHT and SELL RIGHT"

By getting a good return from the sale of product inventory, Global Online can continue paying its lenders the exceptional daily returns to which many have already grown accustomed.

26. Defendants identified Ebay (www.Ebay.com), Yahoo! Auctions (auctions.yahoo.com), and Stormpay Auctions (www.stormpay.com) as commercial online auctions websites with which it does business. Defendants also identified Global's proprietary online auction website (www.globalonlineauctionstores.net).

27. Defendants also represented that Global sells inventory through more conventional methods, including retail storefronts, flea markets, yard sales and street sales.

28. As Defendants made clear on Global's website, the inventory reselling component of Global's SPIP involves no efforts on the parts of investors beyond their contribution of capital.

29. No registration statement has been filed with the Commission or is in effect for the offering of securities in the Global SPIP, and there is no exemption from registration with respect to Defendants offering of securities in the Global SPIP.

30. By virtue of their conduct described above, Defendants have therefore conducted an unregistered public offering of securities.

MATERIAL FALSE STATEMENTS AND OMISSIONS

31. Defendants failed to disclose to investors that, while promising effective annual returns ranging from 65% to 1,825%, Defendants were completely incapable of generating the profits necessary to pay the promised returns.

32. While claiming that investor returns were paid out of profits generated by the sale of inventory, Defendants failed to disclose to investors that they were actually operating a fraudulent Ponzi scheme, in that the vast majority of returns actually paid to existing investors were the investment proceeds of later investors – a fact that they knew or were reckless in not knowing.

33. Defendants promised investors that they would receive effective annual returns ranging from 65% to 1,825%, and that their investments were “secured and backed by actual product inventories.” However, as of March 2007, Global was more than \$30 million in arrears in honoring investor withdrawal requests and owed investors approximately \$265 million – over \$250 million more than the total value of Global’s assets. Behrmann and Hunter, who controlled the books and records of Global, were aware at all relevant times (or were reckless in not being aware) that Global was in arrears and did not have sufficient assets to pay its debts to investors.

34. While promising investors that their investments were “secured and backed by actual product inventories,” Defendants knew and failed to disclose that they had taken no steps to secure or tie any individual loan to any

actual product inventory, and that the total value of the inventory was only a tiny fraction of the investments purportedly secured.

35. Defendants further knew but failed to disclose to investors that Global maintained no effective bookkeeping or accounting systems and were completely incapable of tracking or identifying: (a) the amounts invested by any individual investors; (b) the returns paid to individual investors; (c) the aggregate amount invested by investors; (d) the aggregate amount of returns paid to investors; (e) the cost of any inventory purchased; (f) the proceeds generated through the sale of inventory.

36. Defendants further failed to disclose to investors that cease-and-desist orders concerning the violation of state securities laws had been entered against Global by the states of Pennsylvania and South Dakota, against Behrmann by the states of North Dakota, Pennsylvania and South Dakota, and against Hunter by the states of Idaho, Illinois, Minnesota, North Dakota, Oregon, Pennsylvania, South Dakota and Washington.

37. While Defendants represented to investors that Behrmann was an attorney and former judge, Defendants failed to disclose to investors that, as they well knew, Behrmann's law license had actually been suspended by the

Idaho State Bar since 1999 for professional misconduct, and that the Supreme Court of the State of Idaho found that Behrmann had engaged in “conduct involving dishonesty, fraud, deceit or misrepresentation in course of his practice of law.”

38. Behrmann and Hunter controlled and oversaw every aspect of Global, including its bank accounts. Behrmann and Hunter (and, through them, Global) well knew, or were reckless in not knowing, that the statements and omissions alleged in paragraphs 31 through 37 were untrue statements of material facts, or omissions of material facts that would have been necessary in order to make statements made by Defendants to investors, in light of the circumstances under which they were made, not misleading.

39. By virtue of their conduct described above, Defendants have violated the antifraud provisions of the federal securities laws.

COUNT I—UNREGISTERED OFFERING OF SECURITIES

**Violations of Sections 5(a) and 5(c) of the Securities Act
[15 U.S.C. § 77e(a) and 77e(c)]**

40. Paragraphs 1 through 39 are hereby realleged and are incorporated herein by reference.

41. No registration statement has been filed or is in effect with the Commission pursuant to the Securities Act and no exemption from registration exists with respect to the transactions described herein.

42. From at least as early as October 2005, Global, Behrmann and Hunter, singly and in concert, have:

- (a) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities, through the use or medium of a prospectus or otherwise;
- (b) carried securities or caused such securities to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale; and
- (c) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell

or offer to buy securities, through the use or medium of any prospectus or otherwise, without a registration statement having been filed with the Commission as to such securities.

43. By reason of the foregoing, defendants, directly and indirectly, singly and in concert, have violated Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

COUNT II—FRAUD

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

44. Paragraphs 1 through 39 are hereby realleged and are incorporated herein by reference.

45. From at least as early as October 2005, 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.

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

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

48. 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 III—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)]

49. Paragraphs 1 through 39 are hereby realleged and are incorporated herein by reference.

50. From at least as early as October 2005, Defendants, 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.

51. 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 IV—FRAUD

Violations of 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]

52. Paragraphs 1 through 39 are hereby realleged and are incorporated herein by reference.

53. From at least as early as October 2005, 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 facts 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.

54. 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, the defendants acted with scienter, that is, with an intent to deceive, manipulate or defraud or with a severe reckless disregard for the truth.

55. 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 Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Commission respectfully prays for:

I.

Findings of Fact and Conclusions of Law pursuant to Rule 52 of the Federal Rules of Civil Procedure, finding that the Defendants named herein committed the violations alleged herein.

II.

Preliminary and permanent injunctions enjoining the Defendants, their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of the order of injunction, by personal service or otherwise, and each of them, from violating, directly or indirectly, Sections 5 and 17(a) of the Securities Act [15 U.S.C. §§ 77e(a) and (c) and 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder.

III.

An order requiring an accounting of the use of proceeds of the sales of the securities described in this Complaint and the disgorgement by defendants of all ill-gotten gains or unjust enrichment with prejudgment interest, to effect the

remedial purposes of the federal securities laws, and an order freezing the assets and preserving documents of the defendants, to preserve the status quo.

IV.

An order 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)] imposing civil penalties against Defendants.

V.

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.

Dated this 3rd day of July, 2007.

Respectfully submitted,

/s/ Alana R. Black
William P. Hicks
District Trial Counsel
Georgia Bar No. 351649
E-mail: hicksw@sec.gov

Alana R. Black
Senior Trial Counsel
Georgia Bar No. 785045
E-mail: blacka@sec.gov

Aaron W. Lipson
Staff Attorney
Georgia Bar No. 453828
E-mail: lipsona@sec.gov

COUNSEL FOR PLAINTIFF
Securities and Exchange Commission
3475 Lenox Road, N.E. Ste. 1000
Atlanta, Georgia 30326-1232
Tel: (404) 842-7600
Fax: (404) 842-7679

CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of July, 2007, I electronically filed the foregoing First Amended Complaint for Injunctive and Other Relief with the Clerk of Court using the CM/ECF system, and mailed a copy by United States Postal Service to each of the following non CM/ECF participants:

William Leonard, Esq.
Taylor, Busch, Slipakoff & Duma LLP
1600 Parkwood Circle
Suite 200
Atlanta, GA 30339
Local Counsel for Defendants

Michael A. Grassmueck
The Grassmueck Group
P.O. Box 3649
Portland, OR 97208
Court-Appointed Monitor

/s/ Alana R. Black
Georgia Bar No. 785045
Senior Trial Counsel
U.S. Securities and Exchange Commission
3475 Lenox Road, N.E., Suite 500
Atlanta, Georgia 30326-1232
Telephone: (404) 842-7678
blacka@sec.gov