

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 73163 / September 22, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16143

In the Matter of

KELLY BLACK-WHITE,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS PURSUANT
TO SECTIONS 15(b) AND 21C OF THE
SECURITIES EXCHANGE ACT OF
1934

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Kelly Black-White (“Respondent” or “Black-White”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Respondent, age 53, is a resident of Mesa, Arizona. During the period May 2011 through July 2011 (“the Relevant Period”), Respondent was president of Premier Funding Services, Inc. and Premier Media Services, Inc., which purports to provide investor and public relations services to small cap market companies, including Symbollon Pharmaceuticals, Inc. (“Symbollon”), of which she was a member of the Board of Directors. Respondent participated in an offering of the stock of 1st Global Financial, Corp. (“1st Global”), ComCam International, Inc. (“ComCam”), Symbollon, and Microholdings US, Inc. (“Microholdings”) which are penny stocks. Respondent pleaded guilty to one count of conspiracy to commit securities fraud and eleven counts of wire fraud on September 12, 2013 in *U.S. v. Kelly Black-White, et al.*, 11-CR-10416-DJC

(D. Mass.). On February 5, 2014, Respondent was sentenced to 12 months and one day of imprisonment, to be followed by two years' supervised release, and was ordered to pay a \$7,500 fine. She was ordered to forfeit \$6,050 on February 10, 2014.

B. OTHER RELEVANT ENTITIES AND INDIVIDUALS

1. 1st Global Financial, Corp., a Nevada company with its principal place of business in Las Vegas, Nevada, is purportedly in the real estate investment or development business. 1st Global appears to have operated under several other company names in the past, including Global Debit Cash Card, Inc.; Venture Media Communications; Venturennet.com, Inc.; and Mount McKinley Gold, Inc. Venturennet.com, Inc. registered its common stock under Exchange Act Section 12(g) in 2000, and then filed a Form 15 on October 15, 2001 to terminate its Section 12(g) registration. On December 1, 2011, the Commission, pursuant to Exchange Act Section 12(k), suspended trading in the securities of 1st Global for a period of ten business days. 1st Global's stock had been quoted on OTC Pink under the symbol "FGBF," but its symbol changed to "PROD" on August 28, 2013. OTC Markets has discontinued quoting PROD stock and has applied the "caveat emptor" label to it.

2. ComCam International, Inc., a Delaware company with its principal place of business in West Chester, Pennsylvania, designs, manufactures, and sells video surveillance systems. ComCam's common stock is currently quoted on the OTCQB under the symbol "CMCJ." Its common stock was registered with the Commission under Exchange Act Section 12(g), but the company filed a notice of termination of its registration on March 19, 2012. On December 1, 2011, the Commission, pursuant to Section 12(k) of the Exchange Act, suspended trading in the securities of ComCam for a period of ten business days.

3. Sybollon Pharmaceuticals, Inc., a Delaware corporation formerly known as Sybollon Corp. with its principal place of business in Medfield, Massachusetts, is engaged in the development and commercialization of proprietary iodine-based agents and antimicrobials. Sybollon's common stock is registered with the Commission pursuant to Exchange Act Section 12(g), but the last periodic report filed by the company was its March 31, 2011 Form 10-Q filed on May 16, 2011. On December 1, 2011, the Commission, pursuant to Exchange Act Section 12(k), suspended trading in the securities of Sybollon for a period of ten business days. Sybollon's common stock was previously quoted on the OTC Markets under the symbol "SYMBA," but OTC Markets has discontinued quoting SYMBA stock and has applied the "caveat emptor" label to it.

4. Microholdings US, Inc. was an Oklahoma corporation with its principal place of business in Vancouver, Washington, that described itself as "a Public Holding Company positioned for new mergers or acquisitions." It is now defunct. Its common stock was quoted on the OTC Pinks under the symbol MCHU. It never registered an offering of securities under the Securities Act or a class of securities under the Exchange Act. On December 1, 2011, the Commission filed a civil injunctive action

against Microholdings alleging that it violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

5. Albert Reda (“Reda”), age 67, a resident of Tustin, California, was Treasurer of 1st Global and a member of its Board of Directors during the Relevant Period. On November 4, 2013, Reda was found guilty after a jury trial of one count of wire fraud and one count of mail fraud in *U.S. v. Reda, et al.*, 11-CR-10416-DJC (D. Mass.). On March 11, 2014, Reda was sentenced to 26 months’ imprisonment, to be followed by one years’ supervised release. He was also ordered to pay a fine of \$6,000 and to forfeit \$16,000.

6. Stephen Stuart (“Stuart”), age 50, is a resident of Monrovia, Maryland. During the Relevant Period, Stuart was a consultant to and shareholder of ComCam. On October 24, 2013, Stuart pleaded guilty to one count of wire fraud and one count of mail fraud in *U.S. v. Stuart, et al.*, 11-CR-10416-DJC (D. Mass.). He was sentenced on February 12, 2014 to 16 months’ probation, the first two months to be served in community confinement followed by home detention for a period of six months. He was also ordered to pay a fine of \$2,000, and, on February 14, 2014, was ordered to forfeit \$17,000.20.

7. Donald Gilbreath, age 57, is a resident of West Chester, Pennsylvania. During the Relevant Period, Gilbreath was the Chairman and Chief Executive Officer of ComCam. On June 13, 2012, Gilbreath was charged by criminal information with one count of conspiracy to commit securities fraud and pleaded guilty to that charge on June 29, 2012 in *U.S. v. Donald Gilbreath*, 12-CR-10186 (D. Mass.). Gilbreath was sentenced on December 19, 2013 to 18 months’ probation and was ordered to pay a fine of \$2,000 and to forfeit \$17,000.

8. Edward Henderson (“Henderson”), age 71, is a resident of Lincoln, Rhode Island. During the Relevant Period, Henderson held himself out as a “promoter” or “finder” with respect to small companies who are seeking venture capital or other sources of funding. On January 11, 2012, Henderson pleaded guilty to one count of wire fraud in *U.S. v. Edward Henderson*, 11-CR-10393-WGY (D. Mass.). On November 26, 2013, Henderson was sentenced to one year’s probation and was ordered to forfeit \$12,650.

C. KICKBACK SCHEME

1. Black-White Receives a Portion of the Kickback Monies

a. These proceedings arise out of a fraudulent scheme in which insiders of publicly-traded penny stock companies paid secret kickbacks to a purported corrupt hedge fund manager, who was in fact an undercover agent with the Federal Bureau of Investigation (“Fund Manager”), in exchange for the Fund Manager’s purchase of restricted stock of the penny stock companies on behalf of his purported hedge fund (“the Fund”), which did not actually exist.

b. At some time prior to June 13, 2011, Henderson told Black-White that the Fund Manager was willing to invest Fund money in the stock of companies in exchange for a fifty percent kickback that would go to the Fund Manager.

c. On or about June 13, 2011, Black-White met with the Fund Manager (the "June 13 Black-White Meeting"). At the June 13 Black-White Meeting, the Fund Manager offered to pay Black-White a fee for introducing the Fund Manager to executives of publicly traded companies who would agree to pay a kickback to the Fund Manager in exchange for investing the Fund's money in their companies, enabling the Fund Manager to keep for himself half of the money he was supposedly investing on behalf of the Fund.

d. In particular, Black-White was told that the Fund Manager was prepared to invest up to \$5 million of the Fund's money in various publicly traded companies, provided those companies secretly kicked back fifty percent of those funds – \$2,500,000 – to the Fund Manager. Black-White was informed that the Fund was not to be informed of the kickbacks.

e. Black-White was told that if the Fund purchased \$5 million of stock all at once, the transaction might attract attention at the Fund. In order to avoid detection, therefore, the Fund Manager said that he would invest the Fund's money gradually, in tranches, or installments, that would increase in size over time.

f. As a further means of concealing the nature of the transactions, the Fund Manager told Black-White that the kickback payments would be made to one or more nominee consulting companies that the Fund Manager purportedly controlled and about which the Fund did not know. The Fund Manager also told Black-White that invoices would be issued by one of the Fund Manager's nominee companies in order to disguise the kickbacks.

g. Black-White reached an agreement with the Fund Manager whereby he would pay Black-White approximately ten percent of the kickbacks paid by any company executive whom Black-White introduced to the Fund Manager.

h. Prior to the June 13 Black-White Meeting, Black-White had referred executives from at least two publicly traded companies, Symbolon and MicroHoldings, to the Fund Manager so that those executives could enter into a funding/kickback agreement with the Fund Manager.

i. After the June 13 Black-White Meeting, Black-White referred the following individuals and companies to the Fund Manager so that they could enter into a funding/kickback arrangement with the Fund Manager: Reda, and his company 1st Global; Stuart and Gilbreath and their company, ComCam; and executives from two other companies.

j. Each of the executives whom Black-White referred to the Fund Manager agreed to, and did, pay a kickback to the Fund Manager in exchange for the Fund Manager causing the Fund to invest in their respective companies' stock. In connection with the investments, each of the executives also caused stock certificates to be issued representing the purchase by the Fund of shares in their respective companies.

k. The investments in the companies that Black-White referred to the Fund Manager were made by wire transfers from a bank account maintained in Massachusetts. The kickback payments from the various companies Black-White referred to the Fund Manager were made by wire transfers from the various companies to a Citizens Bank account held in the name of one of the Fund Manager's nominee companies in Massachusetts.

l. Based on her agreement with the Fund Manager, on various dates between June 22, 2011 and July 5, 2011, Black-White received a portion of the kickbacks paid by company executives she had referred to the Fund Manager. Black-White's shares of the kickbacks, which totaled \$6,050, were paid by wire transfer from a Citizens Bank account held by one of the Fund Manager's nominee companies in Massachusetts to JP Morgan Chase account number *****6930, a bank account held by Premier Funding & Financial Marketing, LLC and controlled by Black-White.

2. The 1st Global Scheme

a. Some time prior to June 29, 2011, Black-White arranged for Reda to meet with the Fund Manager to discuss funding for 1st Global.

b. On or about June 29, 2011, Reda met with the Fund Manager (the "June 29 Reda Meeting"). The Fund Manager explained to Reda that he was prepared to invest Fund monies of up to \$5 million in 1st Global stock in exchange for a secret fifty percent kickback, enabling the Fund Manager to keep for himself half of the money he was supposedly investing on behalf of the Fund.

c. At the June 29 Reda Meeting, the Fund Manager also explained the mechanics of the funding, informing Reda that while the Fund Manager could commit to an investment of \$5 million of the Fund's money, with \$2.5 million being kicked back to the Fund Manager, the Fund Manager did not want to invest the entire amount at once. Therefore, the Fund Manager told Reda he would invest the money over time in tranches, or installments, of increasing amounts.

d. At the June 29 Reda Meeting, the Fund Manager further discussed with Reda the mechanics of how monies would be kicked back to the Fund Manager. The Fund Manager arranged with Reda that 1st Global would execute a consulting agreement with one of the nominee consulting companies that the Fund Manager purportedly controlled, but that the Fund Manager would not actually provide any consulting services. Reda was told that invoices would be issued by one of the Fund Manager's nominee companies to 1st Global in order to disguise the kickbacks.

e. At the June 29 Reda Meeting, Reda agreed to the funding/kickback arrangement.

f. On various dates between June 30, 2011 and July 5, 2011, Reda sent the Fund Manager documents related to the kickback transaction, including a consulting agreement between 1st Global and one of the Fund Manager's nominee consulting companies and stock purchase agreements between 1st Global and the Fund.

g. On or about July 5, 2011, in accordance with wiring instructions provided by Reda, \$32,000 was sent by wire transfer from a bank account maintained in Massachusetts, purportedly belonging to the Fund, to a 1st Global corporate bank account outside of Massachusetts. This wire transfer represented the first tranche of funding to 1st Global.

h. On or about July 5, 2011, Reda caused a stock certificate representing the purchase by the Fund of 1st Global shares to be sent to the Fund Manager.

i. On or about July 6, 2011, Reda caused a total of \$16,000 to be sent by wire transfer from a 1st Global corporate bank account outside of Massachusetts to a Citizens Bank account held in the name of one of the Fund Manager's nominee companies in Massachusetts. This wire transfer represented Reda's kickback to the Fund Manager from the first tranche of funding to 1st Global.

3. The ComCam Scheme

a. On or about June 29, 2011, Stuart and Gilbreath met with the Fund Manager (“the June 29 ComCam Meeting”). The Fund Manager explained to Stuart and Gilbreath that he was prepared to invest Fund monies of up to \$5 million in ComCam stock in exchange for a secret fifty percent kickback, thereby enabling the Fund Manager to keep half of the money he was supposedly investing on behalf of the Fund.

b. At the June 29 ComCam Meeting, the Fund Manager also explained the mechanics of the funding, informing Stuart and Gilbreath that, while the Fund Manager could commit to an investment of \$5 million of the Fund's money, with \$2.5 million being kicked back to the Fund Manager, the Fund Manager did not want to invest the entire amount at once. Therefore, the Fund Manager told Stuart and Gilbreath that he would invest the money over time in tranches, or installments, of increasing amounts.

c. At the June 29 ComCam Meeting, the Fund Manager further discussed with Stuart and Gilbreath the mechanics of how monies would be kicked back to the Fund Manager. He arranged with Stuart and Gilbreath that ComCam would execute a consulting agreement with one of the nominee consulting companies that he purportedly controlled, but that the Fund Manager would not actually provide any consulting services. Stuart and Gilbreath were told that invoices would be issued by the Fund Manager's nominee company to ComCam in order to disguise the kickbacks.

d. At the June 29 ComCam Meeting, Stuart and Gilbreath agreed to the funding/kickback arrangement.

e. On various dates between June 30, 2011 and July 8, 2011, Gilbreath sent the Fund Manager documents related to the kickback transaction, including a consulting agreement between ComCam and one of the Fund Manager's nominee consulting companies, stock purchase agreements between ComCam and the Fund, and a phony invoice for non-existent consulting services purportedly rendered by the Fund Manager's nominee company.

f. On or about July 5, 2011, in accordance with wiring instructions provided by Gilbreath, \$34,000.20 was sent by wire transfer from a bank account maintained in Massachusetts, purportedly belonging to the Fund, to a ComCam corporate bank account outside of Massachusetts. This wire transfer represented the first tranche of funding to ComCam.

g. On or about July 6, 2011, Stuart and Gilbreath caused a total of \$17,000 to be sent by wire transfer from a ComCam corporate bank account outside of Massachusetts to a Citizens Bank account held in the name of one of the Fund Manager's nominee companies in Massachusetts. This wire transfer represented Gilbreath's and Stuart's kickback to the Fund Manager from the first tranche of funding to ComCam.

h. On or about July 8, 2011, Stuart and Gilbreath caused a stock certificate representing the purchase by the Fund of 65,385 ComCam shares to be sent to the Fund Manager.

D. VIOLATIONS

1. As a result of the conduct described above, Black-White willfully violated Section 10(b) of the Exchange Act and Rule 10b-5(a) thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act including, but not limited to, disgorgement, and civil penalties pursuant to Section 21B of the Exchange Act; and

C. Whether, pursuant to Section 21C of the Exchange Act, Respondent should be ordered to cease and desist from committing or causing violations of and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, whether, pursuant to Section 21C(f) of the Exchange Act, Respondent should be prohibited, conditionally or unconditionally, and permanently or for such period of time as shall be determined, from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act, or that is required to file reports pursuant to Section 15(d) of the Exchange Act, whether Respondent should be ordered to pay a civil penalty pursuant to Section 21B(a) of the Exchange Act, and whether

Respondent should be ordered to pay disgorgement pursuant to Sections 21B(e) and 21C(e) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Jill M. Peterson
Assistant Secretary