



U.S. SECURITIES AND EXCHANGE COMMISSION

U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 22082 / September 2, 2011

Securities and Exchange Commission v. Christian Stanley, Inc. and Daniel C.S. Powell, et al. Case No. CV 11-07147 GHK (MANx) (C.D. Cal. September 2, 2011)

SEC HALTS FRAUD CONDUCTED BY PURPORTED LIFE SETTLEMENT COMPANY

The Securities and Exchange Commission today announced that it has obtained an emergency court order to halt an alleged \$4.5 million investment scheme by a Los Angeles-based company that purports to broker life settlements.

The Commission alleges that Daniel C.S. Powell and his company Christian Stanley Inc. have spent the past seven years creating the illusion that it was a legitimate company involved in the life settlement industry. Contrary to what investors were told, Christian Stanley has never purchased or generated any revenue as a result of brokering the sale of a single life settlement, and has barely derived any revenue from any of its purported business ventures. Instead, Powell has simply used the Christian Stanley name as a vehicle to raise at least \$4.5 million in an unregistered offering of debenture notes, and spent most of the money for purposes unrelated to its ostensible business operations. Powell misused investor funds to finance his stays at luxury hotels, visits to nightclubs and restaurants, and purchases of high-end vehicles.

The Honorable George H. King for the U.S. District Court for the Central District of California **yesterday granted the Commission's request for a temporary restraining order and asset freeze** against Powell and his companies. The court also appointed Robb Evans and Associates LLC as temporary receiver over the entities.

According to the Commission's complaint, Powell raised funds from at least 50 investors nationwide in the fraudulent debenture offering, promising investors fixed interest returns ranging from 5 to 15.5 percent annually for five-year terms. Powell claimed the notes were backed by assets such as a gold mine in Nevada and a coal mine in Kentucky that he said held coal deposits valued at \$11.8 billion.

The Commission alleges that instead of using investor money to purchase life settlements or **develop the coal and gold mines, Powell and Christian Stanley instead used investors' money** for such unrelated purposes as sales commissions and Ponzi-like payments to existing note holders. **Among Powell's other personal expenditures with investor funds were \$21,000 toward** his school loans, more than \$5,000 for cowboy boots, and nearly \$5,000 to register for a dating service.

The Commission's complaint alleges that Christian Stanley and Powell violated Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder; and seeks preliminary and permanent injunctions, appointment of a permanent receiver, disgorgement of ill-gotten gains with prejudgment interest thereon, and financial penalties, against each of them. The Commission's complaint also names Christian Stanley, LLC and Daniel Christian Stanley Powell Realty Holdings, Inc., entities that Powell controls, as relief defendants, seeking disgorgement of their ill-gotten gains.

Judge King has scheduled a court hearing for Sept. 15, 2011, on the Commission's motion for a preliminary injunction.