

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO. 17-
v.	:	DATE FILED: _____
KONA JONES BARBERA	:	VIOLATIONS:
		18 U.S.C. § 1343 (wire fraud – 1 count)
	:	15 U.S.C. §§ 78j(b), 78ff and 17 C.F.R.
		§ 240.10b-5 (securities fraud - 1 count)
	:	18 U.S.C. § 2 (aiding and abetting)
		Notice of forfeiture

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

BACKGROUND

At all times material to this information:

1. Defendant KONA JONES BARBERA was a stock promoter and a resident of Hendersonville, North Carolina and Locust Valley, New York. Defendant BARBERA, who was not a licensed Financial Industry Regulatory Authority (FINRA) investment broker, promoted penny stock companies using various business names under his control, including Quantum Financial Investments (“QFI”), in which defendant BARBERA was a co-owner.
2. Person #1 was a co-owner of QFI and a resident of Thornwood, New York and Boca Raton, Florida who worked at QFI in Glen Cove, New York promoting stocks. Person #1 was not a licensed FINRA investment broker.

3. Person #2 and Person #3 together owned and operated Program Funding Advisors LLC (“PFA”), a Delaware corporation with its principal place of business in Old Brookville, New York. PFA was formed in approximately January 2012. Person #4, the spouse of Person #2, was the president of PFA. PFA was in the business of advising businesses on how to promote stock.

4. First Power and Light LLC (“FPL”) was a Delaware corporation with its principal place of business in Bridgeport, Pennsylvania. FPL was formed in approximately July 2012. Person #5 was the nominal president of FPL. FPL was a solar installation and sales company. In or about April 2015, FPL changed its name to VOLT SOLAR LLC, incorporated in Maryland with an address maintained in Bridgeport, Pennsylvania.

5. Mainstream Entertainment Inc. (“MSEI”) was a Florida corporation with its principal place of business in Orlando, Florida. MSEI was formed in approximately August 2012. At all times material to this Information, MSEI was a “shell company.” A shell company is an inactive company used as a vehicle for various financial maneuvers or kept dormant for future use in some other capacity.

6. First Power and Light Inc. (“FPL Inc.”) was incorporated in the State of Florida on or about July 1, 2013. Person #5 was the nominal president of FPL Inc. Person #6 was the de facto owner of both FPL and FPL Inc. Unlike FPL, FPL Inc. was a solar power company in name only, with no active business or contracts.

7. On or about March 24, 2014, FPL Inc. changed its name to VOLT Solar Systems Inc. (“VOLT”) as a result of a lawsuit by Florida Power & Light for the rights to the

abbreviation FPL. FPL Inc. had an office in Bridgeport, Pennsylvania, at the same location as FPL.

8. On or about January 25, 2013, FPL signed a letter of intent to become the majority shareholder of MSEI.

9. FPL Inc., VOLT Solar Systems Inc., and MSEI are hereafter referred to as the "Manipulated Public Company."

10. J.E. Consulting Corp. ("J.E. Consulting") was a New York corporation with its principal place of business in Thornwood, New York. J.E. Consulting was formed in 2012. Person #1 was the principal of J.E. Consulting. J.E. Consulting had no known legitimate business purpose.

11. Neoterra Enterprises, LLC ("Neoterra") was a New York corporation with its principal place of business in Woodstock, New Jersey. Neoterra was formed in 2010. Defendant KONA JONES BARBERA was the principal of Neoterra. Neoterra had no known legitimate business purpose.

THE SCHEME

12. From on or about March 20, 2012, through on or about February 14, 2014, defendant KONA JONES BARBERA, Person #1, together with others known and unknown to the United States Attorney, agreed to defraud investors and potential investors in the Manipulated Public Company by issuing millions of shares to themselves at little or no cost and then artificially controlling the price and volume of traded shares through, among other means: (a) paying and receiving undisclosed commissions to brokers and former brokers for directing client funds to make both authorized and unauthorized investments; (b) paying and receiving

undisclosed commissions to boiler room promoters for soliciting and inducing potential investors to purchase shares in the Manipulated Public Company; (c) fraudulently concealing the co-schemers' ownership interests in the Manipulated Public Company; and (d) engineering price movements and trading volume in the stocks through manipulative stock trading techniques.

13. Defendant KONA JONES BARBERA was a principal of QFI. Defendant BARBERA cold called potential investors and was paid undisclosed commissions by PFA through Person #2 and Person #3 on the sales of stock he induced in the Manipulated Public Company. Defendant BARBERA directed that his commissions be made to Neoterra and QFI, entities he controlled. Defendant BARBERA was issued 1,000,000 shares of MSEI as a result of his relationship with the Manipulated Public Company. From January 31, 2013 to May 14, 2013, defendant BARBERA used these shares to manipulate the prices of the Manipulated Public Company stock.

14. In all, defendant KONA JONES BARBERA and Person #1, operating as QFI, gained approximately \$746,425 as part of his participation in the scheme, representing 25 percent of the sales of MSEI shares he induced the victims to purchase during the course of the scheme.

15. The objects of the scheme were to: (1) defraud the investors; (2) obtain investor monies and pay and receive undisclosed commissions; (3) inflate the value of the Manipulated Public Company; and (4) enrich the schemers.

16. From in or about at least January 2013 through in or about January 2014, in the Eastern District of Pennsylvania, and elsewhere, defendant

KONA JONES BARBERA

together with Person #1, Person #2, Person #3, and others known and unknown to the United States Attorney, devised and intended to devise, and aided and abetted, a scheme to defraud shareholders of the Manipulated Public Company, and to obtain money and property, by means of knowingly false and fraudulent pretenses, representations, and promises.

MANNER AND MEANS

It was part of the scheme that:

17. The schemers created a public “shell” company, executed mergers of promising businesses with the shell to create a publicly traded company, and then paid undisclosed commissions to consultants, and boiler room promoters, in exchange for using and soliciting investor funds to purchase co-schemers’ shares of the resulting stock.

18. The schemers used manipulative stock trading techniques, such as wash trades, matched trades, and marking the close trades, to fraudulently inflate the price in the Manipulated Public Company.

19. Defendant KONA JONES BARBERA and other schemers ensured that any time they wanted to sell free trading shares on the open market, there would be available buyers.

20. Person #2 and Person #3 paid undisclosed commissions in exchange for schemers selling shares of the Manipulated Public Company, purchasing them using client accounts on the open market, and inducing investors to purchase them through calls.

21. The schemers did not disclose to investors the commission payments from PFA, which were paid via a bank account controlled by an individual known to the United States Attorney.

22. The schemers used stock promoters, and non-arms-length trading with related parties to create the illusion of volume, in order to inflate the stock price, and to divest their own shares.

23. Boiler room promoters, such as defendant KONA JONES BARBERA and Person #1, cold called and solicited potential investors to purchase shares of the Manipulated Public Company.

24. The cold calls and solicitations to potential investors coincided with favorable press releases or other information caused to be released by the schemers.

25. The boiler room promoters touted the Manipulated Public Company using high pressure sales tactics and misrepresentations about the value of the Manipulated Public Company and its stock.

26. The boiler room promoters did not disclose that commissions to them by other schemers on the sale of Manipulated Public Company stock to the investors on the open market.

27. To conceal the payment of undisclosed commissions, schemers commonly directed the transfer such money to PFA to avoid the appearance of a direct payment from the schemers to defendant KONA JONES BARBERA and Person #1.

28. Schemers communicated with defendant KONA JONES BARBERA and others via "drop" telephones to discuss when to buy, how much to buy, when to sell, how much to sell and to discuss how much commissions were owed.

29. Schemers transmitted, and caused the transmission of, interstate wires in the form of undisclosed commission payments to co-schemers for participating in the scheme.

30. Schemers received shares, both restricted and free-trading, of various Manipulated Public Company stock to compensate co-schemers for participating in the scheme.

31. Defendant KONA JONES BARBERA, Person #1, and others known and unknown to the United States Attorney planned to obtain money by inflating the volume of trading in and/or the price of the Manipulated Public Company stock through misleading marketing and stock manipulation, and by preventing the SEC from detecting the scheme or taking regulatory enforcement action against them.

THE WIRING

32. On or about the date set forth below, in the Eastern District of Pennsylvania and elsewhere, defendant

KONA JONES BARBERA

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate and foreign commerce the writings, signs, signals, and sounds described below:

Count	Date	Description
1	7/15/13	Wire transfer of \$28,100 from Program Funding Advisors, LLC, TD Bank account ending in 9395 to Quantum Financial Investment LLC, Bank of America account ending in 0820

All in violation of Title 18, United States Code, Sections 1343, and 2.

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

At all times material to this information:

1. Paragraphs 1 through 15 and 17 through 31 of Count One are incorporated here.
2. From in or about at least January 2013 through in or about January 2014, in the Eastern District of Pennsylvania and elsewhere, defendant

KONA JONES BARBERA,

together and with Person #1, and others known and unknown to the United States Attorney, willfully and knowingly, by the use of the means and instrumentalities of interstate commerce, of the mails, and the facilities of national securities exchanges, directly and indirectly, used and employed manipulative and deceptive devices and contrivances and aided and abetted the use and employment of manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material fact and omitting 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) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon other Persons in connection with purchases and sales of the Manipulated Public Company stock.

In violation of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Section 240.10b-5, and Title 18, United States Code, Section 2.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1343, and Title 15, United States Code, Sections 78j(b) and 78ff, and 17 C.F.R. § 240.10b-5, defendant

KONA JONES BARBERA

shall forfeit to the United States of America any property that constitutes, or is derived from, proceeds traceable to the commission of such offenses, including, but not limited to, the sum of approximately \$746,425.

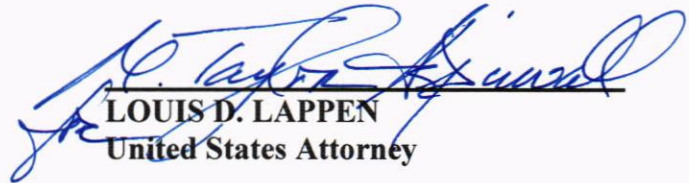
2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C).

A TRUE BILL:



LOUIS D. LAPPEN
United States Attorney

PBT

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

INFORMATION

DESIGNATION FORM to be used by counsel to indicate the category of the case for the purpose of assignment to appropriate calendar.

Address of Plaintiff: 615 Chestnut Street, Suite 1250, Philadelphia, PA 19106-4476 17a-657

Post Office: Philadelphia

County: Philadelphia

City and State of Defendant: Hendersonville, NC

County: N/A Register number: N/A

Place of accident, incident, or transaction: Eastern District of Pennsylvania

Post Office: Philadelphia County: Philadelphia

RELATED CASE, IF ANY:

Criminal cases are deemed related when the answer to the following question is "yes".

Does this case involve a defendant or defendants alleged to have participated in the same action or transaction, or in the same series of acts or transactions, constituting an offense or offenses?

YES/NO: N/A

Case Number: N/A

Judge: N/A

CRIMINAL: (Criminal Category - FOR USE BY U.S. ATTORNEY ONLY)

1. ☐ Antitrust
2. ☐ Income Tax and other Tax Prosecutions
3. ☐ Commercial Mail Fraud
4. ☐ Controlled Substances
5. ☐ Violations of 18 U.S.C. Chapters 95 and 96 (Sections 1951-55 and 1961-68) and Mail Fraud other than commercial
6. ☒ General Criminal

(U.S. ATTORNEY WILL PLEASE DESIGNATE PARTICULAR CRIME AND STATUTE CHARGED TO BE VIOLATED AND STATE ANY PREVIOUS CRIMINAL NUMBER FOR SPEEDY TRIAL ACT TRACKING PURPOSES)

18 U.S.C. § 1343 (wire fraud - 1 count)

15 U.S.C. §§ 78j(b), 78ff and 17 C.F.R. § 240.10b-5 (securities fraud - 1 count)

18 U.S.C. § 2 (aiding and abetting)

Notice of forfeiture

DATE: 12/21/17

File No. N/A

U.S. v. Kona Jones Barbera


Joel D. Goldstein

Assistant United States Attorney