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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

-against-

**ERIC J. WATSON,
OLIVER-BARRET LINDSAY, and
GANNON GIGUIERE,**

Defendants.

COMPLAINT

21 Civ. _____ ()

JURY TRIAL DEMANDED

Plaintiff Securities and Exchange Commission (“Commission”), for its Complaint against Defendants Eric J. Watson (“Watson”), Oliver-Barret Lindsay (“Lindsay”), and Gannon Giguere (“Giguere”) (collectively, “Defendants”), alleges as follows:

SUMMARY

1. This matter involves an insider trading scheme conducted in late 2017, in which Watson, a corporate insider and the controlling shareholder of Long Island Iced Tea Corp. (now known as Long Blockchain Corp.) (hereinafter, “LTEA”), tipped his friend, business associate, and

broker, Lindsay, with material nonpublic information regarding LTEA's impending announcement that it was significantly changing its business from soft drink manufacture to blockchain technology (the "Announcement"). At the time, LTEA's shares were publicly traded on NASDAQ.

2. On December 20, 2017, Lindsay conveyed this material nonpublic information regarding the impending Announcement to Giguiere, his friend and co-conspirator in prior market manipulation schemes. Within hours of receiving this confidential information, Giguiere purchased 35,000 LTEA shares.

3. On the following day, December 21, 2017, LTEA issued the Announcement, stating that LTEA was "shifting its primary corporate focus towards the exploration of and investment in opportunities that leverage the benefits of blockchain technology" compared to "the ready-to-drink segment of the beverage industry," as well as changing its name to "Long Blockchain Corp." in place of "Long Island Iced Tea Corp."

4. As a result of the Announcement, the company's stock price and trading volume skyrocketed, with the intraday stock price spiking 388%, on increased trading volume of 1,000%, before closing at \$6.91, an increase of more than 180% from the prior day's closing price.

5. In less than two hours following the Announcement, Giguiere sold the 35,000 LTEA shares he had purchased the day before, realizing \$162,500 in illicit profits.

VIOLATIONS

6. By virtue of the foregoing conduct and as alleged further herein, Defendants Watson, Lindsay, and Giguiere have violated 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].

7. Unless Defendants are restrained and enjoined, they will engage in the acts, practices, transactions, and courses of business set forth in this Complaint or in acts, practices, transactions, and courses of business of similar type and object.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

8. The Commission brings this action pursuant to the authority conferred upon it by Sections 21(d) and 21A of the Exchange Act [15 U.S.C. §§ 78u(d), 78u-1(a)].

9. The Commission seeks a final judgment: (a) permanently enjoining Defendants from violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, pursuant to Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]; (b) ordering Defendants to disgorge their ill-gotten gains with prejudgment interest thereon, pursuant to Sections 21(d)(5) and 21(d)(7) of the Exchange Act [15 U.S.C. §§ 78u(d)(5), 78u(d)(7)]; (c) ordering Defendants to pay civil money penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1]; and (d) permanently prohibiting Watson from serving as an officer or director of any company that has a class of securities registered under Exchange Act Section 12 [15 U.S.C. § 78l] or that is required to file reports under Exchange Act Section 15(d) [15 U.S.C. § 78o(d)], pursuant to Exchange Act Section 21(d)(2) [15 U.S.C. § 78u(d)(2)]; and (e) ordering any other and further relief the Court may deem just and proper.

JURISDICTION AND VENUE

10. This Court has jurisdiction over this action pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa].

11. Defendants, directly and indirectly, have made use of the means or instrumentalities of interstate commerce or of the mails in connection with the transactions, acts, practices, and courses of business alleged herein.

12. Venue lies in this District under Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Certain of the acts, practices, transactions, and courses of business alleged in this Complaint occurred within this District, including that at all relevant times, LTEA shares traded on NASDAQ, which is located in New York, New York.

DEFENDANTS

13. **Watson**, age 60, is a New Zealand citizen and believed to be a resident of London, United Kingdom. Watson has never been registered with the Commission and holds no securities licenses. At all relevant times, Watson controlled over 30% of the shares of LTEA, personally and through companies he controlled.

14. In 2001, the Commission issued settled administrative proceedings against Watson for violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder in connection with his insider trading in McCollam Printers, Ltd., a publicly traded New Zealand-based issuer.¹

15. **Lindsay**, age 44, is a Canadian citizen and resident of Vancouver, British Columbia, Canada. Lindsay has never been registered with the Commission and he holds no U.S. securities licenses. At all relevant times, Lindsay was the principal of CMGT Capital Management, a Cayman Islands-exempt broker-dealer registered with the Cayman Islands Monetary Authority.

16. On July 16, 2018, Lindsay was charged, along with Giguiere, by the Commission with violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder for his role in a manipulative trading scheme.² See *SEC v. Giguiere, et al.*, No. 18-cv-01530 (S.D. Cal.) (“*SEC v. Giguiere*”). At the same time, Lindsay was criminally charged for the same conduct. See *United States v. Giguiere, et al.*, No. 18-cr-03071 (S.D. Cal.) (“*U.S. v. Giguiere*”). On July 23, 2019, Lindsay pleaded guilty to one count of conspiracy to commit securities fraud. Both cases are currently pending in the United States District Court for the Southern District of California.

¹ See Order Instituting Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order, Securities Exchange Act of 1934 Release No. 44934 (Oct. 15, 2001), available at <https://www.sec.gov/litigation/admin/34-44934.htm>.

² Penny stocks, also known as “microcaps,” are not listed on a national securities exchange such as NASDAQ; they instead trade over the counter at prices below \$5 and are typically issued by companies with little to no revenue or assets.

17. **Giguere**, age 47, resides in Newport Coast, California. Giguere has never been registered with the Commission and he holds no securities licenses. At all relevant times, Giguere owned and operated TheMoneyStreet.com (“TMS”), a stock promotion website.

18. On July 16, 2018, Giguere was charged, along with Lindsay, by the Commission with violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder for his role in two fraudulent schemes. *See SEC v. Giguere*. At the same time, he was charged criminally for the same conduct. *See U.S. v. Giguere*. On August 1, 2019, Giguere pleaded guilty to one count of conspiracy to commit securities fraud. Both cases are currently pending in the United States District Court for the Southern District of California.

OTHER RELEVANT INDIVIDUALS AND ENTITIES

19. **LTEA** is a Delaware corporation with a principal place of business in Farmingdale, New York. Until the Commission revoked its registration on February 19, 2021, LTEA was a reporting company with a class of securities registered under Section 12(g) of the Exchange Act.³ LTEA’s common stock traded on NASDAQ from approximately July 2016 to April 2018, when NASDAQ delisted LTEA for making “a series of public statements designed to mislead investors and to take advantage of the general investor interest in bitcoin and blockchain technology.”

20. **Company A** is a New Zealand company with a principal place of business in London, England. In late 2017, according to materials prepared by Company A, it was “a holding company with interests in various financial services” including a foreign exchange brokerage, and it was purportedly “developing proprietary Blockchain technology” and “developing . . . a Blockchain enabled platform.”

³ *See* Order Instituting Proceedings Pursuant to Section 12(j) of the Securities Exchange Act of 1934, Making Findings, and Revoking Registration of Securities, Exchange Act Release No. 91174 (Feb. 19, 2021), available at <https://www.sec.gov/litigation/admin/2021/34-91174.pdf>.

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