

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

DANIEL K. BOICE and TRUSTIFY, INC.,

Defendants,

and

GOLEAN DC, LLC, and  
JENNIFER MELLON,

Relief Defendants.

Case No. 1:20-cv-853

**JURY TRIAL DEMANDED**

**COMPLAINT**

Plaintiff Securities and Exchange Commission (the “Commission”) files this Complaint against defendants Daniel K. Boice (“Boice”) and Trustify, Inc. (“Trustify”) (collectively, “Defendants”) and relief defendants GoLean DC, LLC (“GoLean”) and Jennifer Mellon (“Mellon”) and alleges as follows:

**SUMMARY**

1. This matter concerns an offering fraud conducted by Boice through his company, Trustify, an online marketplace designed to connect customers to a network of private investigators.
2. Between 2015 and 2018, Defendants raised over \$18.5 million from more than 90 investors by making materially false and misleading statements and omissions about, among

other things, Trustify's revenue growth, its corporate client base and size of its investigator network, and the use of investor funds.

3. Boice also defrauded Trustify's largest existing investor into reinvesting \$1.957 million by, among other things, providing a false document stating that an influential investment bank had joined as lead investor for that round—something the investor required prior to giving Trustify the money.

4. Although Boice held Trustify out to investors as a successful technology start-up with growing revenues and a strong corporate client base, Trustify was a failing business.

5. By the fall of 2018, Trustify was unable to pay its vendors and employees and effectively ceased operations. Yet Boice continued to solicit funds from investors without notifying existing or prospective investors of Trustify's dire financial condition.

6. Boice misappropriated at least \$8 million of investor funds to pay for personal expenses for himself and his then-wife and colleague, Jennifer Mellon, including private jet charters, vacations, a luxury car, jewelry, and mortgage payments on their personal residence and a beach house. Boice also diverted hundreds of thousands of dollars to his purported consulting company, GoLean.

7. By engaging in the conduct described in this Complaint, Defendants violated, and unless enjoined will continue to violate, Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)] and 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].

8. Relief Defendants GoLean and Mellon have been unjustly enriched, as they received proceeds of the fraud to which they had no legitimate claim.

### JURISDICTION AND VENUE

9. The Commission brings this action pursuant to Sections 20(b) and 20(d) of the Securities Act [15 U.S.C. §§ 77t(b) and 77t(d)] and Sections 21(d) and 21(e) of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u(e)] to enjoin such acts, transactions, practices, and courses of business, and to obtain disgorgement, prejudgment interest, civil money penalties, and such other and further relief as the Court may deem just and appropriate.

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

11. Venue in this district is proper pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Defendant Boice resided in this district at all times relevant to this Complaint, and this district was the principal place of business for Defendant Trustify and Relief Defendant GoLean. Relief Defendant Mellon also resides in the district.

12. In addition, certain of the acts, practices, and courses of business constituting the violations of the federal securities laws alleged herein occurred within the Eastern District of Virginia.

### DEFENDANTS

13. **Daniel K. Boice**, age 40, was a resident of Alexandria, Virginia at all times relevant to this Complaint and currently resides in Fernandina Beach, Florida. Boice founded and was the Chief Executive Officer (“CEO”) of Trustify. Boice also founded GoLean, which is described more fully below.

14. **Trustify, Inc.**, formerly known as FlimFlam, is a Delaware corporation formed by Boice in 2015 that maintained an office in Arlington, Virginia. Trustify was a start-up technology company that operated an online application to connect private investigators with individuals and businesses.

### **RELIEF DEFENDANTS**

15. **GoLean DC, LLC** is a Virginia corporation founded by Boice in June 2014 as a purported consulting company with an office address in Arlington, Virginia. As of September 30, 2015, GoLean was listed as inactive on Virginia's corporate registry for failing to pay its annual registration fee.

16. **Jennifer Mellon**, age 38, is a resident of Alexandria, Virginia. From 2015 to late 2018, Mellon was the Vice-President and Director of Trustify and was married to Defendant Boice.

### **FACTS**

#### **I. DEFENDANTS FRAUDULENTLY INDUCED INVESTORS TO BUY TRUSTIFY STOCK AND PROMISSORY NOTES**

17. Boice founded Trustify (then called FlimFlam) in January 2015 as a technology company purportedly designed to operate and maintain an online platform to connect individuals and businesses with a network of private investigators.

18. Trustify's only source of revenue was the fees earned when a customer used its technology to engage the services of an in-network private investigator.

19. As Trustify's CEO, Boice solicited investments in the company, hired a staff, and appointed a Board of Directors.

20. Mellon was the President and Director of Trustify and also served on Trustify's Board. During that time, Mellon and Boice were married and owned joint bank accounts, real

estate, and other assets.

21. Between 2015 and 2018, Defendants conducted the following equity and debt securities offerings (collectively, the “Offerings”):

Funding Round	Approximate Start Date	Approximate End Date	Investors Per Offering	Total Invested
Seed 1 Preferred Stock (“Seed 1”)	2/2015	11/2015	26	\$1,827,402
Seed 2 Preferred Stock (“Seed 2”)	12/2015	12/2016	52	\$5,355,822
Convertible Promissory Notes (“Note Offering”)	12/2016	5/2017	23	\$2,911,732
Series A Preferred Stock (“Series A”)	5/2017	10/2017	8	\$5,479,994
Series B Preferred Stock (“Series B”)	3/2018	7/2018	12	\$2,980,794

22. To market Trustify’s securities to potential investors, Boice created, or caused to be created, slide presentations (“Investor Presentations”) for the Offerings. The Investor Presentations set forth, among other things, an overview of Trustify’s business, its quarterly and/or annual revenue, lists of significant clients, and the intended use of investor proceeds.

23. Boice emailed quarterly updates (“Quarterly Updates”) to existing investors, which purported to set forth Trustify’s alleged successes, revenue and other “key performance indicators,” and plans for future growth, among other information.

24. Boice successfully used Quarterly Updates to induce certain existing investors to make additional investments in Trustify.

25. By the fall of 2018, Trustify was unable to pay its vendors and employees, yet Boice continued to solicit investments by lying to prospective investors about Trustify’s revenue, its corporate client base and the size of its investigator network, and the use of investor funds, among other things.

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