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14 **UNITED STATES DISTRICT COURT**
15 **CENTRAL DISTRICT OF CALIFORNIA**

17 UNITED STATES SECURITIES
18 AND EXCHANGE COMMISSION,

19 Plaintiff,

20 v.

21 WELLNESS MATRIX GROUP, INC.
22 and GEORGE TODT,

23 Defendants,

Case No.

COMPLAINT

JURY DEMAND

24 Plaintiff Securities and Exchange Commission (“SEC”) alleges:

25 **JURISDICTION AND VENUE**

26 1. The SEC brings this action pursuant to authority conferred on it by
27 Sections 21(d) and 21(e) of the Securities Exchange Act of 1934 (“Exchange Act”),
28 15 U.S.C. §§ 78u(d) and 78u(e), to restrain and enjoin the Defendants Wellness

1 Matrix Group, Inc. (“Wellness Matrix”) and George Todt from engaging in the acts,
2 practices, and courses of business described in this Complaint and acts, practices, and
3 courses of business of similar purport and object. The SEC seeks permanent
4 injunctions and civil penalties pursuant to Section 21(d)(3) of the Exchange Act, 15
5 U.S.C. § 78u(d)(3). In addition, the SEC seeks a conduct-based injunction pursuant to
6 Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), an officer and director
7 bar pursuant to Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2), and a
8 penny stock bar pursuant to Section 21(d)(6)(A) of the Exchange Act, 15 U.S.C.
9 § 78u(d)(6)(A), against Todt based on his violations of the securities laws.

10 2. The Court has jurisdiction over this action pursuant to Sections 21(d)
11 and 21(e) of the Exchange Act, 15 U.S.C. §§ 78u(d), 78u(e).

12 3. Wellness Matrix and Todt have, directly and indirectly, made use of the
13 means or instrumentalities of interstate commerce, of the mails, or of the facilities of
14 a national securities exchange in connection with the transactions, acts, practices and
15 courses of business alleged in this complaint.

16 4. Venue is proper in this district pursuant to Section 27(a) of the Exchange
17 Act, 15 U.S.C. § 78aa(a), because certain of the transactions, acts, practices and
18 courses of conduct constituting violations of the federal securities laws occurred
19 within this district.

20 SUMMARY

21 5. In February and March 2020, Wellness Matrix, a Nevada microcap
22 company, and George Todt, a Wellness Matrix business consultant who controlled
23 much of Wellness Matrix’s day-to-day activities, made materially false and
24 misleading statements regarding COVID-19 at-home test kits and/or disinfectants that
25 defrauded Wellness Matrix investors.

26 6. Wellness Matrix and Todt marketed the at-home test kits and
27 disinfectants to consumers on Wellness Matrix-affiliated websites when Wellness
28 Matrix did not have the products to deliver to consumers.

1 (“Chanzong”). Chanzong is a Nevada limited-liability company formed in 2015. Todt
2 is the manager of the entity.

3 **FACTS**

4 **I. Wellness Matrix’s Business and Financial Condition**

5 13. On June 1, 2018, a predecessor in interest to Wellness Matrix acquired
6 Wellness Matrix Company, the business purpose of which was “to develop and
7 implement the most advanced technologies available to provide advanced healthcare
8 and to provide advanced systems and platforms to allow customers to have access to
9 the most secure data storage and records security available.”

10 14. On June 20, 2018, the Board approved the name change to Wellness
11 Matrix Group, Inc. and filed an amendment to its articles of incorporation with the
12 state of Nevada.

13 15. On April 10, 2020, Wellness Matrix filed an amended Form 10 (which
14 was later withdrawn) that included audited annual financial statements for Wellness
15 Matrix’s year ending April 30, 2019 and unaudited financial statements for the nine
16 months ended January 31, 2020.

17 16. Wellness Matrix’s audited financial statements showed that Wellness
18 Matrix had assets of \$54,998, liabilities of \$309,365, and an equity deficit of
19 \$254,367 as of April 30, 2019. The company had zero revenues for the year ending
20 April 30, 2019.

21 17. Wellness Matrix’s unaudited financial statements showed the company
22 had zero revenues for the nine months ended January 31, 2020 and had assets of \$459
23 as of January 31, 2020.

24 18. As of April 7, 2021, Wellness Matrix’s market capitalization was
25 approximately \$4.5 million.

26 **II. Todt Controls Wellness Matrix.**

27 19. During the relevant period, Wellness Matrix’s CEO and Chairman of the
28 Board of Directors allowed Todt to run the day-to-day affairs of the company,

1 including naming the Wellness Matrix board members.

2 20. Todt became involved with Wellness Matrix in 2018 when Wellness
3 Matrix's CEO agreed to sell the Wellness Matrix public company shell to Todt for
4 \$300,000. The agreement provided that Wellness Matrix's CEO would transfer his
5 controlling Series A preferred shares to Todt after the purchase price had been paid in
6 full.

7 21. During the relevant period, Wellness Matrix's CEO allowed Todt to
8 control WMGR.

9 **III. Wellness Matrix's and Todt's Representations Regarding the COVID-19-**
10 **Related Products.**

11 22. In February and March of 2020, Wellness Matrix and Todt touted and
12 marketed COVID-19 test kits and disinfectant products on Wellness Matrix-affiliated
13 websites when they did not have the products to deliver to consumers.

14 23. Furthermore, Wellness Matrix and Todt made materially false and/or
15 misleading statements about the products themselves. For example, Wellness Matrix
16 and Todt falsely represented that the at-home test kits were FDA approved and
17 registered and the disinfectants were EPA approved and registered.

18 24. Todt acted personally and on behalf of Wellness Matrix when engaging
19 in this fraudulent conduct.

20 **A. Wellness Matrix Is Unable to Procure COVID-19-Related Products.**

21 25. Beginning in February 2020, Todt began communicating with some of
22 his associates regarding potential COVID-19-related products for Wellness Matrix to
23 market.

24 26. In connection with these communications, Todt received information on
25 an antiviral disinfecting compound (the "Disinfectant") that claimed to be effective in
26 killing COVID-19 for 28 days, among other things.

27 27. Around the same time, Todt registered the website coronastop28.com
28 and his ex-wife registered the websites stopcorona28.com and virastop28.com.

1 28. On or about March 16, 2020, Todt learned of a COVID-19 test
2 distributed by CoronaCide, LLC (“CoronaCide”). The label for the CoronaCide test
3 kit that Todt received warned that the test kits were “For In Vitro Diagnostic Use
4 Only” and “For Emergency Use Authorization Only.”

5 29. Soon after Todt learned of these CoronaCide tests kits, Wellness Matrix
6 opened up a payment processing account at Todt’s direction in order to allow
7 Wellness Matrix to receive payments from consumers for COVID-19-related product
8 sales.

9 30. On March 19, 2020, an associate of CoronaCide (the “CoronaCide
10 Associate”) sent Todt correspondence from the FDA stating it had received the
11 CoronaCide test kit submission. The letter also stated that the FDA would notify
12 CoronaCide when its review was completed. The FDA’s letter did not indicate that
13 the FDA had approved the CoronaCide test kits for any use.

14 31. On March 20, 2020, Todt sent a Wellness Matrix purchase order to
15 CoronaCide for approximately \$10,000 of CoronaCide test kits and Disinfectant.
16 Minutes later, the CoronaCide Associate notified Todt that the CoronaCide test kits
17 were only to be sold to governments in bulk at that time, and therefore Wellness
18 Matrix’s CoronaCide test kit order would not be filled. The CoronaCide Associate
19 emailed Todt a couple days later and informed Todt that Wellness Matrix’s
20 Disinfectant order would also not be filled.

21 **B. Wellness Matrix and Todt Market and Sell COVID-19-Related**
22 **Products.**

23 32. Around this time, Todt contacted one of his associates and, on behalf of
24 WGMR, directed him to add information about the CoronaCide test kits and
25 Disinfectant to the websites stopcorona28.com and virastop28.com. Todt specifically
26 told the associate to include the FDA submission number for the CoronaCide test kits
27 and to indicate that the COVID-19 products were Wellness Matrix products.

28 33. Around the same time, Todt retained other associates to assist in selling

1 Wellness Matrix’s COVID-19-related products to consumers.

2 34. At Todt’s direction, the Wellness Matrix website included a banner on
3 the front page that directed viewers to “Visit CoronaStop28.com” and provided a
4 link.

5 35. From at least March 19, 2020 until approximately March 31, 2020,
6 Wellness Matrix offered through the Wellness Matrix-affiliated websites
7 coronastop28.com, stopcorona28.com, and virastop28.com, and through social media,
8 the CoronaCide test kits and the Disinfectant for sale.

9 36. The Wellness Matrix-affiliated websites included clear references tying
10 the products to Wellness Matrix. For example, virastop28.com provided a disclaimer
11 which stated that the products were being sold by Wellness Matrix. Further, the
12 pictures of the Disinfectant on all of the Wellness-affiliated websites stated that they
13 were a “WMGR Product.”

14 37. However, from before March 19, 2020 until approximately March 31,
15 2020, neither Wellness Matrix nor Todt were in possession of or had the ability to
16 procure the CoronaCide test kits or Disinfectant.

17 38. The CoronaCide test kits were advertised on the Wellness Matrix-
18 affiliated websites for at least three days, during the time period from March 19, 2020
19 until approximately March 31, 2020, as being FDA-approved and for at least two
20 other days as being “FDA registered and authorized.”

21 39. In addition, the Wellness Matrix-affiliated websites advertised the
22 CoronaCide test kits as an at-home test kit for COVID-19, providing results within
23 ten minutes “in the privacy of your own home.”

24 40. The Wellness Matrix-affiliated websites advertised the Disinfectant as
25 EPA approved or registered, citing a purported EPA registration number “Reg #HQ-
26 OPP-2013-0220-0008.”

27 41. Todt also touted the Wellness Matrix CoronaCide test kits on social
28 media. For example, on March 19, 2020, on his personal Twitter account, Todt

1 falsely claimed Wellness Matrix was selling “Fda approved” “[h]ome test kits” to
2 “Stop Corona Before It Starts”:



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10 42. Todt also utilized social media to publicize the Wellness Matrix
11 affiliated websites, tweeting the names of the sites to numerous twitter handles.

12 **IV. Wellness Matrix and Todt Knew, or Were Reckless in Not Knowing, that**
13 **Their Statements on Wellness Matrix-Affiliated Websites and Social**
14 **Media Were Materially False and Misleading.**

15 43. As described above in paragraphs 22-42, Wellness Matrix and Todt
16 made the statements about the CoronaCide test kits and Disinfectant on Wellness
17 Matrix-affiliated websites and social media.

18 **A. The CoronaCide Test Kits**

19 44. First, Wellness Matrix’s and Todt’s statements on the Wellness Matrix-
20 affiliated websites, and Todt’s statements on social media, claiming that they had
21 CoronaCide test kits available for purchase and delivery was materially false and
22 misleading. From before March 19, 2020 until approximately March 31, 2020,
23 Wellness Matrix and Todt knew, or were reckless in not knowing, that neither
24 Wellness Matrix nor Todt had any CoronaCide test kits to deliver to consumers.

25 45. Second, Wellness Matrix’s and Todt’s statements on the Wellness
26 Matrix-affiliated websites, and Todt’s statements on social media, claiming that the
27 CoronaCide test kits were either FDA approved or registered and authorized for at-
28 home use were materially false and misleading. From before March 19, 2020 until
approximately March 31, 2020, Wellness Matrix and Todt knew, or were reckless in

1 not knowing, that the FDA had neither approved, registered, nor authorized the use of
2 the CoronaCide test kits. Among other things, on March 19, 2020, Todt had received
3 an FDA letter from a CoronaCide associate indicating that the CoronaCide test kits
4 were under review by the FDA and were not approved for use. In addition, on March
5 23, 2020, Todt was told by one of his salesman pitching the CoronaCide test kits that,
6 according to customers, the FDA number for the test kits was not identified on the
7 FDA's website.

8 **B. The Disinfectant**

9 46. First, Wellness Matrix's and Todt's statements on the Wellness Matrix-
10 affiliated websites claiming that they had Disinfectant available for purchase and
11 delivery were materially false and misleading. From before March 19, 2020 until
12 approximately March 31, 2020, Wellness Matrix and Todt knew, or were reckless in
13 not knowing, that neither Wellness Matrix nor Todt had any Disinfectant to deliver to
14 consumers.

15 47. Second, Wellness Matrix's and Todt's statements on the Wellness
16 Matrix-affiliated websites claiming that the Disinfectant was EPA approved or
17 registered were materially false and misleading. From before March 19, 2020 until
18 approximately March 31, 2020, Wellness Matrix and Todt knew, or were reckless in
19 not knowing, that Reg #HQ-OPP-2013-0220-0008 was not a valid EPA registration
20 number, and the Disinfectant was not an EPA-registered pesticide and did not meet
21 the EPA's criteria for use against the virus that causes COVID-19.

22 48. Specifically, the EPA maintains the database "List N: Disinfectants for
23 Use Against SARS-CoV-2," which lists products that meet EPA's criteria for use
24 against SARS-CoV-2, the virus that causes COVID-19. Todt knew, or was reckless in
25 not knowing, that the Disinfectant was not included on List N. Todt also received an
26 email from one of his product sales representatives that called into question the EPA
27 registration number for the Disinfectant.

28

1 **V. Todt Makes Material Misrepresentations to a Wellness Matrix Investor.**

2 49. On February 27, 2020, an individual (the “Investor”) visited Todt. Todt
3 told the Investor to invest in Wellness Matrix because it had a Disinfectant to stop the
4 spread of COVID-19 that had been approved by the EPA.

5 50. Todt also told the Investor that the United States government and
6 Amazon had expressed interest in the Disinfectant, and that he believed Wellness
7 Matrix’s stock price could increase from \$0.05 per share to \$20 per share as a result
8 of the new product.

9 51. Todt also told the Investor that he was one of the owners of Wellness
10 Matrix, and showed him the coronastop28.com website on his computer, which he
11 said was affiliated with Wellness Matrix and created by him a few days ago.

12 52. A day later, the Investor followed up with Todt, and Todt told the
13 Investor that Wellness Matrix had sold 10,000 units of Disinfectant to Costco.

14 53. The Investor periodically reviewed the coronastop28.com website and
15 noticed that the CoronaCide test kits and Disinfectant supporting documentation were
16 added to the site. The Investor also noticed that Wellness Matrix’s website included a
17 link to the coronastop28.com website.

18 54. Todt’s statements to the Investor were materially false and misleading.
19 Todt knew, or was reckless in not knowing, that: (a) Wellness Matrix and Todt did
20 not have any Disinfectant to deliver to consumers; (b) the Disinfectant had not been
21 approved by the EPA; and (c) Wellness Matrix had not made any sales of
22 Disinfectant to Costco.

23 55. In addition, as explained above in paragraphs 43-48, Todt knew, or was
24 reckless in not knowing, that the claims regarding Wellness Matrix’s products on
25 coronastop28.com were materially false and misleading.

26 56. From March 6, 2020 to March 24, 2020, the Investor purchased over
27 23,000 shares of Wellness Matrix. The information that the Investor learned from
28 Todt and the Wellness Matrix-affiliated websites about Wellness Matrix’s marketing

1 of COVID-19-related products was important to his decision to buy the Wellness
2 Matrix stock.

3 57. The Investor also told his sister about what he had learned about
4 Wellness Matrix, and she purchased 5,000 shares of Wellness Matrix stock on March
5 26, 2020.

6 58. The Investor has since sold his shares of Wellness Matrix and realized a
7 loss of approximately \$900. The Investor's sister has since sold her Wellness Matrix
8 shares and realized a loss of approximately \$400.

9
10 **VI. Wellness Matrix's and Todt's Materially False and Misleading
Statements Impacted Trading of Wellness Matrix Stock.**

11 59. In the three months prior to February 25, 2020, Wellness Matrix's share
12 price fluctuated between \$0.025 and \$0.053, with an average daily trading volume of
13 28,100 shares for the three-month period.

14 60. On February 24, 2020, Wellness Matrix filed a Form 10 with the SEC
15 that included audited financial statements that showed no revenue for the company
16 for its prior fiscal year.

17 61. On the following day, February 25, 2020, Wellness Matrix's share price
18 fluctuated between \$0.05 and \$0.10 with a trading volume of 194,055 shares.

19 62. After February 25, 2020 through April 6, 2020, Wellness Matrix's share
20 price fluctuated between \$0.035 and \$0.19, with an average trading volume of
21 approximately 85,000 shares.

22 63. As discussed above, Wellness Matrix and Todt offered the CoronaCide
23 test kits and Disinfectant for sale on Wellness Matrix-affiliated websites from at least
24 March 19, 2020 until approximately March 31, 2020.

25 64. On March 25, 2020, the mid-point of this sale period, Wellness Matrix's
26 share price opened at \$0.19 from the previous day's closing price of \$0.09.

27 65. At this point in time, national and local news reports were dominated by
28 reports of COVID-19 case increases and the lack of a self-administered test for the

1 virus.

2 66. Investors purchased Wellness Matrix stock as a result of Wellness
3 Matrix's and Todt's materially false and misleading statements about the CoronaCide
4 test kits and Disinfectant and these representations were important to investors in
5 deciding to buy WMGR stock.

6 **VII. Wellness Matrix's Fraud is Revealed.**

7 67. On April 2, 2020, National Public Radio, which had conducted an
8 investigation into the sales of Wellness Matrix's CoronaCide test kits, reported that:
9 (a) several customers who ordered the Wellness Matrix CoronaCide test kits said they
10 never received them and have tried to cancel their payments; and (b) the FDA had not
11 authorized any at-home COVID-19 test kit.

12 68. On April 7, 2020, the SEC suspended trading in Wellness Matrix's
13 securities because of questions regarding the accuracy and adequacy of information
14 in the marketplace since at least March 19, 2020.

15 **I.**

16 **CLAIM FOR RELIEF**

17 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5**

18 69. The SEC realleges and incorporates by reference paragraphs 1 through
19 68 above.

20 70. By engaging in the conduct described above, Wellness Matrix and Todt
21 directly or indirectly, in connection with the purchase or sale of a security, by the use
22 of means or instrumentalities of interstate commerce, of the mails, or of the facilities
23 of a national securities exchange: (a) employed devices, schemes, or artifices to
24 defraud; (b) made untrue statements of a material fact or omitted to state a material
25 fact necessary in order to make the statements made, in the light of the circumstances
26 under which they were made, not misleading; and (c) engaged in acts, practices, or
27 courses of business which operated or would operate as a fraud or deceit upon other
28 persons.

1 § 78u(d)(2), permanently prohibiting Defendant Todt from serving as an officer or
2 director of any issuer that has a class of securities registered pursuant to Section 12 of
3 the Exchange Act or that is required to file reports pursuant to Section 15(d) of the
4 Exchange Act.

5 **V.**

6 Entering an Order, pursuant to Section 21(d)(6)(A) of the Exchange Act, 15
7 U.S.C. § 78u(d)(6)(A), prohibiting Defendant Todt from participating in an offering
8 of penny stock.

9 **VI.**

10 Retain jurisdiction of this action in accordance with the principles of equity and
11 the Federal Rules of Civil Procedure in order to implement and carry out the terms of
12 all orders and decrees that may be entered, or to entertain any suitable application or
13 motion for additional relief within the jurisdiction of this Court.

14 **VII.**

15 Grant such other and further relief as this Court may determine to be just and
16 necessary.

17 **JURY DEMAND**

18 The SEC demands a trial by jury on all claims so triable.

19 Dated: June 11, 2021

20
21 */s/ Donald W. Searles*

22 _____
DONALD W. SEARLES

23 Attorney for Plaintiff

24 United States Securities and Exchange Commission
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