UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

SECURITES AND EXCHANGE COMMISSION,	:	
Plaintiff,	:	
v.	:	**No. _____**
MIKHAIL GALAS, ALEXANDER HAWATMEH, CHRISTOPHER MWROCA, and TOVY PUSTOVIT,	:	**DECLARATION OF JOSEPH DARRAGH**
Defendants, and	:	
NADIA HAWATMEH,	:	
Relief Defendant.	:	

I, Joseph Darragh, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am a contract auditor and fraud analyst for the Securities and Exchange Commission (the "Commission" or "SEC"), assigned to its Microcap Fraud Task Force. The SEC created the Microcap Fraud Task Force in July 2013 to target abusive trading and fraudulent conduct in low-priced, thinly-traded securities, which are referred to as "microcap"

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securities. My duties include providing advice and assistance in financial and trading analyses to the Task Force in relation to its investigations and litigations.

2. Prior to joining the SEC in November 2013, I worked for four years as a Revenue Officer at the Internal Revenue Service's Bridgeport, CT office. I received a B.B.A. in Finance, with a minor in Economics, from Pace University in 2009, and an M.S. in Accountancy from the University of Phoenix in 2010. In July 2013, I was accredited as a Certified Fraud Examiner by the Association of Certified Fraud Examiners.

SOURCE MATERIALS FOR THIS DECLARATION

3. This Declaration is based upon personal knowledge, information and belief. In preparing this declaration, I reviewed a wide variety of information and documents obtained by the SEC staff pursuant to investigative subpoenas and other means, including, among other things, trading records and other information from various broker-dealers; telephone records; online databases such as CLEAR and Lexis Nexis; trading data from Bloomberg and other providers; and information from the Fedwire Funds Service, a settlement system for money transfers.

4. I also relied on the "electronic blue sheet" or "EBS" system, which consists of trading data obtained from broker-dealers and clearing firms. The EBS is used by the SEC staff to identify brokerage accounts that traded in a security during a specified period of time, and to gather information concerning those transactions, such as the name and address of the account, the trade date, the price and quantity of shares traded, and whether the transaction was a buy or a sell.

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DEFENDANTS

5. **Mikhail Galas** ("Galas"), age 25, lives in Vancouver, Washington. From 2013-2014, Galas traded in over 300 different low-cost, over-the-counter stocks through three accounts at E*TRADE Financial Corp. ("E*TRADE") and Fidelity Brokerage Services LLC ("Fidelity").

6. **Alexander Hawatmeh** ("A. Hawatmeh"), age 24, lived in Vancouver, Washington until May 2014, when he moved to Oregon. Hawatmeh is currently incarcerated in Oregon in connection with reckless driving charges. A. Hawatmeh is a member of Worthmore Investments LLC, an Oregon limited liability company, which is the registered owner of a stock promotion website, www.stockhaven.com. In 2013 and 2014, A. Hawatmeh traded in over 100 different low-cost, over-the-counter stocks in three different accounts at E*TRADE and TD Ameritrade, Inc. ("TD Ameritrade"). A. Hawatmeh maintains an account at the Housing Bank for Trade and Finance in Jordan. On June 12 and 13, 2013, A. Hawatmeh's father received wire transfers totaling $90,000. On June 27, 2013, A. Hawatmeh's father transferred $90,000 to A. Hawatmeh's brokerage account at E*Trade, and the next day A. Hawatmeh began accumulating shares of ADSU and ADPC. In the past several years, A. Hawatmeh transferred about $60,000 to Mrwoca.

7. **Christopher Mrowca** ("Mrowca"), age 25, resided in Boulder, Colorado until April 2014, when he relocated to Bradenton, Florida. In 2013and 2014, Mrowca traded in over 150 different low-cost, over-the-counter stocks in three accounts at E*TRADE. He also acts as a stock promoter and operates through an entity called Money Runners Group LLC.

8. **Tovy Pustovit** ("Pustovit"), age 20, is a resident of Vancouver, Washington. Pustovit was listed as the registered owner of a stock promotion website called

www.explosivealerts.com in August 2012, when the site was created. In 2013 and 2014, Pustovit traded in over 50 different low-cost, over-the-counter stocks in four accounts at E*TRADE and Scottrade Financial, Inc. ("Scottrade").

RELIEF DEFENDANT

9. **Nadia Hawatmeh** ("N. Hawatmeh"), age 50, is a resident of Hernando, FL. In 2013 and 2014, N. Hawatmeh's accounts traded in over 20 different low-cost, over-the-counter stocks in four accounts at E*TRADE and Charles Schwab & Co, ("Schwab"). Based on analyses of Internet protocols, it appears that all or some of the trading in N. Hawatmeh's accounts may have been conducted by A. Hawatmeh, Mrowca, or Pustovit.

TRADING INDICATIVE OF MANIPULATIVE ACTIVITY

10. I conducted an analysis of the trading of numerous microcap securities to identify, among other things, patterns of suspicious trading by the Defendants. Among the types of suspicious trading I observed are "matched orders" and "wash trades."

11. Matched orders occur when a person, for the purpose of creating a false or misleading appearance of active trading in a security, enters an order to buy or sell that security with the knowledge that a substantially similar order has been or will be placed to trade the security, but on the other side of the trade.

12. Wash trades occur when a security is traded between two accounts with no change in beneficial ownership, for the purpose of creating a false or misleading appearance of active trading in the security.

13. I used EBS data to identify accounts at E*TRADE, TD Ameritrade, Schwab, Scottrade, Fidelity, and Interactive Brokers LLC ("Interactive") that frequently traded in the relevant securities on the same days as one or more of the Defendants. I then obtained electronic

trading data from the broker-dealers for all trading in the relevant accounts during the relevant time periods. The electronic trading data provided additional information concerning the transactions, including order and execution times. After identifying trades with the same execution times, I reviewed the order time to pinpoint orders placed at the same, or substantially the same time. This allowed me to identify wash trades and matched orders.

14. I also obtained information from the brokerage firms listed above concerning the Internet protocol ("IP") addresses used by Defendants, the Relief Defendant and other traders referred to herein to access the firm's websites in order to place trade orders. An IP address is a unique identifier of a computer or computer network. I analyzed the IP access logs from each brokerage account of interest and noted any IP address that was shared among two or more accounts. If two or more accounts accessed their brokerage accounts using the same IP addresses around the same time, it is likely that they accessed their accounts from the same computer or computer network.

Manipulative Trading by the Defendants in ISML, APDC, ADSU, RVDO, PHOT, HEMP

Trading in ISM International, Inc. ("ISML")

15. ISML is a Delaware corporation based in Clearwater, FL. The company claims to specialize "in innovation, technology and manufacturing organic products." The company lists its products as "organic nail polish and nail polish remover, security bra, green energy products, Flea market, [and] movie production." ISML securities are not registered with the SEC, and ISML common stock is quoted on OTC Link, an electronic system that displays quotes from broker-dealers for many low-priced stocks. OTC Link has no listing requirements, and issuers quoted on OTC Link tend to be small companies with volatile, thinly- traded stocks.

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16. From December 15, 2011 through April 10, 2012, A. Hawatmeh accumulated about 2.6 million shares of ISML common stock in his E*TRADE account, at prices ranging from $.0097 to $.09 per share. A. Hawatmeh's purchases constituted about 85% of the total trading volume of ISML common stock during that period.

17. Galas began trading in ISML on January 18, 2012. By February 10, 2012, he had acquired 70,000 shares of ISML common stock at prices ranging from $.03 to $.043 per share, which he sold on February 28 for $.07 per share.

18. From December 15, 2011 through April 10, 2012, the closing price of ISML rose from less than a penny per share to a high of over $.09 per share.

19. From April 11, 2012 through April 19, 2012, A. Hawatmeh was a net seller of ISML common stock, while Galas and Mrowca were net buyers of ISML common stock.

20. From April 11, 2012 through April 19, 2012, A. Hawatmeh sold 1.88 million shares of ISML common stock at prices ranging from $.055 to $.12 per share, and purchased approximately 280,000 shares at prices ranging from $.04 to $.0951 per share. A. Hawatmeh's trades during this period constituted approximately 65% of the total trading volume of ISML common stock.

21. From April 11, 2012 through April 16, 2012, while A. Hawatmeh was selling ISML common stock, Galas accumulated 170,000 shares of ISML common stock at prices ranging from $.055 to $.07 per share. Between April 11, 2012 and April 19, 2012, Galas was a net buyer of 85,000 shares of ISML common stock.

22. From April 13, 2012 through April 18, 2012, Mrowca bought and sold 125,000 shares of ISML. By close of trading on April 18, 2012, Mrowca owned no shares of ISML. Attached as Exhibit 7 is a chart reflecting the price and volume of ISML common stock from

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November 1, 2011 to May 31, 2012, and reflecting the timing of A. Hawatmeh's, Mrowca's and Galas's trading in ISML.

23. A. Hawatmeh, Mrowca, and Galas engaged together in various forms of manipulative trading in ISML common stock, both before and during the promotion of ISML.

24. On April 13, 2012, April 16, 2012, April 19, 2012 and April 20, 2012, A. Hawatmeh, Mrowca, and Galas entered matched orders and wash trades of ISML. Some of the orders were matched with orders entered by a third party, referred to as Trader A.

25. The trading in the Defendants' accounts prior to the promotion is indicative of activity intended to both generate volume and increase the price in advance of the promotion. Shares of ISML climbed from a close of $.0405 per share on April 11, 2012 to $.096 per share on April 19, 2012.

26. The matched orders and wash trades in ISML are set forth on Exhibit 1.

27. On April 20, 2012, there was a promotion of ISML over the Internet and social media claiming that ISML would trade at $.20 per share. Some of the e-mails promoting ISML were issued in the name of Money Runners Group LLC, which was controlled by Mrowca. Attached as Ex. 13 are examples of this promotion.

28. On April 20, 2012, right after the commencement of the promotion, between about 9:32 and 9:36 a.m., A. Hawatmeh sold 995,000 shares of ISML common stock at prices ranging from $.1242 to $.20 per share.

29. A. Hawatmeh's sales of ISML stock from April 12, 2012 through April 20, 2012 generated gross profits of approximately $223,000.

30. Galas sold his remaining 85,000 shares of ISML on April 20, 2012. Galas' trading in ISML generated gross profits of over $15,000.

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31. Following the promotion of ISML, the price and volume of ISML stock collapsed. The trading volume of ISML stock on April 20, 2012 was almost 5 million shares with a high price of $.22 per share. By May 21, 2012, the price had declined to $.03 per share and the trading volume was only 33,200 shares.

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Trading in Allied Products Corp. ("ADPC")

32. ADPC is a Delaware corporation that had its principal place of business in Chicago, Illinois. ADPC was a manufacturer of agricultural and industrial equipment that filed for reorganization under Chapter 11 of the Bankruptcy Code in October 2000. On November 24, 2003, ADPC filed a Form 15 to terminate the registration of its common stock. ADPC's last periodic filing with the Commission was its Form 10Q for the quarter ended June 30, 2000. On February 3, 2014, the Commission entered an order temporarily suspending trading in ADPC securities. A copy of the Commission's trading suspension order is attached as Exhibit 22. Prior to the trading suspension, ADPC common stock was quoted on OTC Link. ADPC no longer appears to have any business operations. I have been unable to find an active website or any current contact information for the company.

33. From June 14, 2013 through the early morning of July 2, 2013, over 2.9 million shares of ADPC common stock were purchased in A. Hawatmeh's, N. Hawatmeh's and Pustovit's accounts through market purchases at prices ranging from $.0018 to $.03 per share. Attached as Exhibit 8 is a chart reflecting the price and volume of ADPC common stock from May 1, 2013 to July 31, 2013, and reflecting the timing of trading in ADPC in A. Hawatmeh's, N. Hawatmeh's and Pustovit's accounts.

34. The ADPC trades in A. Hawatmeh's, N. Hawatmeh's and Pustovit's accounts from June 14, 2013 through July 1, 2013 constituted over 90% of the total trading volume of ADPC common stock during that period.

35. The price of ADPC common stock rose from $.008 per share on June 14, 2013, to $.025 per share on July 1, 2013.

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36. During the build-up to the July 2, 2013 promotion and simultaneous dump of ADPC, the Defendants engaged in matched orders and wash trades that created the illusion of an active market for ADPC stock.

37. On at least 16 occasions from June 19, 2013 to July 1, 2013, matched orders for ADPC common stock were entered in A. Hawatmeh's, N. Hawatmeh's and Pustovit's accounts.

38. On July 1, 2013, Pustovit engaged in two wash trades of ADPC common stock.

39. A. Hawatmeh's, N. Hawatmeh's and Pustovit's matched orders and wash trades of ADPC are set forth on Exhibit 2. Except for the two wash trades entered into Pustovit's account at Scottrade, all of these orders were entered in A. Hawatmeh's, N. Hawatmeh's and Pustovit's respective E*TRADE accounts.

40. The orders reflected on Exhibit 2 affected the price and volume of ADPC stock. These orders accounted for trading volume of over 4.1 million shares of ADPC common stock, about 50% of the total volume during the period from June 19, 2013 to July 1, 2013.

41. Most of the Defendants' trade orders were transmitted to E*TRADE or Scottrade via connection to those firm's websites. Although at the time, A. Hawatmeh and Pustovit lived in Washington State, and N. Hawatmeh lived in California, some orders from these accounts in June and July 2013 used the same IP address, 64.207.45.21. The street address for that IP addresses is 6901 Lookout Rd, Boulder, CO 80301, which is the address of a motel owned by Mrowcas' family and also for Mrowca himself. It appears, therefore, that orders to E*TRADE and Scottrade in multiple accounts were placed from the same computer or computers using the same Internet connection at Mrowca's address.

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42. Attached as Exhibit 19 is a spreadsheet reflecting the dates and times that the Defendants' and Relief Defendant's accounts were accessed using the IP address associated with the Mrowcas' hotel.

43. Telephone records reflect that from June 19, 2013 through July 2, 2013, at least 80 calls were placed between Pustovit and A. Hawatmeh, including 19 calls on July 2, 2013, the day of the Internet promotion described below. Telephone records indicate that A. Hawatmeh's number was assigned to an account billed to Mrowca during this period. Many of these calls occurred shortly before a matched trade between the Pustovit and N. Hawatmeh accounts, suggesting that Mrowca or A. Hawatmeh were placing trades in the N. Hawatmeh account.

44. Starting on the morning of July 2, 2013, there was an e-mail and Internet promotion of ADPC stock by a stock promoter using the name "Explosive Alerts."

45. Pustovit was the registered owner of the Explosive Alerts website www.explosivealerts.com at this time.

46. At or around 10 AM. eastern time on July 2, 2013, Explosive Alerts broadcast the following spam e-mail:

> **ADPC buy Alert!**
>
> **Alerting ADPC here at .0255**
>
> **We strongly believe ADPC could see .08+ today!**
>
> **By the time you finish reading this email ADPC will probably have rose 5% or maybe even 10% so stop wasting your time and go make some damn money!**

A copy of this e-mail on an Internet stock promotion aggregation site is attached as Exhibit 14.

47. ADPC does not appear to have had any business operations at the time of the promotion.

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48. Between 10:00 a.m. and 10:40 am eastern time on July 2, 2013, A. Hawatmeh sold 2,720,000 shares of ADPC common stock in his account at E*TRADE at prices ranging from $.025 to $.071 per share.

49. A. Hawatmeh's sales of ADPC common stock from June 14, 2013 through July 2, 2013 generated gross profits of about $53,970.

50. Pustovit's sales of ADPC common stock from June 14, 2013 through July 2, 2013 generated profits of about $42,200.

51. Following the promotion of ADPC, the price and volume of ADPC common stock collapsed. The trading volume of ADPC common stock on July 2, 2014 was over 9.8 million shares with a high price of $.08 per share. By July 12, 2013, the price had declined to $.0031 per share and the trading volume was only 35,500 shares.

Trading in Aden Solutions, Inc. ("ADSU")

52. ADSU is a Nevada corporation that had its principal place of business in Toronto, Canada. In filings with the Commission, the company purported to be a development stage company focused on "providing travel packages and concierge services to corporate entities and individuals in the United States and Canada." ADSU's last periodic filing with the Commission was its Form10-Q for the quarter ended September 30, 2011. ADSU's Nevada corporate registration expired in December 2011. On December 6, 2013, the Commission temporarily suspended trading in ADSU securities. A copy of the Commission's trading suspension order is attached as Exhibit 21. ADSU's stock was registered pursuant to Section 12(g) of the Exchange Act until March 21, 2014, when the Commission revoked the registration of ADSU's securities. Prior to the trading suspension, ADSU was quoted on OTC Link. ADSU

no longer appears to have any business operations. I have been unable to find an active website or any current contact information for the company.

53. The pattern of trading in ADSU was similar to that for ISML and ADPC. The A. Hawatmeh and N. Hawatmeh accounts accumulated a large position in ADSU and engaged in matched orders that created the illusion of an active market for the stock. Then, in coordination with an Internet promotion of ADSU, they sold the ADSU shares for a substantial profit. Attached as Exhibit 9 is a chart reflecting the price and volume of ADSU common stock from May 1, 2013 to November 30, 2013, and reflecting the timing of trading in ADSU in A. Hawatmeh's, N. Hawatmeh's and Pustovit's accounts.

54. From June 28 through November 5, 2013, the A. Hawatmeh and N. Hawatmeh E*TRADE accounts accumulated over 6.6 million shares of ADSU common stock through market purchases. During this period, these accounts also engaged in matched orders with one another.

55. This accumulation of ADSU common stock occurred in two stages. First, from June 28, 2013 through July 22, 2013, the A. Hawatmeh and N. Hawatmeh accounts purchased a total of 3,960,000 shares of ADSU common stock in market trades through their E*TRADE accounts at prices ranging from $.0032 to $.0181 per share. This trading constituted over 90% of the total volume in ADSU common stock during this period.

56. On July 2, 2013, the A. Hawatmeh and N. Hawatmeh accounts entered matched orders for 10,000 shares of ADSU common stock that were executed at $.07 per share.

57. A. Hawatmeh's and N. Hawatmeh's matched orders for ADSU common stock are set forth in Exhibit 3.

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58. ADSU's reported last price rose from $.009 per share on June 28, 2013 to $.0181 per share on July 22, 2013.

59. From July 22 to August 23, 2013, A. Hawatmeh and N. Hawatmeh accounts did not trade ADSU common stock. The second stage began on August 23, 2013, when the A. Hawatmeh and N. Hawatmeh accounts resumed trading in ADSU.

60. On August 23, 2013, the A. Hawatmeh and N. Hawatmeh accounts entered in matched orders by which the entire 2,850,000 shares of ADSU common stock in N. Hawatmeh's account was sold to A. Hawatmeh at $.09 per share.

61. The 2,850,000 share matched orders of ADSU common stock in the A. Hawatmeh and N. Hawatmeh accounts on August 23, 2013, were communicated to E*TRADE using the same IP address. Attached as Exhibit 20 is a table showing log on information for the A. Hawatmeh and N. Hawatmeh accounts on August 23, 2013.

62. A. Hawatmeh's and N. Hawatmeh's matched orders affected the market price and volume of ADSU stock. For example, the 2,850,000 share matched trade on August 23, 2013 accounted for about 93% of the market volume on that day.

63. Following the matched order on August 23, 2013, and through November 5, 2013, A. Hawatmeh purchased an additional 2,905,950 shares of ADSU common stock in market trades at prices ranging from $.005 to $.0481 per share.

64. Trading in A. Hawatmeh's and N. Hawatmeh's accounts from August 23, 2013 through November 5, 2013, including the matched orders, constituted over 90% of the total trading volume in ADSU common stock during this period. By November 5, 2013, A. Hawatmeh's E*TRADE account held over 6.6 million shares of ADSU common stock. The last trade price for ADSU on November 5 was $.015 per share.

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65. After A. Hawatmeh had spent about four months accumulating a large position in moribund ADSU and then driving up the price of the stock through matched trading, A. Hawatmeh sold his entire position in ADSU on November 7 and 8, 2013, in conjunction with an Internet promotion.

66. On November 7 and November 8, 2013, there was a promotion of ADSU over the Internet and social media claiming that ADSU would trade at $2 per share. I was unable to find any financial or news information that could substantiate this claim. Examples of this promotions are attached as Exhibit 15 and summarized below:

Date	MESSAGE
Nov. 7, 2013 9:27 AM	Underground Alerts e-mail to investors: **"Our New Pick is ADSU** **$1.75 Price Target Initiated** **We are proud to present to you our brand new pick:** **Aden Solutions, Inc. (OTCBB:ADSU)** **According to analysts the Online Travel Industry . . . is set to grow to a market cap of $396.1 Billion Dollars by 2015, if ADSU can get just .01% of that the market cap would be $3.9 billion vs the current market cap of ADSU which is just over $1.43M right now. That would put ADSU at a price evaluation of $40 a share, ADSU is currently trading under .15!** **Expect ADSU to move big today."**
Nov. 7, 2013	Yahoo!Finance post: **"ADSU was just upgraded to a $2 price target by Everest Stock Market Research, add this one to your watch lists immediately we could see huge gains tomorrow morning. The last alert they put a price target on went up over 3000% same day!"**
Nov. 7, 2013	MadMaxxKillerPicks.com: **"ALERT IN THE MORNING ADSU. Stand by for our massive alert in the morning. We are expecting some of the biggest gains we've ever seen."**
Nov. 7, 2013	Stockpromoters.com post by TopStockTips.com: **"*ADSU* Is Our Low Float Monster Penny Alert!"**

Nov.7-8, 2013	Tweets from Pennystockwinners on pennystocktweets.com: Nov. 7, 10:42 pm: **"$ADSU happening tomorrow!"** Nov. 7, 10:45 pm: **"…$ADSU…#HEAVYHITTERS#PROFITTAKERS"** Nov. 8, 10:40 am: **"If $ADSU bounces again it could be big!!"**
Nov. 8, 2013 11:38 AM	Tweet from cabroncita on pennystocktweets.com: **"$ADSU .065 30% Target price is $1.75!!! One hot stock!"**

67. Two of the ADSU promoters listed above, Underground Alerts and MadmaxxKillerPicks, are connected to a person in Jordan. This person used certain Internet protocol addresses to access his web hosting account in 2013 that also were used to access the A. Hawatmeh and N. Hawatmeh E*TRADE accounts in 2012 and 2013. Documentation obtained from the web hosting account as well as Internet protocol address location records reflect that these addresses were linked to an Internet service provider in Jordan.

68. On November 7 and November 8, 2013, A. Hawatmeh sold his entire 6.6 million share position in ADSU common stock at prices ranging from $.045 to $.24 per share.

69. A. Hawatmeh's sales of ADSU common stock from June 28, 2013 through November 08, 2013 generated gross profits of approximately $425,000.

70. A. Hawatmeh immediately tried to wire the proceeds of his dump of ADSU stock out of his E*TRADE account, but was unable to do so because E*TRADE had frozen his account. At the time of the freeze, the account contained positions in numerous other microcap stocks and about $486,000 in cash.

71. The trading volume for ADSU common stock on November 7 and 8, 2013, was 4,121,053 shares and 11,897,090 shares, respectively. The price of ADSU common stock peaked on November 7, at $.24 per share. By December 4, 2013, the daily volume of ADSU common stock had declined to about 186,000 shares and the price had declined to $.01 per share.

Trading in GrowLife, Inc. ("PHOT")

72. PHOT is a Delaware corporation based in Woodland Hills, California. In filings with the SEC, the company purports that it is in the oil recovery business and that it has set up a subsidiary company, Legalizedpot.us, to manage growers of legalized marijuana and hemp in various states. PHOT stock is registered under Section 12(g) of the Exchange Act and is quoted on OTC Link. On April 10, 2014, the SEC issued an order temporarily suspending trading in PHOT securities. A copy of the Commission's trading suspension order is attached as Exhibit 23.

73. Mrowca used two separate E*TRADE accounts, #63623734 ("Mrowca #1 account") and #68892594 ("Mrowca #2 account") to trade PHOT between December 16, 2013 and March 18, 2014. Mrowca used the accounts to engage in wash trades, and also engaged in matched orders with Galas in Galas' E*TRADE account. A. Hawatmeh also traded PHOT during this period through his TD Ameritrade account.

74. From January 9 to January 14, 2014, there was an Internet promotion of PHOT. The promotion touted the marijuana industry, and predicted that PHOT's stock price would nearly double. Examples of that promotion are attached as Exhibit 16.

75. During that promotion, Mrowca and Galas traded approximately 6.4 million shares of PHOT common stock, and during and leading up to the promotion engaged in manipulative trading that appears to have been designed to increase the price and volume of

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PHOT stock. Attached as Exhibit 10 is a chart reflecting the price and volume of PHOT common stock from November 1, 2013 to April 30, 2014, and reflecting the timing of A. Hawatmeh's, Mrowca's and Galas's trading in PHOT.

76. From January 2, 2014 through January 14, 2014, Mrowca engaged in wash trades of PHOT common stock involving the Mrowca #1 and #2 accounts and also engaged in matched orders of PHOT common stock with Galas. Exhibit 4 sets forth the matched orders and wash trades in PHOT.

77. Mrowca used "limit orders" to execute his wash trades of PHOT common stock.

78. A limit order is an order to a broker to buy or sell a security that sets a particular price, the limit price, at which the broker is authorized to execute the transaction.

79. For each wash trade of PHOT common stock, Mrowca entered a limit order to sell that had a lower limit price than the corresponding limit order to buy. There is no apparent economic rationale for this sell low/buy high strategy other than increasing the stock price. From January 2, 2014 to January 9, 2014, while the manipulative trading was taking place, the price of PHOT common stock increased 196% from $.1575 per share to a high of $.467 per share.

80. The average daily volume for PHOT common stock for the three-month period prior to December 16, 2013 (when Mrowca began accumulating PHOT shares) was about 12.8 million shares. From December 16, 2013 to January 14, 2014, PHOT's average daily volume increased to about 55 million shares, with a total volume of about 1.076 billion shares. During this period, Mrowca and Galas traded about 31 million shares of PHOT common stock at prices ranging from $.126 to $.463 per share, generating gross profits of approximately $54,700 for Mrowca and $3,200 for Galas. By January 14, 2014, Mrowca and Galas had liquidated their PHOT holdings and PHOT closed at $.281 per share.

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81. From March 6, 2014 through March 18, 2014, Mrowca promoted PHOT through Money Runners Group, LLC and its related website, MoneyRunnersGroup.com. Examples of PHOT promotions by Money Runners Group and others are attached as Exhibit 16.

82. During that promotion, A. Hawatmeh, Mrowca and Galas engaged in manipulative trading indicative of activity designed to increase the price and volume of PHOT common stock and they then sold their stock.

83. On March 6, 2014, shares of PHOT opened at $.3865 per share. During the promotion, from March 6, 2014 to March 18, 2014, PHOT's daily average market volume increased to over 60 million shares per day and PHOT traded up to a high of $.7777 per share. This was a 101% price increase from the March 6, 2014.

84. From March 6 to March 18, 2014, Mrowca, Galas, and A. Hawatmeh collectively traded approximately 17 million shares of PHOT common stock.

85. During the period March 6 through March 17, 2014, Mrowca again engaged in wash trades, and in matched orders with Galas and A. Hawatmeh, presumably in an effort to support the price during the promotion. These wash trades and matched orders are set forth on Exhibit 4.

86. From January through March 2014, PHOT trading in Mrowca's accounts generated gross profits of about $111,000; PHOT trading in Galas' account generated gross profits of about $6,000; and PHOT trading in A. Hawatmeh's account generated a gross loss of about $17,000.

87. On April 10, 2014, the Commission suspended trading in PHOT securities. *See* Ex. 23.

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Trading in Hemp, Inc. ("HEMP")

88. HEMP is a Colorado corporation based in Las Vegas, Nevada. The company claims to be in the business of providing lawful products and services to the medical marijuana industry and to provide over-the-counter health products made from industrial hemp. HEMP stock is not registered with the SEC and is quoted on OTC Link.

89. From January 24 through February 12, 2014, HEMP was being actively promoted over the Internet. Examples of the HEMP promotion are attached as Exhibit 17. On January 24, 2014, HEMP opened at a price of $.0505 per share. During the promotion, it reached a high of $.34 per share on February 5, 2014. For the three months prior to January 24, 2014, average daily volume of HEMP trading was 28.063 million shares. Between January 24, 2014 and February 12, 2014, the average daily volume increased to almost 158 million shares.

90. Between January 23, 2014 and February 12, 2014, A. Hawatmeh, Galas, and Mrowca bought and sold approximately 41.7 million shares of HEMP common stock. Attached as Exhibit 11 is a chart reflecting the price and volume of HEMP common stock from January 1, 2014 to March 31, 2014, and reflecting the timing of A. Hawatmeh's, Galas's and Mrowca's trading in HEMP.

91. During the promotion, Mrowca, A. Hawatmeh and Galas traded HEMP and engaged in manipulative wash trades and matched orders. The total volume for the accounts of Mrowca, Hawatmeh, and Galas, during this period was approximately 83 million shares.

92. Mrowca engaged in numerous wash trades using the Mrowca #1 and Mrowca #2 accounts, presumably in order to artificially increase the stock price. As was the case with the trading in PHOT, Mrowca entered limit orders to sell at lower prices than his limit orders to buy, an irrational sell low/ buy high strategy that only served to raise the price of the stock.

93. Mrowca also engaged in matched orders with the Galas, A. Hawatmeh, and a trader referred to as Trader B. While these manipulative trades were taking place, the price of shares of HEMP increased by 573% from the open on January 24, 2014 to the high on February 12, 2014. These wash trades and matched orders are set forth in Exhibit 6.

94. During the period of the manipulative trading, from January 24 through February 12, 2014, HEMP sales in the Mrowca account generated gross profits of approximately $106,000; HEMP sales in the A. Hawatmeh account generated gross profits of approximately $229,000; and HEMP sales in the Galas account generated gross profits of approximately $12,500.

95. The price and volume of HEMP common stock have collapsed since February 12, 2014. On June 24, 2014, the volume was approximately 7.4 million shares and the closing price was $.0590 per share.

Trading in Riverdale Oil and Gas Corp. ("RVDO")

96. RVDO is a Nevada corporation based in Austin, Texas, and is in the business of acquiring partial interests in oil and gas production. RVDO securities are not registered with the Commission, and RVDO common stock is quoted on OTC Link. RVDO's CEO has stated that he is unaware of who was behind the promotion of RDVO in March 2014 and filed a complaint with the Commission concerning that promotion through the Commission's website. A copy of that complaint is attached is attached as Exhibit 24.

97. From February 7, 2014 through March 4, 2014, A. Hawatmeh's account at TD Ameritrade and N. Hawatmeh's accounts at Schwab accumulated a total of approximately 3.3 million shares of RVDO common stock. The A. Hawatmeh and N. Hawatmeh accounts acquired this position in RVDO common stock in market purchases at prices ranging from $.01 to $.102

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per share. Attached as Exhibit 12 is a chart reflecting the price and volume of RVDO common stock from January 1, 2014 to March 31, 2014, and reflecting the timing of trading in RVDO in A. Hawatmeh's and N. Hawatmeh's accounts.

98. A. Hawatmeh's and N. Hawatmeh's trading accounted for over 50% of the market volume for RVDO common stock during the period from February 7, 2014 through March 4, 2014. During that period the share price of RVDO common stock rose from an opening price of $.01 per share on February 7, 2014 to a closing price of $.06 per share on March 4, 2014.

99. From November 07, 2013 through February 4, 2014 (the three months before the A. Hawatmeh and N. Hawatmeh accounts began accumulating RVDO), the aggregate market volume for RVDO common stock was approximately 800,000 shares and the average closing price was approximately $.027 per share.

100. During the pre-dump build up in RVDO, the A. Hawatmeh and N. Hawatmeh accounts appear to have engaged in numerous matched orders with accounts of third parties referred to as Trader C, Trader D, Trader E, and Trader F.

101. Specifically, on February 7, 2014, A. Hawatmeh, through his TD Ameritrade account, engaged in matched orders of RVDO common stock with Trader C, Trader D and Trader E. From February 10 through February 28, 2014, A. Hawatmeh engaged in matched orders of RVDO common stock with Trader F. On February 20, 2014, the N. Hawatmeh account also engaged in matched orders of RVDO common stock with Trader C and Trader E.

102. A. Hawatmeh's and N. Hawatmeh's matched orders of RVDO common stock with Traders C, D, E and F are set forth on Exhibit 6.

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103. According to IP address logs obtained from E*TRADE and TD Ameritrade, Trader C accessed his TD Ameritrade account using IP addresses also used by A. Hawatmeh to access both his TD Ameritrade and E*TRADE accounts. Trader C also used an IP address that was used to access the account in the name of N. Hawatmeh at E*TRADE.

104. The execution of A. Hawatmeh's and the N. Hawatmeh account's matched orders affected the price and volume of RVDO common stock. The matched orders resulted in executions starting at a price of $.0162 per share on February 7, 2014, and increasing in price to $.07 per share on February 28, 2014, hitting a high of $.075 per share on February 10, 2014.

105. On March 5, 2014, there was a promotion of RVDO over the Internet claiming that RVDO would trade at $2 per share. The closing price for RVDO common stock on March 4, 2014 was $.06 per share. There was no business development at RVDO that would appear to justify such a rise in price.

106. On March 4, 2014, at about 10:30 a.m., Underground Alerts – which also was involved in the ADSU promotion – sent out e-mails congratulating itself on the success of a previous stock recommendation and claiming that "Our analysts are researching our next huge alert, and it will be ready soon. Make sure you have your funds ready for this next one, we are expecting this one to be our biggest play yet." A few hours later, at about 2:48 p.m., Underground Alerts sent out an e-mail entitled "Our New Stock Pick is Coming Tomorrow! Last alert at these PRICE levels +1494%." The body of the e-mail announced that "Our new stock alert will be released tomorrow morning at 9:00am EST" and went on to boast about the success of Underground Alerts' prior picks. At about 9:10 AM on March 5, 2014, Underground Alerts sent an e-mail announcing that "RVDO is our New Monster Alert – Price Target: $2." The e-mail stated that "Full Report will be released after market close. Consider this an early alert" and

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again went on to trumpet the success of its earlier stock picks. Copies of these e-mails are attached as Ex. 18.

107. As previously described, Underground Alerts is connected to a person in Jordan. That person used certain IP addresses to access his web hosting account in 2013 that also were used by A. Hawatmeh and N. Hawatmeh to access their E*TRADE accounts in 2012 and 2013.

108. Between 9:30 AM and 09:52 AM on March 5, 2014, A. Hawatmeh sold about 3.23 million shares of RVDO out of his TD Ameritrade account. The execution price per share ranged from $.28 to $.90.

109. A. Hawatmeh's average selling price per share on March 5, 2014 was about $.4375, almost an eightfold increase over his average purchase price per share.

110. A. Hawatmeh's gross profits from trading RVDO between February 7, 2014 and March 5, 2014 were over $1.23 million.

111. N. Hawatmeh's account sold 95,500 shares of RVDO on March 5, 2014 for gross profits of over $35,800.

112. On March 5, 2014, the day that the A. Hawatmeh and N. Hawatmeh accounts sold their shares, RVDO closed at $.635per share. Thereafter, the price dropped sharply. On March 6, 2014, RVDO closed at $.18 per share.

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113. Fedwire records reflect that on March 5, 2014 and March 7, 2014, A. Hawatmeh wired $738,000 of the proceeds from his sales of RVDO to a precious metals refinery.

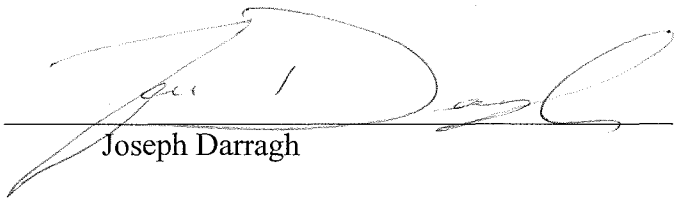
The Defendants Earned Substantial Profits

114. The defendants and relief defendant's accounts collectively earned substantial profits from trading in ISML, ADPC, ADSU, PHOT, HEMP, and RVDO. Between December of 2011 and March of 2014 Galas, A. Hawatmeh, Mrowca, Pustovit, and N. Hawatmeh earned about $2.5 million from their trading in the stocks of these six issuers.

Pursuant to 28 U.S.C. §1746, I, Joseph Darragh, declare under penalty of perjury that the foregoing is true and correct.

Executed on August 5, 2014

Tacoma, Washington



Joseph Darragh

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Exhibits Referenced in Declaration of Joseph Darragh dated August 5, 2014

Description	Exhibit
ISM International, Inc. (ISML) Matched Orders and Wash Trades	1
Allied Products Corp. (ADPC) Matched Orders and Wash Trades	2
Aden Solutions Inc. (ADSU) Matched Orders and Wash Trades	3
GrowLife, Inc. (PHOT) Matched Orders and Wash Trades	4
Hemp, Inc. (HEMP) Matched Orders and Wash Trades	5
Riverdale Oil & Gas, Inc. (RVDO) Matched Orders and Wash Trades	6
ISM International, Inc. (ISML) Market Price and Volume Chart	7
Allied Products Corp. (ADPC) Market Price and Volume Chart	8
Aden Solutions Inc. (ADSU) Market Price and Volume Chart	9
GrowLife, Inc. (PHOT) Market Price and Volume Chart	10
Hemp, Inc. (HEMP) Market Price and Volume Chart	11
Riverdale Oil & Gas, Inc. (RVDO) Market Price and Volume Chart	12
ISM International, Inc. (ISML) Promotions	13
Allied Products Corp. (ADPC) Promotions	14
Aden Solutions Inc. (ADSU) Promotions	15
GrowLife, Inc. (PHOT) Promotions	16
Hemp, Inc. (HEMP) Promotions	17
Riverdale Oil & Gas, Inc. (RVDO) Promotions	18
Brokerage Account IP Data Showing Accounts Logging in from IP Address 64.207.45.21	19
Brokerage Account IP Data Showing Alexander Hawatmeh and Nadia Hawatmeh IP Logons from July 2, 2013 and August 23, 2013	20
ADSU Trading Suspension Order (12/16/2013)	21
ADPC Trading Suspension Order (02/03/2014)	22
PHOT Trading Suspension Order (04/10/2014)	23
Communication from RVDO CEO (03/10/2014)	24