

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

BRIAN N. LINES, SCOTT G. S. LINES,  
LOM (HOLDINGS) LTD.,  
LINES OVERSEAS MANAGEMENT LTD.,  
LOM CAPITAL LTD.,  
LOM SECURITIES (BERNUDA) LTD.,  
LOM SECURITIES (CAYMAN) LTD.,  
LOM SECURITIES (BAHAMAS) LTD.,  
ANTHONY W. WILE, WAYNE E. WILE,  
ROBERT J. CHAPMAN, WILLIAM TODD  
PEEVER, PHILLIP JAMES CURTIS, AND  
RYAN G. LEEDS,

Defendants

Case No.: 1:07-cv-11387 (DLC)

**NOTICE FOR DISTRIBUTION OF THE SEC v. BRIAN LINES ET AL. FAIR FUND**

*This Distribution Plan Notice is issued pursuant to the Court-approved Distribution Plan. This is not a solicitation from a lawyer.*

If you purchased the stock of the companies listed below (the “Eligible Securities”) during the corresponding “Relevant Period(s)” and suffered a loss as a result of the conduct described in the Complaint in the captioned matter, you may be eligible for compensation from the Brian Lines et al. Fair Fund.

**Company Name, Trading Symbols, and Relevant Period(s) (Inclusive) for each Eligible Security**

<b>Company Name</b>	<b>Trading Symbol</b>	<b>Relevant Period Start Date</b>	<b>Relevant Period End Date</b>
Sedona Software Solutions, Inc.	SSSI	1/21/2003	1/29/2003
SHEP Technologies, Inc	STLOF	2/19/2003	6/24/2003

In order to be considered for eligibility for a distribution from the Brian Lines et al. Fair Fund, you must submit a completed and signed Proof of Claim Form (“Claim Form”) to the Distribution Agent<sup>1</sup>, with adequate documentation of your transactions and a completed tax certification: **by First Class Mail, postmarked by March 30, 2022; if not by First Class Mail, received by the Distribution Agent by**

<sup>1</sup> Any capitalized terms used in this Distribution Plan Notice that are not otherwise defined herein shall have the meaning ascribed to them in the Distribution Plan, which is available on the website established for the Brian Lines et al. Fair Fund at [www.SECvBrianLinesetalFairFund.com](http://www.SECvBrianLinesetalFairFund.com).

Questions? Visit [www.SECvBrianLinesetalFairFund.com](http://www.SECvBrianLinesetalFairFund.com),

Call toll-free 1-833-961-3965 or email [info@SECvBrianLinesetalFairFund.com](mailto:info@SECvBrianLinesetalFairFund.com)

**March 30, 2022.** March 30, 2022 is referenced herein as the “Filing Deadline”. Further directions for submitting a claim are set forth below and on the Claim Form.

The information contained in this Distribution Plan Notice is only a summary. More detailed information and important documents can be found on the website dedicated to this matter at [www.SECvBrianLinesetalFairFund.com](http://www.SECvBrianLinesetalFairFund.com) (the “Distribution Website”).

**Please Note:** Receipt of this Distribution Plan Notice does not mean you are eligible to receive a Distribution Payment; eligibility will be determined in accordance with the Court-approved Distribution Plan (the “Plan”) upon receipt of your Claim Form and necessary documentation.

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY BECAUSE YOU MAY BE ELIGIBLE FOR COMPENSATION FROM THE BRIAN LINES ET AL FAIR FUND. THIS NOTICE CONTAINS IMPORTANT INFORMATION REGARDING YOUR POTENTIAL ELIGIBILITY TO SHARE IN THE BRIAN LINES ET AL FAIR FUND.**

### **Background**

#### **The Civil Action**

On December 19, 2007, the Securities and Exchange Commission (“SEC” or “Commission”) filed a Complaint against brothers Brian N. Lines (“Brian Lines”) and Scott S. Lines (“Scott Lines”), six entities controlled by the Lines brothers (the “LOM Entities”), and six other defendants (collectively, the “Defendants”). The Commission alleged a pair of separate, but similar, fraudulent schemes in which the Defendants manipulated the stock prices of two microcap companies, Sedona Software Solutions, Inc. (“Sedona”) and SHEP Technologies, Inc. (“SHEP”). During the period of the frauds – for Sedona stock, January 21, 2003 to January 29, 2003, and for SHEP stock, February 19, 2003 to June 24, 2003 (collectively, the “Relevant Periods”) – the shares of both companies were quoted and traded on the OTC Bulletin Board. The schemes involving the participation of the LOM Entities, Caribbean area-based entities owned by Brian Lines and his family, as well as stock promoters in Canada, and others took in illegal proceeds of approximately \$5.8 million from the sales of Sedona and SHEP common stock.

#### **The Brian Lines et al. Fair Fund, the Tax Administrator, and the Distribution Agent**

On October 14, 2010, the Court entered Final Judgments and ordered: (a) Brian Lines and five (5) of the LOM Entities to pay, joint and severally, \$1,932,321 (disgorgement of \$1,277,403 and prejudgment interest of \$654,918) (*Dkt Nos. 217, 220, 221, 222 and 223*); (b) Brian Lines to pay a civil penalty of \$100,000 (*Dkt No. 225*); (c) Scott Lines to pay a civil penalty of \$50,000 (*Dkt No. 219*); and (d) the five LOM Entities to pay, jointly and severally, a civil penalty of \$450,000 (*Dkt No. 217*). Brian Lines, Scott Lines and the five LOM entities paid the full amounts ordered (\$2,532,321). Defendants Phillip James Curtis (“Curtis”), William Todd Peever (“Peever”) and Robert J. Chapman (“Chapman”) defaulted on payments ordered pursuant to their Final Judgments (*Dkt No. 240*). In September 2019, the SEC, through its collection efforts, recovered approximately \$263,693.82 from the sale of property owned by Defendant Curtis. The Final Judgments for Defendants Anthony Wile and Wayne Wile required them to make payments to the SEC and did not specify that their payments should be added to the Fair Fund (*Dkt Nos. 218 and 224*). The civil action as to Defendant Leeds was dismissed without prejudice on May 9, 2008 (*Dkt No. 10*).

To date, Brian Lines, Scott Lines, and the LOM Entities have paid the full amounts ordered, which total \$2,532,321. These funds, together with the \$263,693.82 recovered from Curtis, comprise the Fair Fund of approximately \$2.9 million (the “Fair Fund”) established by the Court’s December 19, 2019 Order, pursuant

to Section 308(a) of the Sarbanes-Oxley Act of 2002, so that the Fair Fund could be distributed to harmed investors (*Dkt No. 246*).

The Fair Fund is currently on deposit with the Court Registry Investment System (“CRIS”). Any additional funds received pursuant to the final judgments, described above, will be added to the Fair Fund for distribution to harmed investors.

On December 19, 2019, pursuant to this Court’s Order, Miller Kaplan Arase LLP (“Miller Kaplan”) was appointed as Tax Administrator to handle the income tax reporting requirements of the Fair Fund (*Dkt No. 246*). On December 20, 2019, pursuant to this Court’s Order, JND Legal Administration (“JND”) was appointed as the Distribution Agent to assist in overseeing the administration of the Fair Fund, in consultation with Commission staff, pursuant to the terms of this Distribution Plan (*Dkt No. 249*).

## **The Plan**

The Plan governs the administration and distribution of the Brian Lines et al. Fair Fund and sets forth the methodology for calculating Distribution Payments and the procedures for distributing the assets of the Brian Lines et al. Fair Fund to investors harmed by the conduct alleged in the Complaint. On December 2, 2021, the United States District Court for the Southern District of New York approved the Plan. The Court-approved Distribution Plan is available on the Distribution Website at [www.SECvBrianLinesetalFairFund.com](http://www.SECvBrianLinesetalFairFund.com).

### **Who May Be Eligible for a Distribution?**

If you invested in one of the publicly traded companies listed in the chart on page 1 of this notice, during the corresponding Relevant Period(s); are not an Excluded Party as defined in the Plan; and suffered a loss according to the Plan, you may be eligible for a distribution from the Brian Lines et al. Fair Fund.

To be considered for a Distribution Payment, you must timely submit a completed and signed Claim Form including adequate documentation for claimed transactions and a completed tax certification. If you believe you may be eligible for a distribution and are not an Excluded Party (see below), you should timely submit a completed and signed Claim Form.

“Excluded Parties” are defined in paragraph 6(m) of the Plan as follows and are not eligible to receive a distribution from the Brian Lines et al. Fair Fund:

- i. Defendants, their current or former employees, affiliates, or controlled entities who served in such capacity during the Relevant Period, and their assigns, creditors, heirs, distributees, spouses, parents, and children;
- ii. Any defendant in any action brought by the Commission or any class action lawsuit related to the conduct described in the Commission’s complaint in this action or any related Commission action (or any of his or her affiliates, assigns, creditors, heirs, distributees, spouses, parents, children, or controlled entities) unless and until such defendant is found not liable in all such civil suits prior to the Filing Deadline, and proof of the finding(s) is included in such defendant’s timely filed Proof of Claim Form;
- iii. Any Person who, as of the Filing Deadline, has been the subject of criminal charges related to the violations alleged in the Commission’s complaint in this action or any related Commission action (or any of his or her affiliates, assigns, creditors, heirs, distributees, spouses, parents, children, or controlled entities) unless and until such

defendant is found not guilty in all such criminal actions prior to the Filing Deadline, and proof of the finding(s) is included in such defendant's timely filed Proof of Claim Form;

- iv. Any Person who assigned their right to obtain a recovery in the Commission's action against Defendants; provided, however, that this provision shall not be construed to exclude those Persons who obtained such a right by gift, inheritance, devise or operation of law; or
- v. The Distribution Agent, its employees, and those persons assisting the Distribution Agent in its role as the Distribution Agent.

#### **Allocation of the Brian Lines et al. Fair Fund**

A Plan of Allocation has been prepared that provides the formula by which Distribution Payments will be determined (*See* Attachment A of the Plan). The Net Available Distribution Fund will be distributed to Eligible Claimants in accordance with that Plan of Allocation.

All Distribution Payments will be subject to a "Minimum Distribution Amount" -- if a Potential Claimant's Distribution Payment is less than \$10.00, that Potential Claimant will not receive a Distribution Payment and the funds will be distributed to Eligible Claimants whose Distribution Payments are equal to or greater than \$10.00. *See* paragraph 14 of the Plan.

#### **Claim Form**

Your Claim Form may be submitted by First Class Mail or other delivery. A paper Claim Form has been included with this Distribution Plan Notice. If you require additional copies of the Claim Form, you may obtain them from the Distribution Website.

Your completed and signed Claim Form, including tax certification and adequate supporting documentation, must be submitted by **First Class Mail, postmarked by March 30, 2022 or, if not sent by First Class Mail, received by the Distribution Agent by March 30, 2022**. Mailed and/or otherwise physically delivered Claim Forms should be directed to the following address:

Brian Lines et al. Fair Fund  
c/o JND Legal Administration  
PO Box 91405  
Seattle, WA 98111

If you fail to timely submit a completed and signed Claim Form by the deadline, you may be barred from receiving a payment from the Brian Lines et al. Fair Fund. The Claim Form must be accompanied by a completed tax certification and adequate supporting documentation for each transaction listed in the Claim. You will be responsible for demonstrating timely submission of your Claim Form.

If you submit a Claim Form that fails to provide all required information, or is otherwise deficient, you may receive a Claim Deficiency Notice advising you of the reason(s) why the claim is deficient and providing to you an opportunity to cure such deficiencies.

**Special Notice to Securities Brokers and Other Nominee Purchasers**

Brokers, Dealers and other nominees that may have records of purchasers of the Eligible Securities during the Relevant Period must notify the respective beneficial owners within fourteen (14) days of receipt of the Notice Packet so that beneficial owners may timely file a claim or provide to the Distribution Agent within fourteen (14) days of receipt a list of last known names and addresses for all beneficial owners for whom the record holders purchased the Eligible Securities during the Relevant Period.

**Additional Information**

Additional information regarding the Brian Lines et al. Fair Fund, including the Distribution Plan, the Distribution Plan Notice, the Claim Form, relevant deadlines, and related materials are available on the Distribution Website at [www.SECvBrianLinesetalFairFund.com](http://www.SECvBrianLinesetalFairFund.com). You may obtain additional information or request copies of the Claim Form by contacting the Distribution Agent toll-free at (833) 961-3965, emailing [info@SECvBrianLinesetalFairFund.com](mailto:info@SECvBrianLinesetalFairFund.com), or writing to:

Brian Lines et al. Fair Fund  
c/o JND Legal Administration  
PO Box 91405  
Seattle, WA 98111

PLEASE CHECK THE WEBSITE [WWW.SECVBRIANLINESETALFAIRFUND.COM](http://WWW.SECVBRIANLINESETALFAIRFUND.COM) FOR UPDATES