

**STATE OF MICHIGAN  
IN THE CIRCUIT COURT FOR THE COUNTY OF KALAMAZOO**

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SCOTTSDALE CAPITAL ADVISORS CORP.,  
an Arizona corporation,

Plaintiff,

v.

Case No: 18-0153 (CZ)  
Hon. ALEXANDER C. LIPSEY

MORNINGLIGHTMOUNTAIN, LLC, a  
Michigan limited liability company d/b/a  
GoodeTrades.com; MICHAEL GOODE, an  
individual; and DOES 1-10, inclusive,

Defendants.

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**COMPLAINT AND JURY DEMAND**

There is no other civil action between these parties arising out of the same transaction or occurrence as alleged in this Complaint pending in this Court, nor has any such action been previously filed and dismissed after having been assigned to a judge, nor do I know of any other civil action, not between these parties, arising out of the same occurrence as alleged in this Complaint that is either pending or was previously filed and dismissed, transferred, or otherwise disposed of after having been assigned to a judge in this Court.

Plaintiff Scottsdale Capital Advisors Corp., for its Complaint against

MorningLightMountain, LLC d/b/a GoodeTrades.com and Michael Goode, alleges as follows:

**INTRODUCTION**

1. Plaintiff Scottsdale Capital Advisors Corp. ("SCA") is a successful securities broker-dealer.



2. In an effort to smear SCA's reputation, MorningLightMountain, LLC d/b/a GoodeTrades.com and Michael Goode (collectively, "Defendants") published two articles on their website, www.goodetrades.com, on April 17, 2017 and June 14, 2017 which contained numerous false, defamatory, and highly misleading statements of and concerning SCA. Among other things, the articles falsely alleged that SCA is involved in penny stock "pump and dump" schemes and improperly permits the trading of penny stocks.

3. By this action, SCA seeks to clear its good name and hold Defendants liable for the harm caused by their misconduct.

#### **THE PARTIES**

4. Plaintiff Scottsdale Capital Advisors Corp. is, and at all times relevant hereto was, a corporation organized under the laws of the State of Arizona, with its principal place of business in Maricopa County, Arizona.

5. SCA is informed and believes and based thereon alleges that Defendant MorningLightMountain, LLC d/b/a GoodeTrades.com ("MorningLightMountain") is, and at all times relevant hereto was, a corporation organized under the laws of the Michigan, with its principal place of business in Eaton County, Michigan. SCA is informed and believes and based thereon alleges that MorningLightMountain owns and operates the website goodetrades.com.

6. SCA is informed and believes and based thereon alleges that Defendant Michael Goode ("Goode") is an individual who resides in Kalamazoo County, Michigan. Upon information and belief, Goode is the sole owner and officer of Defendant MorningLightMountain.

7. SCA is informed and believes and based thereon alleges that the fictitiously-named defendants sued herein as Does 1 through 10, and each of them, are in some manner



responsible or legally liable for the actions, events, transactions and circumstances alleged herein. The true names and capacities of such fictitiously-named defendants, whether individual, corporate, or otherwise, are presently unknown to SCA, and SCA will seek leave of Court to amend this Complaint to assert the true names and capacities of such fictitiously-named defendants when the same have been ascertained. For convenience, each reference to a named defendant herein shall also refer to Does 1 through 10. All defendants, including MorningLightMountain, LLC d/b/a GoodeTrades.com, Michael Goode, and those referred to herein as Does 1 through 10, are collectively referred to herein as "Defendants."

#### **JURISDICTION AND VENUE**

8. This Court has personal jurisdiction over Defendants because they have minimum contacts with the State of Michigan, and defendant Goode is a domiciliary of the State of Michigan.

9. Venue in Eaton County is proper because Defendant MorningLightMountain's principal place of business is in Eaton County.

10. The amount in controversy exceeds Twenty Five Thousand Dollars (\$25,000.00) exclusive of interest, costs, and attorney fees and the matter is otherwise within the jurisdiction of this Court.

#### **FACTS COMMON TO ALL CAUSES OF ACTION**

11. Founded in 2002, SCA is a full service broker-dealer focused on serving the microcap securities market, often referred to as the OTC market. In this time, SCA has grown to become one of the dominant companies in the OTC market, with more than \$125 million worth of trades in 2015.

12. On April 17, 2017, Defendants published an article written by Goode on the



website goodettrades.com, entitled "FINRA fines Scottsdale Capital Advisors \$1.5 million" (the "April Article"): <https://www.goodettrades.com/2017/04/finra-fines-scottsdale-capital-advisors-1-5-million/>. A true and correct copy of the April Article is attached hereto as **Exhibit 1** and incorporated by this reference.

13. The April Article contained numerous statements that are defamatory and outright false, including:

a. **False Statement #1:** "If you have followed penny stocks and pump and dumps for a few years then you know Scottsdale Capital Advisors."

In truth, SCA has never been involved in any "pump and dump" schemes, has never been a defendant in any "pump and dump" lawsuits, and has never been convicted of engaging in "pump and dump" activity.

b. **False Statement #2:** "They [SCA] are one of the few brokers left that have continued to allow the deposit and sale of shares of illiquid penny stocks. Larger brokers and discount brokers stopped allowing that over five years ago."

In truth, numerous large brokers continue to trade in penny stocks, including without limitation, interactive brokers, Merrill Lynch, Charles Schwab, Scottrade, Cor Clearing, and TradeKing.

c. **False Statement #3:** "When the big Biozoom (BIZM) pump happened back in 2013 many of the frozen accounts were at Scottsdale Capital."

In truth, only a handful of accounts at SCA were frozen as a result of Biozoom trading. Moreover, SCA has never been a defendant in any lawsuit involving the trading of Biozoom stock.

14. On June 14, 2017, Defendants published a second article written on



goodetrades.com by Goode, entitled "SEC Sues Alpine Securities, continuing a run of bad news for owner John Hurry" (the "June Article"): <https://www.goodetrades.com/2017/06/sec-sues-alpine-securities-continuing-a-run-of-bad-news-for-owner-john-hurry/>. A true and correct copy of the June Article is attached hereto as **Exhibit 2** and incorporated by this reference.

15. The June Article contains statements that are defamatory and outright false, including:

a. **False Statement #1:** "Lest anyone think that these are just minor paperwork deficiencies with no real consequences, I remind you that one pump and dump alone, Biozoom (BIZM) led to over \$17 million in fraudulent profits for manipulators / insiders, and many of their accounts were at Scottsdale Capital Advisors."

In truth, other than hosting a handful of accounts that traded in Biozoom shares, SCA had nothing to do with the trading of Biozoom shares. Moreover, as discussed above, SCA has never been involved in any "pump and dump" schemes (including any "pump and dumps" involving Biozoom shares), has never been a defendant in any "pump and dump" lawsuits, and has never been convicted of engaging in "pump and dump" activity.

16. On September 21, 2017, SCA's counsel sent a letter to Defendants identifying the foregoing false statements in the April Article and June Article (collectively, the "Articles"), and demanding that Defendants remove each one and publish a retraction, correction, and apology as to each of those statements. Defendants have failed and refused to comply with SCA's demand.

17. The false, defamatory, and highly misleading statements written and published by Defendants have caused and are continuing to cause SCA economic harm and damage to its reputation. Accordingly, SCA has no alternative but to file this lawsuit for compensatory damages, punitive damages, and injunctive relief, as explained more fully herein.



**COUNT ONE**  
**(Against All Defendants)**  
**(Defamation)**

18. SCA incorporates by reference all of the preceding paragraphs as though fully restated herein.

19. Defendants wrote and published the defamatory statements of fact about SCA referred to in Paragraphs 13 and 15 herein (collectively, the "Defamatory Statements").

20. The Defamatory Statements are false. Moreover, the statements, individually and jointly, tend to so harm the reputation of Plaintiff as to lower its reputation in the community or deter third persons from associating or dealing with it.

21. The Defamatory Statements involve materially false implications.

22. The Defamatory Statements have caused SCA to be damaged.

23. Defendants have refused to retract, correct or apologize for the Defamatory Statements after being given notice and ample time to do so.

24. As a direct and proximate result of Defendants' conduct, SCA has suffered damages to its reputation and business interests in an amount to be determined at trial, and in an amount not less than the jurisdictional minimum of this Court. SCA's damages may also be presumed because the Defamatory Statements impute to SCA offenses regarded by public opinion as involving moral turpitude, and unfitness for the proper conduct of its lawful business, trade, and profession.

25. SCA is a private figure for purposes of a defamation analysis.

26. Notwithstanding SCA's status as a private figure, at the time the Defamatory Statements were published, Defendants knew the Defamatory Statements were false and/or acted in reckless disregard of whether the Defamatory Statements were true or false. As such, in



addition to compensatory damages and/or presumed damages, SCA is entitled to an award of punitive damages in an amount to be determined at trial.

**COUNT TWO**  
**(Against All Defendants)**  
**(Invasion of Privacy: False Light)**

27. SCA incorporates by reference all of the preceding paragraphs as though fully restated herein.

28. Defendants' publication of the Defamatory Statements also caused there to be publicity concerning SCA that placed SCA in a false light in the public eye.

29. By publishing the Defamatory Statements, Defendants broadcast to the public in general, or to a large number of people, information that was unreasonable and highly objectionable by attributing to SCA characteristics and/or conduct that were false and placed SCA in a false position.

30. At the time Defendants published statements, they knew the Defamatory Statements were false and/or acted in reckless disregard as to the falsity of the publicized matter and the false light in which SCA would be placed.

31. Defendants' conduct was not for any proper purpose, nor was it within the scope of Defendants' authority or otherwise immune or privileged.

32. As a direct and proximate result of Defendants' conduct, Plaintiff has suffered damages in an amount to be determined at trial, and in an amount not less than the jurisdictional minimum of this Court.

33. Defendants' conduct deliberately and intentionally injured the Plaintiff; their acts were willful and malicious and are not dischargeable in bankruptcy.



**JURY TRIAL DEMAND**

SCA hereby demands a jury trial of all issues in this case.

**PRAYER FOR RELIEF**

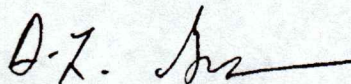
WHEREFORE, SCA requests that judgment be entered against the Defendants, and each of them, as follows:

- A. For compensatory, consequential, exemplary, and punitive damages in an amount to be determined at trial;
- B. For pre- and post-judgment interest on the foregoing sum at the highest lawful rate from entry of judgment until paid in full;
- C. For an injunction enjoining further publication of the Defamatory Statements;
- D. For SCA's costs of suit; and
- E. For all other relief the Court deems appropriate.

Dated: April 16, 2018

Respectfully submitted,

**DEBORAH GORDON LAW**

By 

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