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CytoDyn (CYDY): Why is This Alleged Ponzi Artist one of the Largest Shareholders?

Aside from what we believe are CytoDyn's numerous false and misleading statements that the Company continues to make by the day, our [original report](#) highlighted an entity named Cool Blue Capital, LLC. Cool Blue was [registered](#) just [days before](#) CytoDyn filed its first Form S-3 in connection with the Company's numerous, in our view, predatory backdoor financings. Most recently, CytoDyn's Form S-3 filed April 30 indicates that Cool Blue is not only one of the largest shareholders at 4% of the Company, but [have registered to sell](#) over 20 million shares, warrants, and options, the vast majority of its stake:

Name of Selling Stockholder	Shares Beneficially Owned		% Owned	Common Stock Offered in this Offering(3)	Warrant & Stock Option Shares Offered in this Offering(4)	Number of Shares		% of Shares
	Pre-Offering(1)	Pre-Offering(2)				Post-Offering	Post-Offering(2)	
Amarex Clinical Research, LLC	350,000	*		—	150,000	200,000	*	
Bruce Patterson	569,242	*		—	400,000	169,242	*	
Cool Blue Capital, LLC	21,245,875	4%	15,804,000	4,835,625	606,250	*		

So, who is Cool Blue Capital? Cool Blue's registered agent is "C BRENT ORR," otherwise Conrad Brent Orr:

Registered Agent Information	
Name:	C BRENT ORR
Effective:	19 Aug 2019
Address:	11702 S RICHMOND AVE
City, State, ZipCode:	TULSA OK 74137

In light of Cool Blue's substantial shareholding and continued participation in the Company's numerous backdoor offerings, Cool Blue / Conrad Brent Orr ought to be of interest to CytoDyn investors. **As such, we were concerned to uncover multiple allegations of fraud perpetrated by Brent Orr, including both a \$50 million Ponzi scheme and securities fraud involving claims to the recovery of "sunken and hidden treasure in the form of gold bullion."**

See the following from Orr's [alleged involvement](#) in a \$50 million Ponzi scheme:

2. On January 24, 2011, the Commodity Futures Trading Commission (the "CFTC") filed a Complaint against the Receivership Defendants in the United States District Court for the District of Utah, Case No. 2:11CV00099 BSJ ("CFTC Action"). This suit alleges, among other things, that the Receivership Defendants operated an investment program in violation of the registration, licensing, and anti-fraud requirements of the federal commodities laws. In essence, **the CFTC alleges that the Receivership Defendants engaged in a Ponzi scheme whereby over \$50 million was fraudulently taken from investors.**

THE DEFENDANTS

8. Upon information and belief, Defendant Wycliffe USA, Ltd. (“Wycliffe”) is a revoked Nevada corporation which had or has its principal place of business in Tulsa, Oklahoma. Wycliffe assisted in promoting the Winsome Ponzi scheme. It solicited investors to participate in Winsome and received compensation from Winsome for the investors it solicited without Winsome receiving reasonably equivalent value in exchange for the transfers to it.

10. Defendant Brent Orr (“Orr”), an Oklahoma citizen, was an employee of Wycliffe and received substantial funds from Winsome without Winsome receiving reasonably equivalent value in exchange for the transfers to him. Upon information and belief, Orr resides in Tulsa, Oklahoma.

More recently, in February 2020, the Arizona Corporation Commission (ACC) issued [cease and desist orders](#) against a collection of participants in a securities fraud scheme that the ACC had been litigating for the past several years. The entire 88-page C&D order is a sobering account of several investors who were allegedly scammed after the Wycliffe Trust, among others, claimed the ability to “recover hidden treasure” from the Philippines. Brent Orr’s name appears alongside Vernon Twyman on numerous [offering documents](#) by Advanced Recovery Systems, Inc., Asian Precious Metals, Inc., and as an officer of Wycliffe:

Last Name	First Name
Orr	Brent
Street Address 1	Street Address 2
11702 S Richmond Ave	
City	State/Province/Country
Tulsa	OKLAHOMA
Relationship: <input checked="" type="checkbox"/> Executive Officer <input checked="" type="checkbox"/> Director <input type="checkbox"/> Promoter	
Clarification of Response (if Necessary):	
Joint Venture Board; Officer Wycliffe Trust	

Orr [also runs](#) Cornerstone Energy Development, Inc., and though he resides in Oklahoma, Dun & Bradstreet [shows](#) that Cornerstone is located in Taguig, Manila, Philippines, where Wycliffe claimed to be recovering hidden treasure, and where Brent Orr has [apparently installed his son](#) as the manager:

Gabriel Orr · 3rd

General Manager, Cornerstone Energy Development, Inc.

NCR - National Capital Region, Philippines · 58 connections ·

[Contact info](#)

As such, we believe Orr is integral to the operation which preyed on the victims' Christian faith, and claimed to provide investors with 9.5x returns within 6 to 9 months:

2 95. Mr. Twyman stated that ARSI is a Philippine corporation in good standing, with legal
3 authority to recover treasure in the Philippines. Mr. Twyman notes that ARSI conducts treasure
4 recovery and salvage operations, for which ARSI holds permits from the Philippine government.⁶⁵
5 ARSI is 85 percent owned by the Wycliffe Trust and 15 percent owned by an Australian pension fund.⁶⁶

1 106. The V-7000 Financing Proposal Summary stated that V-7000 sought to raise \$250,000
2 to recover sunken and hidden treasure in the form of gold bullion from two sites in the Philippines.⁹²

6 110. The projections contained in the V-7000 Financing Proposal Summary stated that an
7 individual who provided the entire \$250,000 would receive "an estimated return of 9.5 to 1 within 6 to
8 9 months of total funding" and a combined estimated return from both the Bay Project and the Bahama
9 Mama Project of 45 to 1 over an 18 to 24-month period."⁹⁷

10 111. The V-7000 Financing Proposal Summary ends by asserting:

11 While it remains buried, this gold bullion is accomplishing no good purpose. Once
12 recovered, it will be used to improve the lives of millions of people, both in the Philippines
13 and elsewhere. In addition to the monies that will flow into government coffers and those
14 donations made by Venture 7000's financial partners, 70% of Venture 7000's net recovery
15 proceeds will go to fund humanitarian and philanthropic endeavors throughout the world.⁹⁸

14 112. Mr. Brunt ultimately agreed to invest the full \$250,000 that V-7000 was seeking. He
15 testified that the timing projections and the size of the projected returns enticed him to invest in the
16 PGR Project.⁹⁹ Mr. Brunt also testified that he invested because he believed that TFF and V-7000 were
17 Christian organizations that had indicated that the profits would be used for charitable works
18 throughout the world.¹⁰⁰

Mr. Brunt, the victim in the instance we highlight above, "invested" \$250,000, yet has only recovered \$2,000 of his original "investment", with the balance disappearing into Wycliffe Trust coffers:

13 117. Some hours after the \$250,000 wire on June 21, 2012, Mr. McHatton wired \$225,000
14 to one of Mr. Twyman's bank accounts in Tulsa, Oklahoma, referencing the beneficiary as "Vern
15 Twyman ref: Venture 7000."¹⁰⁹ Mr. Twyman testified that this was an error and he later transferred the
16 funds from TFF into Wycliffe Trust's bank account to correct the error.¹¹⁰

17 118. The Division notes that because the beginning balance in the QSR bank account was
18 \$419.50 at the time of Mr. Brunt's \$250,000 wire, at least \$224,580.50 of the \$225,000 wire to Mr.
19 Twyman were Mr. Brunt's investment funds.

3 120. The Division notes that despite the fact that TFF and V-7000 claimed that the PGR
4 Project was "poised for completion"¹¹⁴ upon receipt of a \$250,000 investment, and that the "total
5 amount of time necessary to complete [the Bay Project] recovery and generate proceeds therefrom will
6 be less than 120 days from the time that full funding is in place,"¹¹⁵ TFF has not returned Mr. Brunt's
7 \$250,000 investment. However, Mr. Brunt subsequently received \$2,000 in interest on his investment
8 with TFF in the PGR Project.¹¹⁶

As such, the ACC issued its cease & desist order, restitution, and numerous fines. We believe CytoDyn investors ought to ask why one of the Company's largest shareholders, who allegedly ran a Ponzi scheme and is now facing securities fraud allegations for a scheme to recover hidden gold treasure, has been consistently involved in the Company's backdoor financings, and has now filed to sell the vast majority of their shares.