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11 **UNITED STATES DISTRICT COURT**  
12 **DISTRICT OF NEVADA**

13 SECURITIES AND EXCHANGE  
14 COMMISSION,

15 Plaintiff,

16 vs.

17 LIXIN AZARMEHR, JL REAL ESTATE  
18 DEVELOPMENT CORPORATION,  
19 NEVADA SKILLED NURSING LENDER,  
20 LLC, and NEVADA SKILLED NURSING  
21 DEVELOPMENT, LLC,

22 Defendants.

Case No. 2:24-cv-707

**COMPLAINT**

**JURY DEMAND**

23 Plaintiff Securities and Exchange Commission (the “SEC” or “Commission”), for its  
24 Complaint against Defendants Lixin Azarmehr (“Azarmehr”), JL Real Estate Development  
25 Corporation (“JL REDC”), Nevada Skilled Nursing Lender, LLC (“Lender”), and Nevada Skilled  
26 Nursing Development, LLC (“Developer”) (collectively, the “Defendants”), alleges as follows:

27 **JURISDICTION AND VENUE**

28 1. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1), and  
22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§ 77t(b), 77t(d)(1), and 77v(a),  
and Sections 21(d)(1), 21(d)(3)(A), 21(e), and 27(a) of the Securities and Exchange Act (“Exchange

1 Act”), 15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e), and 78aa.

2 2. In connection with the conduct alleged in this Complaint, the Defendants have,  
3 directly or indirectly, made use of the means or instrumentalities of interstate commerce, of the  
4 mails, or of the facilities of a national securities exchange.

5 3. Venue is proper in this district pursuant to Section 22(a) of the Securities Act [15  
6 U.S.C. § 77v(a)], and Section 27 of the Exchange Act [15 U.S.C. § 78aa(a)], because certain of the  
7 transactions, practices, or courses of conduct constituting violations of the federal securities laws  
8 occurred within this district. In addition, venue is proper in this district because Defendants transact  
9 business in this district, Azarmehr resides in this district, and Developer maintains an office in this  
10 district.

11 **SUMMARY**

12 4. This case involves a fraudulent scheme perpetrated by Azarmehr and three entities  
13 she manages — JL REDC, Lender, and Developer — to use funds solicited for the development of  
14 three skilled nursing home facilities in the Las Vegas, Nevada area (the “Nevada Project”) for an  
15 unrelated real estate project contrary to disclosures to investors.

16 5. From at least September 2015 through March 2018, Azarmehr and others acting on  
17 behalf of these entities offered and sold securities in the Nevada Project, raising \$14 million from  
18 28 investors. The Defendants structured these investments to comply with the federal U.S.  
19 Citizenship and Immigration Service’s (“USCIS”) EB-5 Immigrant Investor Program (“EB-5  
20 Program”). Under the EB-5 Program, investors are eligible for ten-year permanent residency visas  
21 (“Green Cards”) to live and work in the United States if they make a qualifying investment in a new  
22 commercial enterprise in the United States that creates or preserves a certain number of permanent  
23 full-time jobs for qualified U.S. workers.

24 6. In offering documents for the Nevada Project, Azarmehr and Lender represented to  
25 investors that the project met the qualifications of the EB-5 Program and that investor funds would  
26 be used solely for the construction and administration of the Nevada Project, through loans from  
27 Lender to Developer. But instead of allocating these investments as promised, the Defendants  
28 redirected most of the money raised for other purposes.

1           7.       In March of 2017, Azarmehr, on behalf of Developer and JL REDC, pledged \$10  
2 million in investor funds as collateral to support JL REDC’s receipt of a priority credit line from  
3 Bank A (the “PCL” or the “PCL Account”). The PCL had lower interest rates than other lines of  
4 credit available to JL REDC at the time. JL REDC then used the PCL to pay off a higher interest  
5 rate loan for a separate JL REDC real estate venture – an uncompleted mixed-use project located at  
6 631 S. Vermont Avenue, near the Koreatown neighborhood of Los Angeles (the “Vermont  
7 Project”). Using the investor fund-backed PCL saved JL REDC substantial costs in interest  
8 payments.

9           8.       For almost four years (from March 2017 to February 2021), the pledged investor  
10 funds were subject to seizure by Bank A if JL REDC did not meet its obligations. The Nevada  
11 Project offering documents did not disclose to investors that investor funds could be used by or for  
12 JL REDC. Nor did they disclose that investor funds were at risk as pledged collateral for an  
13 unrelated real estate debt. While these funds were securing the PCL, they were also unavailable for  
14 their promised use – the construction of three skilled nursing facilities in the Las Vegas area.

15           9.       To date, none of the EB-5 investors have received a Green Card in connection with  
16 their investment in the Nevada Project.

17           10.      By engaging in this conduct and as alleged further herein, all Defendants violated the  
18 antifraud provisions of Section 17(a)(1), (2), and (3) of the Securities Act, 15 U.S.C. § 77q(1-3) and  
19 Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rules 10b-5(a) and (c) thereunder, 17  
20 C.F.R. §240.10b-5(a) and (c). Additionally, by engaging in this conduct and as alleged further  
21 herein, Defendants Azarmehr and Lender violated Section 10(b) of the Exchange Act and Rule 10b-  
22 5(b) thereunder, 17 C.F.R. §240.10b-5(b).

### THE DEFENDANTS

23  
24           11.      **Azarmehr**, age 56, is a resident of Las Vegas, Nevada, and has been licensed to  
25 practice law in California since 2008. She has worked primarily in the areas of real estate  
26 development and immigration law for the past twenty years. Azarmehr is the co-founder of JL  
27 REDC, and she is and has been its Chief Executive Officer since its founding in 2015. Azarmehr  
28 also has an ownership interest in JL REDC. Azarmehr has never been registered with the SEC in

1 any capacity.

2 12. **JL Real Estate Development Corporation** (“JL REDC”) is a real estate company  
3 focused on developing projects in southern California and Nevada. JL REDC is a California close  
4 corporation with its headquarters located at 707 Wilshire Boulevard in Los Angeles. JL REDC  
5 advertises renderings of three projects on its publicly available website: (1) the Nevada Project; (2)  
6 the Vermont Project; and (3) the “Rocca Project,” a planned residential complex located in the Bel  
7 Air neighborhood of Los Angeles. Since at least 2015, JL REDC has at times done business in the  
8 United States as “Jia Long USA” or “Jia Long Group USA,” although it is not registered in Nevada,  
9 California, or elsewhere under either name.

10 13. **Nevada Skilled Nursing Lender, LLC** (“Lender”) was incorporated in 2015 as a  
11 Nevada limited liability company. Lender is the issuer of the securities in this case and was created  
12 to raise capital under the EB-5 Program. Lender sold such securities in the form of LLC units under  
13 a private placement memorandum (“PPM”) purporting to qualify for the registration exemption  
14 under Section 4(2) of the Securities Act.

15 14. **Nevada Skilled Nursing Development, LLC** (“Developer”) was created in 2015 as  
16 a Nevada limited liability company. Lender functioned as a vehicle to receive investor funds to loan  
17 to Developer. Developer then functioned as the job-creating entity for the purposes of EB-5  
18 Program eligibility.

19 **ASSOCIATED PARTIES**

20 15. **Nevada Investment Regional Center, LLC** (“NIRC”) was created in 2013 as a  
21 Nevada limited liability company. NIRC serves as a “regional center,” which was set up to  
22 administer investments in the EB-5 Program as required by USCIS. Azarmehr and two other  
23 individuals are listed as the managing members of NIRC.

24 16. **Lender Manager, LLC** (“Manager”) is another Nevada limited liability company  
25 incorporated by Azarmehr in 2015. At all relevant times, Manager was a wholly owned subsidiary  
26 of NIRC. In turn, Manager managed Lender.

27 17. The co-founder and Chairman of JL REDC (“Co-Founder”) is a resident of Beijing,  
28 China. On JL REDC’s publicly available website, Co-Founder’s biography states he is the founder

1 and owner of several real estate development projects in Beijing, Hainan, Hong Kong, and  
2 Shenzhen. The website claims that the assets of Co-Founder’s Beijing-based company total over \$3  
3 billion.

4 18. **Jia Long Holdings, LLC** (“Jia Long”) is a Nevada limited liability company that  
5 was formed in 2015. Azarmehr and Co-Founder are also the managers of Jia Long, each with an  
6 ownership interest in the company. At all relevant times, Jia Long was the manager of Developer.

### 7 **THE FRAUDULENT SCHEME**

#### 8 **A. The Nevada Project EB-5 Offering**

9 19. On September 4, 2015, Azarmehr founded the various Nevada Project entities —  
10 Lender, Developer, and Manager — to raise money and ultimately build three skilled nursing  
11 facilities. The plan for these facilities was to develop 15-acres in the Las Vegas and Henderson  
12 areas to house more than 400 beds licensed to provide room, board, and specialized nursing care for  
13 senior citizens. The projected cost to acquire land and develop the three facilities constituting the  
14 Nevada Project was approximately \$69 million. The Nevada Project planned to raise \$57 million  
15 from 114 foreign investors, and an additional \$12 million from private equity contributions.

16 20. To attract foreign investment, Azarmehr sought to qualify the Nevada Project under  
17 the EB-5 Program. On March 17, 2014, Azarmehr filed an application (“Form I-924”) with USCIS  
18 to create such an investment opportunity through NIRC. On July 15, 2014, USCIS conditionally  
19 granted the application. In 2015 and 2016 addendums to the original Form I-924, Azarmehr  
20 identified Lender as the new commercial enterprise (investment vehicle) and Developer as the job-  
21 creating entity to be considered under the EB-5 Program. Azarmehr signed these USCIS  
22 applications as the managing member of NIRC.

23 21. On or about September 2015, Azarmehr oversaw the creation of a “Business Plan,” a  
24 confidential PPM, and a “Subscription Agreement” (the “Nevada Project Offering Documents”) for  
25 the purpose of partially financing the Nevada Project through an EB-5 offering (the “Nevada  
26 Project Offering”). Azarmehr reviewed the Nevada Project Offering Documents before they were  
27 provided to investors. As the manager and officer of the Nevada Project entities, Azarmehr signed  
28 the Subscription Agreement, which incorporated the terms of the PPM, on behalf of Lender,

1 Manager, and NIRC. The PPM also directed that “[a]ll inquiries concerning this offering  
2 memorandum and the offering” be directed to Azarmehr.

3 22. The Nevada Project Offering solicited an investment of \$500,000 from each EB-5  
4 investor with an added \$50,000 administrative fee to be paid into a different bank account. For each  
5 \$500,000 investment, an investor received one of the 114 units in Lender. If all 114 units were sold,  
6 Lender would raise a total of \$57 million.

7 23. The Nevada Project Offering Documents limited Developer’s use of investor funds  
8 to the construction and operation of the Nevada Project. Specifically, the PPM stated:

9 “[Lender] intends to use the net proceeds from the sale of the Units to make the Loan to  
10 the [Developer], **which will use the proceeds for working capital, and for other**  
11 **general corporate purposes, to begin construction and facility operations of one of**  
12 **three planned skilled nursing facilities in the Las Vegas-Henderson NV area,** as  
13 more fully described in the Business Plan in Exhibit B. The [Developer] plans projects  
14 involving the construction and operation of three 143-bed skilled nursing facilities  
15 located in (i) East Las Vegas, Nevada, (ii) Henderson, Nevada, and (iii) South West Las  
16 Vegas, Nevada. The [Lender] will make the Loan for these three projects, to be  
17 determined by the Manager in its sole discretion” (emphasis added).

18 24. Similarly, the Business Plan represented that loan proceeds would be used to develop  
19 the Nevada Project: “[Developer] will use the proceeds of the loan and contribute funds as capital  
20 contribution to each of the Project’s developments.”

21 25. These representations that investor funds would be used to develop and operate three  
22 skilled nursing facilities and create jobs through the Nevada Project were material because these  
23 were requirements upon which investors’ eligibility for the EB-5 Program depended. The creation  
24 or preservation of a certain number of permanent full-time jobs is necessary for each investor to  
25 qualify for a Green Card. Based on the language in the Nevada Project Offering Documents,  
26 investors could reasonably expect that their investments would be used in furtherance of that goal  
27 and not diverted for unrelated projects that did not further their ability to obtain a Green Card.

28 26. The Nevada Project Offering Documents also claimed that investors could expect to  
receive a return on their investment if the project was successful. The PPM promised that the loan  
from Lender to Developer would “accrue simple interest at 3.0% per annum.” Developer would  
make “interest-only payments of one (1%) percent on each anniversary of the loan agreement until

1 the Loan Maturity date.” “At the end of the Term, the [Developer] will be required to promptly pay  
2 in full to the [Lender] the outstanding loan amount, and all accrued but unpaid interest.” The  
3 “Term” of the loan was defined as “the earlier to occur of (a) five years after the date of the Loan or  
4 (b) the sale of the business by the [Developer] (“Loan Maturity”).”

5 27. In sum, investors reasonably expected to receive (1) the ability to apply for a Green  
6 Card if the Nevada Project met the EB-5 Program requirements, and (2) accrued interest of 1% as  
7 well as a return of their principal at the end of the loan Term.

8 28. The Nevada Project Offering Documents explained that each investor’s investment  
9 was subject to “risk factors” that could cause “a possible total loss of investment.” The PPM  
10 explicitly identified those risks as relating to (1) “Immigration & The EB-5 Visa Program,” (2)  
11 “The Loan,” and (3) “Borrower’s Operations.” With respect to the loan, the PPM acknowledged  
12 that the “high degree of risk involved with the ability of the [Developer] to repay the Loan” was  
13 based in part on Developer’s “ability not only to construct and operate skilled nursing facilities, but  
14 to populate those facilities so that they will operate profitably.”

15 29. None of the Nevada Project Offering Documents identified any risk to investors’  
16 expected return or EB-5 eligibility arising from their investments being pledged as collateral for  
17 outstanding debts from an unrelated business venture. Nor did the Offering Documents identify any  
18 risk related to unrelated real estate projects, such as JL REDC’s Vermont Project. In fact, the  
19 Nevada Project Offering Documents made no mention or reference to JL REDC or the Vermont  
20 Project at all.

## 21 **B. Solicitation of Investors**

22 30. Beginning in September 2015, Co-Founder and agents working on behalf of the  
23 Nevada Project Offering solicited investors. Co-Founder primarily solicited investors in China by  
24 sharing the Nevada Project Offering Documents and other marketing materials to promote the  
25 project. Promotional materials circulated for the Nevada Project listed “Jia Long Group USA” as  
26 the developer.

27 31. Azarmehr was aware that these marketing materials were created and disseminated  
28 to investors. She also developed marketing materials of her own. For instance, on December 30,

1 2015, Azarmehr sent a draft newsletter to her assistant for revision and formatting. The newsletter  
2 described the Nevada Project as operated by “Jia Long USA.” The website provided in the  
3 newsletter for Jia Long USA redirects to the JL REDC website. Since at least 2016 through the date  
4 of this Complaint, JL REDC’s website has advertised the Nevada Project as one of its real estate  
5 development projects.

6 32. Starting in September 2015 and continuing until at least March 2018, 28 investors  
7 participated in the Nevada Project Offering and invested a total of \$14 million. Each investor  
8 invested approximately \$500,000. Some investors also paid a \$50,000 administrative fee. As  
9 outlined in the Nevada Project Offering Documents, between 2015 and 2018, each investor sent  
10 their investment to a holding account at Bank A controlled by Lender (the “Investor Holding  
11 Account”).

12 33. Between 2015 and 2018, Lender executed eight promissory notes to loan a total of  
13 approximately \$14 million in investor funds to Developer, as described in the Nevada Project  
14 Offering Documents. Lender transferred these funds from the Investor Holding Account to  
15 Developer’s bank account at Bank B (“Developer’s Operating Account”). As of March 15, 2017,  
16 Developer held approximately \$10 million in funds raised from investors in the Nevada Project  
17 Offering in Developer’s Operating Account. Azarmehr knew that the funds in Developer’s  
18 Operating Account were investor funds for use in the Nevada Project.

### 19 **C. The Defendants Misappropriated and Misused Investor Funds**

20 34. Also in March of 2017, JL REDC’s \$12 million loan for the Vermont Project was  
21 coming due. Azarmehr knew this debt had to be repaid or extended by March 31, 2017, or Bank C  
22 would apply an interest rate of 24% per year.

23 35. On or about March 14, 2017, Azarmehr opened a new account with Bank A in the  
24 name of Developer (the “Investor Collateral Account”), as well as a priority credit line account in  
25 the name of JL REDC (the “PCL” or the “PCL Account”). The Investor Collateral Account was  
26 funded with the \$10 million in investor funds that were loaned from Lender to Developer in  
27 accordance with the Nevada Project Offering Documents.

28 36. On or about March 17, 2017, Azarmehr, acting on behalf of both Developer and JL



1 REDC, pledged the funds in the Investor Collateral Account as a guaranty for obligations incurred  
2 by the PCL Account. Specifically, Azarmehr granted a “continuing first priority perfected security  
3 interest” in all assets held in the Investor Collateral Account to Bank A. This was part of ensuring  
4 repayment of the credit Bank A had extended to JL REDC in the PCL Account.

5 37. Throughout March 2017, Azarmehr discussed her intentions for the Investor  
6 Collateral Account and the PCL Account with representatives from Bank A. For instance, on or  
7 about March 20, 2017, contemporaneous notes taken by Bank A personnel indicate that Azarmehr  
8 and a bank representative discussed Azarmehr’s plan to use the PCL funds for investment and  
9 “bridge financing” and that Azarmehr did not have immediate plans to pay off the PCL. Notes  
10 further indicate that Azarmehr and a representative from Bank A discussed that money wired out of  
11 the PCL would be used for funding, finishing up projects, or repaying previously provided  
12 financing.

13 38. On or about March 27, 2017, Azarmehr directed Bank A to wire \$8.99 million from  
14 the newly opened PCL Account to Bank C to pay off the remaining balance of JL REDC’s loan for  
15 the Vermont Project. JL REDC’s debt to Bank C accrued interest at a rate of 7.9%, whereas the new  
16 investor fund-backed PCL had a rate of only 3.1%. From that point forward, the Investor Collateral  
17 Account was at risk if JL REDC failed to repay the PCL for JL REDC’s Vermont Project debt,  
18 which had nothing to do with the Nevada Project.

19 39. The funds in the Investor Collateral Account were also in jeopardy for other reasons.  
20 Under the terms of the PCL, the value of the securities and mutual funds backing JL REDC’s loan  
21 from Bank A could increase or decrease in response to market fluctuations, interest rates, general  
22 economic conditions, and other factors. If the value of this backing fluctuated, so too would the  
23 value of the Investor Collateral Account supporting the PCL. “[I]n order to maintain the required  
24 equity” in the Investor Collateral Account, Bank A could “force the sale of securities or other  
25 assets” in the Investor Collateral Account without notice to Azarmehr, without allowing Azarmehr  
26 to decide which securities or assets would be sold, and without allowing Azarmehr an opportunity  
27 to provide additional funds or assets. These demands for further cash or securities to cover losses to  
28 the PCL are known as margin calls. Azarmehr personally signed an agreement with these terms and

1 appeared before a notary public on March 17, 2017 to do so.

2 40. In fact, between November 30, 2018 and January 14, 2020, Bank A required such  
3 additional funding to cover eight margin calls on the Investor Collateral Account. On at least three  
4 of these occasions, Azarmehr and other JL REDC employees approved the transfer of funds from  
5 the Investor Collateral Account to satisfy these margin calls. However, during this same timeframe,  
6 Bank A also automatically transferred funds from the Investor Collateral Account to the PCL  
7 Account under the terms that Azarmehr agreed to.

8 41. By January 2020, a total of \$1,177,416.19 had been transferred from the Investor  
9 Collateral Account to the PCL Account to cover JL REDC's obligations.

10 42. From March 2017 to February 2021, Azarmehr, acting on behalf of Lender and  
11 Developer, continuously pledged the funds in the Investor Collateral Account as collateral for the  
12 PCL Account. During these almost four years, Azarmehr, Lender, and Developer could not use  
13 these investor funds for the construction and development of the Nevada Project as promised.

14 43. Even after \$10 million in investor funds were pledged as collateral for the PCL, the  
15 Defendants received four additional EB-5 investments in the Nevada Project. These investors  
16 signed the same Nevada Project Offering Documents, which contained no disclosures about the  
17 misappropriation of prior investments. That omission was materially misleading because investors  
18 would reasonably want to know that, to date, most of the EB-5 investor funds had not been spent on  
19 the EB-5 project they were investing in. Instead, the funds were pledged to resolve JL REDC's  
20 unrelated debt and thus not available for the development of three skilled nursing facilities and the  
21 creation of jobs, which these investors' eligibility for a Green Card depended upon. At the time  
22 when Azarmehr, on behalf of Lender, accepted additional EB-5 investments after establishing the  
23 Investor Collateral Account she knew, or was reckless or negligent in not knowing, about the  
24 misappropriation of investor funds and their diversion to an unrelated JL REDC project.

25 44. Gradually, through a series of repayments, all the EB-5 investor funds that were  
26 transferred to the PCL were returned to the Investor Collateral Account by February 9, 2021. The  
27 funds were then returned to the Developer Operating Account and the Investor Collateral Account  
28 was closed.

1 45. As of the date of this Complaint, the Nevada Project has not been completed as  
2 originally designed, and none of the 28 EB-5 investors have received a Green Card from their  
3 investment in the Nevada Project.

4 **D. Investments in the Nevada Project Offering Were Securities**

5 46. The Defendants offered and sold securities under the federal securities laws to the  
6 investors of the Nevada Project Offering.

7 47. As part of the Nevada Project Offering, investors made an investment of  
8 approximately \$500,000 toward the development of the Nevada Project. This complied with the  
9 regulations governing the EB-5 Program, which included that investors place “the required amount  
10 of capital at risk for the purpose of generating a return in the capital placed at risk.” *See* 8 C.F.R. §  
11 204.6.

12 48. Lender pooled the investor funds it received as part of a common enterprise to make  
13 a loan to Developer for the Nevada Project. In exchange for his/her investment, each investor  
14 received a unit in Lender entitling him/her to the same rights and expectation of benefits from  
15 participating in the Nevada Project Offering.

16 49. Each investor expected to receive his/her capital contribution returned as well as  
17 interest accruing on the loan from Lender to Developer.

18 50. The terms of the Nevada Project Offering Documents reflected that this accrual of  
19 interest required investors to rely on the efforts of Azarmehr, Lender, Developer, and their  
20 employees and agents to generate a return sufficient to repay the loan from Lender to Developer  
21 with interest. The terms of the Nevada Project Offering Documents also represented that  
22 management control of investments in the Nevada Project was vested in the hands of Azarmehr,  
23 Lender, and Developer and not the investors.

24 51. In addition, the Nevada Project Offering Documents acknowledged that investors  
25 were being offered “securities” that were purportedly exempt from the registration requirements of  
26 the federal securities laws.  
27  
28

**E. Defendants Acted With Scienter**

52. Because of her role overseeing the creation of the Nevada Project Offering Documents, Azarmehr knew, or was reckless or negligent in not knowing, that the investor funds raised in the Nevada Project Offering were to be used on the Nevada Project. Azarmehr also knew, or was reckless or negligent in not knowing, that the Nevada Project Offering Documents did not contain any disclosures about JL REDC's use of the EB-5 investor funds or any risks arising from JL REDC's use of the funds for business expenditures or the Vermont Project. Azarmehr also knew, or was reckless or negligent in not knowing, that the Nevada Project had no relation to the Vermont Project.

53. Azarmehr knew, or was reckless or negligent in not knowing, that by pledging the funds in the Investor Collateral Account as collateral for the PCL Account, she was directing investor funds for purposes that were unrelated to the Nevada Project. Azarmehr also knew, or was reckless or negligent in not knowing, that the interest rate on the PCL Account was lower than the interest rate that JL REDC would pay on the Bank C line of credit on the Vermont Project, and that JL REDC would save money by repaying Bank C's line of credit.

54. In addition, Azarmehr knew, or was reckless or negligent in not knowing, that pledging funds from the Investor Collateral Account exposed them to losses not anticipated by the Nevada Project Offering Documents. The account opening agreement she signed made it clear that once pledged as collateral, the funds in the Investor Collateral Account could be used by Bank A at any time and without further action or authorization by her if JL REDC did not repay the PCL under Bank A's terms or if the value of the PCL fluctuated. Finally, Azarmehr knowingly, recklessly, or negligently allowed funds from the Investor Collateral Account to be used to cover margin calls arising from the PCL Account.

55. Azarmehr's scienter is attributable to each entity defendant by virtue of her position or degree of control over each. Lender, Developer, and JL REDC each misappropriated investor money by acting through Azarmehr, and her state of mind is therefore imputed to each.

**F. Tolling Agreements**

56. Azarmehr, Lender, Developer, and JL REDC have entered into tolling agreements

1 with the SEC, tolling the statute of limitations applicable to this action for the period of March 7,  
2 2022 to April 7, 2024.

3 **CLAIMS FOR RELIEF**

4 **First Claim for Relief**

5 **Fraud in the Offer or Sale of Securities  
(Violations of Section 17(a) of the Securities Act Against All Defendants)**

6 57. The SEC re-alleges and incorporates by reference paragraphs 1 through 56 above.

7 58. During the relevant time period, each Defendant, directly or indirectly, in the offer or  
8 sale of securities by the use of means or instrumentalities of interstate commerce or by use of the  
9 mails, knowingly, recklessly, or negligently: (a) employed devices, schemes, or artifices to defraud;  
10 (b) obtained money or property by means of untrue statements of a material fact or by omitting to state  
11 a material fact necessary in order to make the statements made, in light of the circumstances under  
12 which they were made, not misleading; and (c) engaged in transactions, practices, or courses of  
13 business which operated or would operate as a fraud or deceit upon the purchaser. As alleged above,  
14 Defendants knowingly, recklessly, or negligently engaged in deceptive conduct and made materially  
15 false statements and misleading omissions concerning how investors' funds would be used, by  
16 pledging investor money as collateral for JL REDC's debts that were unrelated to the Nevada Project.  
17 That information, had it been disclosed, would have been significant information to investors, because  
18 it would have affected the investors' understanding of the overall terms, conditions, risks, and costs  
19 associated with their EB-5 investments.

20 59. By engaging in the conduct described above, each of the Defendants violated Section  
21 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

22 **Second Claim for Relief**

23 **Fraud in Connection with the Offer or Sale of Securities  
24 (Violations of Section 10(b) of the Exchange Act and  
Rules 10b-5(a) and (c) Thereunder Against All Defendants)**

25 60. The SEC re-alleges and incorporates by reference paragraphs 1 through 56 above.

26 61. During the relevant time period, each Defendant, directly or indirectly, in connection  
27 with the offer or sale of a security, and by the use of means or instrumentalities of interstate  
28

1 commerce or by use of the mails, knowingly or recklessly: (a) employed devices, schemes, or  
2 artifices to defraud; or (c) engaged in transactions, practices, or courses of business which operated  
3 or would operate as a fraud or deceit upon other persons. Defendants knowingly or recklessly  
4 engaged in deceptive conduct concerning how investors' funds would be used, by pledging investor  
5 money as collateral for JL REDC's debts that were unrelated to the Nevada Project. That  
6 information, had it been disclosed, would have been significant information to investors, because it  
7 would have affected the investors' understanding of the overall terms, conditions, risks, and costs  
8 associated with their EB-5 investments.

9 62. By engaging in the conduct described above, each Defendant violated Section 10(b)  
10 of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(a) and (c) [17 C.F.R. § 240.10b-5]  
11 thereunder.

12 **Third Claim for Relief**  
13 **Fraud in Connection with the Purchase or Sale of Securities**  
14 **(Violations of Sections 10(b) of the Exchange Act and Rules 10b-5(b) Thereunder**  
15 **Against Defendants Azarmehr and Lender)**

16 63. The SEC re-alleges and incorporates by reference paragraphs 1 through 56 above.

17 64. During the relevant time period, Defendants Azarmehr and Lender, directly or  
18 indirectly, in connection with the offer or sale of a security, and by the use of means or  
19 instrumentalities of interstate commerce or by use of the mails, (b) made untrue statements of a  
20 material fact or omitted to state a material fact necessary in order to make the statements made, in  
21 the light of the circumstances under which they were made, not misleading. As alleged above,  
22 Defendants Azarmehr and Lender knowingly or recklessly made materially false statements and  
23 misleading omissions concerning how investors' funds would be used. That information, had it been  
24 disclosed, would have been significant information to investors, because it would have affected the  
25 investors' understanding of the overall terms, conditions, risks, and costs associated with their EB-5  
26 investments.

27 65. By engaging in the conduct described above, Defendants Azarmehr and Lender  
28 violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(b) [17 C.F.R. §  
240.10b-5] thereunder.

**PRAYER FOR RELIEF**

WHEREFORE, the SEC respectfully requests that this Court enter a Final Judgment:

**I.**

Finding that Defendants committed the violations alleged in this Complaint.

**II.**

Permanently enjoining Defendants and their agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the judgment by personal service or otherwise, and each of them, from violating Section 17(a) of the Securities Act, 15 U.S.C. § 78q(a); Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

**III.**

Permanently enjoining Defendants from, directly or indirectly, (1) participating in the offer or sale of any security which constitutes, or is promoted as constituting, a qualifying investment in a “commercial enterprise” under the United States Government EB-5 visa program administered by the United States Citizenship and Immigration Service; and (2) participating in the management or supervision of, or otherwise exercising any control over, any commercial enterprise or project that has issued or is issuing any securities which constitute, or are promoted as constituting, qualifying investments under the EB-5 visa program.

**IV.**

Ordering Defendants to disgorge all ill-gotten gains they received directly or indirectly, with pre-judgment interest thereon, as a result of the alleged violations, pursuant to Exchange Act Sections 21(d)(3), 21(d)(5), and 21(d)(7), 15 U.S.C. §§ 78u(d)(3), 78u(d)(5), and 78u(d)(7).

**V.**

Ordering Defendants to pay civil penalties under Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3).

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**VI.**

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

**VII.**

Granting such other and further relief as this Court may determine to be just and necessary.

**JURY DEMAND**

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the Commission demands trial by jury in this action of all issues so triable.

Dated: April 11, 2024

*s/ Rebecca R. Dunnan*

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Rebecca R. Dunnan

H. Norman Knickle\*

Attorneys for Plaintiff

Securities and Exchange Commission

\*Pending Motion to Permit Appearance