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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, **Plaintiff,** **-against-** **WILLIAM J. WELLS and PROMITOR CAPITAL MANAGEMENT LLC** **Defendants.**	**15 Civ. ( )** **ECF Case** **COMPLAINT** **JURY TRIAL DEMANDED**

Plaintiff Securities and Exchange Commission ("Commission"), for its Complaint against Defendants William J. Wells ("Wells") and Promitor Capital Management LLC ("Promitor") (collectively, "Defendants"), alleges as follows:

SUMMARY OF ALLEGATIONS

1. The Commission brings this civil enforcement action against Wells, and his company Promitor, for defrauding a number of investors in purported Promitor investment funds. From 2009 through the present, Defendants raised more than $1,100,000 from at least 30 investors. To induce at least some individuals to invest, and to lure them into maintaining and/or increasing their investments, Defendants made a number of material false statements—regarding their use of investor funds, the Promitor funds' investment returns, and Wells's professional background.

2. Defendants falsely told at least some investors that Wells was a registered investment adviser, which he was not. Wells also falsely told certain investors that he would invest their funds in particular stocks through individualized accounts. In fact, Defendants created no such individual accounts and made virtually no such stock investments. In addition, in at least some instances, Wells provided investors fictitious account statements purporting to show their growing account balances and securities holdings. In fact, no such balances or holdings existed.

3. Furthermore, in Ponzi-like fashion since at least 2012, Defendants have used approximately a third of later investors' funds (approximately $319,000) to repay earlier investors seeking to withdraw from the Promitor funds. As of August 31, 2015, only $34.95 remained in the purported Promitor funds brokerage accounts. To the extent Defendants actually traded securities, they engaged in mostly unprofitable high-risk options trades, with overall net investment losses every year since inception in 2009 (such losses now total over $550,000). Wells also misappropriated at least some investor money for himself, depositing it in his own personal bank account.

VIOLATIONS

4. By virtue of the conduct alleged herein, each of the Defendants, directly or indirectly, singly or in concert, has engaged and is engaging in transactions, acts, practices and courses of business that constitute violations of Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)]; Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5]; and Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. §§ 80b-6(1), 80b-6(2) and 80b-6(4)] and Rule 206(4)-8 [17 C.F.R. § 275.206(4)-8].

5. Wells, directly or indirectly, singly or in concert, has aided and abetted the other Defendant's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

6. Wells, directly or indirectly, singly or in concert, has control person liability pursuant to Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)] for the other Defendant's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

7. Wells, directly or indirectly, singly or in concert, has aided and abetted the other Defendant's violations of Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder.

8. Unless the Defendants are permanently restrained and enjoined, they will again engage in the acts, practices, transactions and courses of business set forth in this complaint and in acts, practices, transactions and courses of business of similar type and object.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

9. The Commission brings this action pursuant to authority conferred by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)], Section 21(d)(1) of the Exchange Act [15 U.S.C. § 78u(d)(1)], and Section 209 of the Advisers Act [15 U.S.C. § 80b-9], seeking to restrain and permanently enjoin the Defendants from engaging in the acts, practices, transactions and courses of business alleged herein.

10. The Commission also seeks a judgment permanently enjoining Defendants from future violations of the securities laws provisions that Defendants violated as alleged in this Complaint, ordering Defendants to disgorge their ill-gotten gains and to pay prejudgment interest thereon, and imposing civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)].

JURISDICTION AND VENUE

11. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1331, Sections 20(b), 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d), 77v(a)], Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa], and Section 209(d), 209(e)(l), and 214 of the Advisers Act [15 U.S.C. §§ 80b-9(d), 80b-9(e)(l),and 80b-14].

12. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(2), Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], Section 27 of the Exchange Act [15 U.S.C. § 78aa], and Section 214 of the Advisers Act [15 U.S.C. § 80b-14]. Certain of the events constituting or giving rise to the alleged violations occurred in the Southern District of New York. For example, Promitor was originally located in Manhattan, and Wells solicited investments from several of his investors in Manhattan.

13. In connection with the conduct alleged in this complaint, Defendants, directly or indirectly, have made use of the means or instruments of transportation or communication in, and the means or instrumentalities of, interstate commerce, or of the mails, or of the facilities of a national securities exchange.

DEFENDANTS

14. **Wells**, age 42, lives in River Vale, New Jersey. Wells founded Promitor in 2009 and is its owner and principal. Wells was registered with FINRA as an Investment Company Products/Variable Contracts Representative between April 4, 1997 and October 2, 1998 (CRD No. 2875487) and has passed the Series 6 exam.

15. **Promitor** is a New York limited liability company incorporated on September 22, 2009, with its principal place of business in River Vale, New Jersey. Wells owns Promitor, which is the Manager of a fund with the same name.

FACTS

Promitor Background

16. Wells founded Promitor in September 2009. At or about that time, Wells began to solicit investments from friends and colleagues, promising at least some that he would invest their cash in a general investment fund, which Wells came to call Promitor Capital Management LLC or the "Main Fund" (the "Main Fund"). Wells later promised others that he would invest their money through individualized sub-accounts, either in specific securities, or by utilizing personalized investment strategies ("sub-accounts").

The Private Offering Memorandum

17. Wells provided to at least certain prospective investors a written "Private Offering Memorandum" for the Main Fund, dated September 22, 2009 (the "Offering Memorandum"). The Offering Memorandum offers investors "Membership Interests" in the Main Fund, which claims to be a "private investment vehicle for a limited number of sophisticated, long-term investors" that "will engage primarily in the purchase and sale of long positions in publicly-traded securities, and during extreme market environments, may hedge the portfolio using options, futures, other derivative securities and short sales of stocks." The Offering Memorandum further states that "each investor in the interests offered hereby must acquire such interests . . . for investment purposes only and not with an intention of distribution, transfer or resale, either in whole or in part."

18. The Offering Memorandum further states that Promitor manages the Main Fund; that Wells is Promitor's principal; and that Wells has "direct and primary responsibilities for all investment decisions of [Promitor]."

19. The Offering Memorandum also describes Promitor's compensation. Promitor

was to receive an "annual management fee" of 2% of assets under management, which was to be "paid out of the fund's capital quarterly." Promitor also was to receive 20% "of the net profits (realized and unrealized) provisionally allocated to the capital account of each [investor] . . . ."

20. The Offering Memorandum further states that the Main Fund's portfolio "will consist primarily of 1 to 20 common stocks (including common stocks of foreign companies)" and may also contain options, among other investments.

21. Additionally, the Offering Memorandum states that the Main Fund "will retain a reputable accounting firm experienced in fund accounting, as its independent auditors." Contrary to this promise, Promitor has not retained an accounting firm for either accounting or independent audits in connection with any of its business.

22. Wells also sent at least some prospective investors written "Subscription Agreements" stating that they could "appl[y] for a limited liability company membership interest" in the Main Fund. The Subscription Agreements stated that the Main Fund "is being operated as a fund under Section 3(c)(1) of the [Investment Company Act of 1940]." At least some investors executed Subscription Agreements, which Wells signed on behalf of Promitor.

The Promitor Website and Fund Overview

23. At least as of December 2014, Defendants made available to Promitor investors a website containing a "Fund Overview." According to the Fund Overview, the goal of Promitor is to "achieve returns exceeding those of the BarclayHedge Event Driven Index by 25%" by "employing options strategies" and "buying calls or puts pre-event (primarily earnings) and capturing the increase in price based on market sentiment and IV (implied volatility) and closing positions prior to the event."

24. The Fund Overview falsely states that Wells is an "NASAA Series 65, Registered

Investment Adviser." In fact, Wells has never taken the Series 65 examination and is not a registered investment adviser.

25. The Fund Overview states that Promitor "will function as the fund custodian/account owner"; and that the fees for the fund include "2% of [assets under management] (based on total assets at inception, paid 25% per quarter)" with a "[h]igh water mark (breakeven) in place after Year 1" and "20% of profits above [the high water mark]."

26. The Fund Overview further states that "[f]unds and investments will be held in an account with thinkorswim, Division of TD Ameritrade."

27. Defendants maintained four securities trading accounts at TD Ameritrade that they used to trade investor funds: three in Promitor's name and one in Wells' own name. Wells also maintained a securities account at USAA, although it is unclear whether he used that account for Promitor. In any event, this Complaint refers to the TD Ameritrade and USAA accounts collectively as the "Brokerage Accounts." Wells had sole signatory and trading authority over the Brokerage Accounts. In the TD Ameritrade accounts' opening documents, Wells states that Promitor was formed to engage in the business of "financial advisor," and Wells lists himself as Promitor's sole manager and principal.

28. Since their inception in 2009, the Brokerage Accounts have received total deposits of nearly $1.3 million, and over $750,000 has been withdrawn. In that time, investors (at least 30) have given Defendants more than $1.1 million. Defendants have used approximately a third of later investors' funds (at least $319,000) to repay earlier investors seeking to withdraw from the Promitor funds, and at least $39,000 was transferred to Wells' personal bank account.

29. Wells rarely invested in equity shares and often engaged in short-term, high-risk

options trading, with poor results. Collectively, the Brokerage Accounts have realized trading losses every year since inception, and those losses total over $550,000:

Year	Approximate Trading Losses (Brokerage Accounts)
2009	$(14,417.24)
2010	$(143,312.08)
2011	$(176,454.49)
2012	$(17,892.02)
2013	$(78,103.42)
2014	$(11,368.06)
2015	$(109,616.49)
Total	**$(551,163.80)**

Ponzi-like Payments

30. As early as January 2012, Defendants began making redemption payments to some investors. Because Defendants' trading was not profitable, they used new investor money to pay older investors who sought to withdraw their money. For example, on February 26, 2014, Wells' personal brokerage account had an opening balance of $64.14. That same day, the account received $25,000 from a Promitor investor. Wells then wired $8,000 to his personal bank account and used the balance to pay an earlier investor $10,000. Wells subsequently lost the balance (of the new investor's $25,000) in trading.

Misrepresentations to Investors

31. Defendants knowingly or recklessly made material false written and oral misrepresentations to at least a number of Promitor investors, both to induce them to invest in the Main Fund and sub-accounts and, for months afterward, to lure them into maintaining and/or increasing their investments.

Investor A

32. Wells first met Investor A in 2008, through work. From 2008 through 2009,

Wells regularly provided Investor A investment tips. In or about September 2009, Wells began to solicit Investor A to invest in the Main Fund and provided Investor A the Offering Memorandum. In or about October 2009, Investor A signed a subscription agreement and invested $25,000 in the Main Fund, becoming one of Promitor's first investors. Investor A subsequently made the following investments on or about the following dates: $20,000 in the Main Fund on May 6, 2010; $3,000 in a sub-account on March 7, 2011; $3,500 in a sub-account on April 7, 2011; $10,000 in a sub-account on February 1, 2013; and $10,000 in a sub-account on August 27, 2013.

33. On December 31, 2009, Wells falsely informed Investor A by email, "I passed the Series 65 to register with the State. Just some paperwork to deal with now." Wells also falsely told Investor A by text message on October 2, 2013 that he (Wells) was a registered investment adviser and had passed the Series 65 examination. In fact, contrary to what Wells told Investor A, Wells has never passed the Series 65 examination (and has never been a registered investment adviser), and Promitor has never been registered as either a broker-dealer or investment adviser.

34. Prior to investing in the sub-accounts, Wells led Investor A to believe that Defendants would maintain his sub-account investments separately from those of other Promitor investors. Contrary to Wells' promise, Defendants did not create a separate sub-account for Investor A.

35. After investing in the Promitor funds, Investor A repeatedly requested from Wells, and occasionally received from him, quarterly account statements falsely reporting continuous growth of his investment in the Main Fund. From 2009 through 2014, the statements report a loss in only one of thirteen quarters. The statements further falsely report quarterly profits as high as $10,252.78 (for the first quarter of 2011). As the chart below shows, the

numbers contained in the quarterly statements that Wells sent Investor A were wholly fabricated. The below chart sets forth: (1) Investor A's purported account balance, as reported in the Investor A quarterly statements; and (2) the actual total combined balances at that time for all of the Brokerage Accounts (*i.e.*, for *all* Promitor investors). As set forth below, the quarterly balances (with the exception of the first quarter in 2011) that Defendants reported for Investor A were far greater than the actual total closing portfolio balance in all of the brokerage accounts associated with Wells and Promitor combined.

Date	**Investor A Purported Main Fund Account Balance**	**Actual Total Balances in Brokerage Accounts (All Investors)**
1/1/2010	$30,646.00	$22,117.53
3/31/2010	$38,692.28	$47,192.36
3/31/2011	$84,013.77	$45,059.85
6/30/2011	$99,290.66	$7,563.09
9/30/2011	$101,808.47	$17,081.50
1/1/2012	$101,213.08	$21,520.35
3/31/2012	$52,373.82	$31,478.23
1/1/2013	$52,806.13	$(705.09)
1/1/2014	$71,702.40	$6,967.88
9/30/2014	$89,593.80	$2,223.52
12/31/2014	$92,483.45	$844.23

Investor B

36. Investor B met Wells in college, and the two maintained contact thereafter. In 2009, Wells began to discuss with Investor B the possibility of starting his own fund. On January 14, 2010, Wells emailed Investor B the Offering Memorandum for the Main Fund.

37. Between March 2010 and October 2013, Investor B invested a total of $350,000 in the Main Fund and a sub-account. Prior to his investing, Wells had promised Investor B that

the sub-account would be more liquid than the Main Fund. Investor B made his first investment of $50,000 with Promitor on or about March 30, 2010. Between June 2010 and October 2013, Investor B invested an additional $300,000 in the Main Fund and a sub-account, on or about the following dates: $50,000 on September 28, 2010; $50,000 on August 16, 2011; $100,000 on November 4, 2011; and $100,000 on October 3, 2013.

38. From July 30, 2010 until April 30, 2015, Wells sent Investor B quarterly statements for both the Main Fund and the sub-account. The statements for the Main Fund report a loss for only one of twenty quarters, with profits as high as $32,000 in one quarter (April 1, 2014 through June 30, 2014). The statements for the sub-account report losses in three of fifteen quarters, with profits as high as $53,000 in one quarter (July 1, 2013 through September 30, 2013). As the below chart shows, these profits were entirely fictitious. The chart shows: (1) Investor B's purported Main Fund account balances, as reported in the Investor B quarterly statements; (2) Investor B's purported sub-account balances, as reported in the quarterly statements; and (3) the actual total combined balances for those dates for all of the Promitor Brokerage accounts (*i.e.*, for *all* Promitor investors). Except for the first quarterly statement, the reported Investor B balances are far higher than the total actual balances in the combined Promotor Brokerage accounts. Thus, the reported balances for Investor B were fictions.

Date	**Investor B Purported Main Fund Account Balance**	**Investor B Purported Sub Account Balance**	**Actual Total Balances in Brokerage Accounts**
6/30/2010	$55,670.00	-	$59,819.23
9/30/2010	$60,629.48	-	$2,025.85
1/1/2011	$120,582.52	-	$1,434.11
3/31/2011	$136,656.77	-	$45,059.85
6/30/2011	$148,053.81	-	$7,563.09
9/30/2011	$151,756.47	$69,493.18	$17,081.50
1/1/2012	$150,337.13	$194,766.78	$21,520.35

3/31/2012	$159,488.00	$193,452.78	$31,478.23
6/30/2012	$163,561.90	$201,278.60	$397.31
9/30/2012	$172,155.52	$214,980.20	$7,319.62
12/31/2012	$163,023.95	$209,820.05	$(705.09)
3/31/2013	$186,377.93	$192,365.50	$33,267.30
6/30/2013	$198,273.87	$229,219.43	$(1,161.41)
9/30/2013	$220,403.26	$282,775.97	$47.04
12/31/2013	$236,760.15	$420,762.23	$6,967.88
3/31/2014	$230,253.54	$425,645.31	$26,459.62
6/30/2014	$261,456.42	$447,675.53	$7,508.54
9/30/2014	$276,595.49	$439,454.50	$2,223.52
12/31/2014	$285,516.48	$452,089.20	$844.23
3/31/2015	$282,069.81	$401,508.40	$(6.74)

39. On May 9, 2013, Wells emailed Investor B his "statements for Q1 2013," which purported to include a list of Investor B's "top holdings" (i.e., equity securities) in his sub-account. The statement, dated April 30, 2013 for the period ending March 31, 2013, lists as "TOP HOLDINGS – PERIOD ENDING 03/31/2013":

SYMBOL	QUANTITY	3/31/2013 CLOSE PRICE	MARKET VALUE
BIDU	500	87.70	$ 43,850.00
LGF	1200	23.77	$ 28,524.00
INVN	2000	10.68	$ 21,360.00
OSK	400	42.49	$ 16,996.00
VRNG	5000	3.17	$ 15,850.00

40. Contrary to the above Q1 2013 statement, the Brokerage Accounts did not hold common stock in any of these companies as of March 31, 2013. In fact, the Brokerage Accounts had never invested in common stock of four of the five companies listed. Although the Brokerage Accounts did trade in options of certain of those companies at certain times, they held no such options as of March 31, 2013.

41. As explained below, beginning at least by December 2014, Investor B repeatedly attempted—through requests to Wells—to withdraw funds from his sub-account, and Wells repeatedly responded by making false statements to Investor B regarding Wells' intention to

honor those requests (and the availability of funds to do so).

42. In or about December 2014, Investor B asked Wells to withdraw $200,000 from his sub-account, so that Investor B could purchase a home. On January 15, 2015, Investor B sent Wells a text requesting that Wells close the sub-account "asap," send Investor B the $200,000, and transfer the balance of his sub-account to the Main Fund. Investor B repeated this request to Wells multiple times in January. On January 29, 2015, Wells replied, "Closing it out. Trying to get you at least 100k tomorrow." Wells did not send Investor B the promised $100,000.

43. Wells also texted Investor B on January 29, 2015 that "OPK and PANW are crushing it," implying that he had invested in those securities for Investor B and had done well. In fact, to the contrary, Defendants held no positions in the stock of PANW (Palo Alto Networks Inc.) in December 2014 or January 2015. Furthermore, though Promitor had invested in OPK stock (Opko Health Inc.) in December 2014 and January 2015, its realized profit for that trading was only $300.87.

44. On February 13, 2015, Investor B again texted, "Update please." Wells replied, "You'll be all set this week. Transfer took longer than I thought but was able to avoid a big tax hit." On February 24, 2015, Wells texted, "50k set up for today," (meaning that he would transfer $50,000 to Investor B that day). In fact, however, as of February 24, 2015, the balance in the Brokerage Accounts was negative $2.76 and the balance in Promitor's checking account was $97.72. Two days later, Wells transferred only $211.20 to Investor B.

45. On March 6, 2015, Investor B told Wells that he had not received the promised funds. Wells responded by text, "I have cases logged with Citi wire dept." On March 9, 2015 (a Monday), Wells again texted Investor B, "100k pending and 90 set up for Thursday" (meaning that a $100,000 transfer to Investor B was pending at Citibank, and that Wells had arranged for

the transfer of another $90,000 to him for the following Thursday.) In fact, however, as of March 9, 2015, the Brokerage Accounts held only $37.65, and Promitor's bank account held a negative balance (-$7,357.36). Contrary to Wells' promises, Investor B received only two transfers, of $5,000 each. Wells did not explain those transfers, but on March 23, again promised that he would "get [Investor B] squared away."

46. On March 25, 2015, Investor B texted Wells, "I want the entire amount that was in the sub account wire[d] to me. Not just the 200k originally discussed almost 3 months ago." Investor B further told Wells that he was unable to purchase a home because he "didn't have down payment," and he "need[ed] this money." On March 27, when Investor B still had not received the money, he asked Wells by text, "You running a Ponzi scheme? Why the heck is this going down like this." On March 30, after Wells still failed to transfer the money, Investor B texted, "For the last time. Close out every single position in my sub account and pormitor [sic]. Return ALL Monies to me now." Wells texted the same day that he had "moved another 90k over to you." By April 1, however, Wells had sent Investor B only $50,000

47. The $50,000 sent to Investor B came from money sent in by another investor. As of March 31, 2015, Promitor's bank account had a balance of under $7,000. A deposit of $100,000 from another investor was made into Promitor's bank account on April 1, 2015 and, later that same day, Promitor wired the $50,000 to Investor B.

48. On April 2, 2015, Wells admitted to Investor B that he had not been attempting to return Investor B's funds since January, but was instead trading. He texted Investor B, "My explanation is that I'm an idiot and was trying to get some big trades to h[]it. To make you more money."

49. In April 2015, Investor B continued to ask Wells repeatedly for the money from

his account, and Wells replied, among other things, "I'll get you another 200k next week." Wells again failed to make good on this promise, providing Investor B only "updated" quarterly statements for the period ending March 31, 2015, which falsely reported that Investor B had a "Net Account Balance" of $401,508.40 in his sub account and $282,069.81 in the Main Fund. In fact, at that time, the actual combined closing portfolio balances for all of the Brokerage Accounts was negative $6.74. Ultimately, Wells never sent Investor B more than $63,000.

Investors C, D, &E

50. In or about February 2015, Investor C—a 27 year old pharmacist living with his parents, and with outstanding student loans—met Wells through a friend who had invested in Promitor. In or about February 2015, with his mother's assistance, Investor C invested $10,000 in a sub-account that was supposed to hold stock of DreamWorks Animation SKG Inc. (ticker: DWA). In or about March 2015, again with his mother's assistance, Investor C invested an additional $25,000 in the Main Fund.

51. From in or about March through May 2015, Investor C's mother ("Investor D") spoke with Wells several times about potential additional investments with Promitor. Investor D told Wells that she had lost approximately $100,000 in damages to her home caused by Hurricane Sandy; that she planned to retire in two years; and that she was hoping for better investment returns than she was making with her current broker. On or about May 25, 2015—Memorial Day—Wells went, with his two children, to the home of Investor D and her husband ("Investor E"), to solicit Investors C, D, and E to invest more money with Promitor. Wells told Investors C, D and E that he would use their invested funds to purchase Disney shares, among other companies. In July 2015, Investor D wired Wells an additional $20,000 to invest with Promitor. Investor C & D & E ultimately invested $25,000 in the Main Fund and $30,000 in two

sub-accounts, for a total family investment of $55,000.

52. After making the above investments, Investor D repeatedly contacted Wells by telephone and email to request account statements. Defendants provided no such account statements until September 11, 2015, when Wells emailed purported statements for two of the accounts: (1) a statement for the second quarter of 2015 for Investor C's account, reporting a net account balance of $25,887.42; and (2) a statement for the period from July 1 to September 1, 2015 for Investor D's account, reporting a net account balance of $10,437.00. Investor D's account statement includes a purported list of "Top Holdings" for the account:

Top Holdings (through 9/1/2015)

Company	Symbol	Shares
Walt Disney Company	DIS	50
JPMorgan Chase & Co	JPM	50
OPK Health Inc	OPK	100

53. In his cover email, Wells references the third sub-account held for the son, and states, "DWA didn't have a great day. Looking to get some more info on that."

54. Contrary to Wells' prior oral statements to Investors C, D, and E, and contrary to the account statements that Wells sent Investors C & D and his cover email, the Brokerage Accounts never held common stock in any of the three companies listed, or in DWA.

55. In a September 18, 2015 telephone call, Wells reviewed the account statements with Investors C & D and falsely "confirmed" to them that: (1) one sub-account held the referenced shares of DIS, JPM, and OPK (along with cash and some other, smaller, investments); and (2) one sub-account (for which no account statement had been provided) held DWA shares purchased at approximately $20 per share. Wells further falsely told Investors C & D in that telephone call that all three accounts had experienced positive investment returns, were beating the market, and had risen in value by "a couple" of percent for the year. Wells further promised

statements detailing account holdings by the end of September 2015.

56. The account statements that Wells sent to Investors C & D, were wholly fictional, and his September 18, 2015 oral statements to them were false. As of the end of the second quarter of 2015, the combined Brokerage Accounts held $28.05, far less than the reported net account balance for even Investor C's account. As of the end of the August 2015, the combined brokerage accounts held $34.95, far less than the supposed net account balance for Investor C's & D's accounts. Moreover, at no point did the Brokerage Accounts hold shares of DIS, JPM, OPK, or DWA.

FIRST CLAIM FOR RELIEF

Violations of Section 17(a) of the Securities Act
(All Defendants)

57. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 56 of this Complaint.

58. From in or about September 2009 through the present, Defendants, directly or indirectly, singly or in concert, by use of the means or instruments of transportation or communication in interstate commerce, or of the mails, in connection with the offer or sale of securities, have: (a) employed, and are employing, devices, schemes and artifices to defraud; (b) obtained, and are obtaining, money or property by means of untrue statements of material fact, or have omitted, and are omitting, to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged, and are engaging, in transactions, acts, practices and courses of business which would operate as a fraud or deceit upon the purchaser.

59. By reason of foregoing, Defendants, directly or indirectly, singly or in concert, have violated, are violating, and unless enjoined, will continue to violate Section 17(a) of the

Securities Act [15 U.S.C. § 77q(a)].

SECOND CLAIM FOR RELIEF

Violation of Section 10(b) of the Exchange Act and Rule 10b-5
(All Defendants)

60. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 56 of this Complaint.

61. From in or about September 2009 through the present, Defendants, directly or indirectly, singly or in concert, by use of the means or instrumentalities of interstate commerce, or of the mails, or of the facilities of a national securities exchange, in connection with the purchase or sale of securities, have: (a) employed, and are employing, devices, schemes and artifices to defraud; (b) made, and are making, untrue statements of material fact, or have omitted, and are omitting, to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged, and are engaging, in transactions, acts, practices and courses of business which operated or would have operated as a fraud or deceit upon any person.

62. By reason of the foregoing, Defendants, directly or indirectly, singly or in concert, have violated, are violating, and unless enjoined, will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5].

THIRD CLAIM FOR RELIEF

Violations of Sections 206(1), 206(2) of the Advisers Act
(All Defendants)

63. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 56 of this Complaint.

64. From in or about September 2009 through the present, Defendants, while acting

as investment advisers, directly or indirectly, singly or in concert, by use of the mails or any means or instrumentality of interstate commerce or of the mails, have employed, and are employing, devices, schemes or artifices to defraud their clients or prospective clients, have engaged, and are engaging, in transactions, acts, practices or courses of business which operate as a fraud or deceit upon their clients or prospective clients.

65. By reason of the foregoing, Defendants, directly or indirectly, singly or in concert, have violated, are violating, and unless enjoined, will continue to violate, Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and 80b-6(2)].

FOURTH CLAIM FOR RELIEF

Violations of Section 206(4) and Rule 206(4)-8 Thereunder of the Advisers Act (All Defendants)

66. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 56 of this Complaint.

67. From in or about September 2009 through the present, Defendants, while acting as investment advisers to one or more pooled investment vehicles, directly or indirectly, singly or in concert, by the use of the mails or any means or instrumentality of interstate commerce or of the mails, have made untrue statements of material fact or omitted to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, to an investor or prospective investor in the pooled investment vehicle or otherwise engaged in acts, practices or courses of business that are fraudulent, deceptive or manipulative with respect to an investor or prospective investor in the pooled investment vehicle.

68. By reason of the foregoing, Defendants have violated Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4) and Rule 206(4)-8 [17 C.F.R. § 275.206(4)-8].

FIFTH CLAIM FOR RELIEF

Aiding and Abetting for Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder (Wells)

69. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 56 of this Complaint.

70. By engaging in the conduct above, and pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Defendant Wells, directly or indirectly, singly or in concert, aided and abetted Promitor's primary violations of 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], by knowingly or recklessly providing substantial assistance to Promitor's violations.

SIXTH CLAIM FOR RELIEF

Control Person Liability for Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder (Wells)

71. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 56 of this Complaint.

72. At all times relevant herein, Wells was a control person of Promitor for the purposes of Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)].

73. Wells exercised actual power and control over Promitor, including through serving as principal and owner of Promitor, and managing the operations, directing investment strategy and possessing authority to execute documents for Promitor.

74. By reason of the foregoing, Wells is liable as control person under Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)], for Promitor's violations of 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].

SEVENTH CLAIM FOR RELIEF

Aiding and Abetting Liability for Violations of Sections 206(1) and 206(2) of the Advisers Act (Wells)

75. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 56 of this Complaint.

76. Promitor at all relevant times was an investment adviser within the meaning of Section 201(11) of the Advisers Act [15. U.S.C. § 80b-2(11)].

77. By engaging in the conduct above, Defendant Wells, directly or indirectly, singly or in concert, through the use of the mails or any means of instrumentality of interstate commerce, aided and abetted Promitor's primary violations of Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and 80b-6(2)], by knowingly or recklessly providing substantial assistance to Promitor's violations.

EIGHTH CLAIM FOR RELIEF

Aiding and Abetting Liability for Violations of Section 206(4) of the Advisers Act and Rule 206(4)-8 Thereunder (Wells)

78. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 56 of this Complaint.

79. Promitor at all relevant times was an investment adviser within the meaning of Section 201(11) of the Advisers Act [15 U.S.C. § 80b-2(11)].

80. By engaging in the conduct above, Defendant Wells, directly or indirectly, singly or in concert, through the use of the mails or any means of instrumentality of interstate commerce, aided and abetted Promitor's primary violations of Section 206(4) of the Advisers

Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8], by knowingly or recklessly providing substantial assistance to Promitor's violations.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court grant the following relief:

I.

A Judgment permanently restraining and enjoining Defendants, their agents, servants, employees and attorneys and all persons in active concert or participation with them, who receive actual notice of the injunction by personal service or otherwise, and each of them, from future violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

II.

A Judgment permanently restraining and enjoining Defendants, their agents, servants, employees and attorneys and all persons in active concert or participation with them, who receive actual notice of the injunction by personal service or otherwise, and each of them, from future violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5].

III.

A Judgment permanently restraining and enjoining Defendants, their agents, servants, employees and attorneys and all persons in active concert or participation with them, who receive actual notice of the injunction by personal service or otherwise, and each of them, from future violations of Sections 206(1), 206(2), and 206(4) of the Advisers Act [15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b-6(4)] and Rule 206(4)-8 [17 C.F.R. § 275.206(4)-8].

IV.

A Judgment ordering Defendants to disgorge their ill-gotten gains, plus prejudgment interest, and such other and further amount as the Court may find appropriate.

V.

A Judgment ordering Defendants to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)].

VI.

Such other and further relief as this Court deems just and proper.

Dated: October 1, 2015
New York, New York

By: ______________________

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