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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

MARK ALAN LISSER a/k/a MARK ALAN a/k/a
MARK ALLEN

Defendant.

COMPLAINT

20 Civ. 5798 ()

JURY TRIAL
DEMANDED

Plaintiff Securities and Exchange Commission (“Commission”), for its Complaint against Defendant Mark Alan Lisser a/k/a Mark Alan a/k/a Mark Allen (“Defendant” or “Lisser”), alleges as follows:

SUMMARY

1. The Commission brings this civil enforcement action against Lisser for orchestrating a fraudulent scheme in which he operated at least two “boiler rooms”¹ through which he raised

¹ “Boiler room’ activity consists essentially of offering to customers securities of certain issuers in large volume by means of an intensive selling campaign through numerous salesmen by telephone or

approximately \$2.1 million by selling interests in purported investment funds to approximately 71 investors and then misappropriated approximately \$900,000 of the investors' funds.

2. From approximately October 2018 to March 2019, Lisser operated Knightsbridge Capital Partners ("Knightsbridge"), an unregistered fund manager that managed KPP Late Stage LLC and KPP Late Stage Investment Fund I LLC (collectively, the "KPP Funds"). The KPP Funds purported to own stock in at least three "pre-IPO" companies (that is, private companies that were likely to become public companies in the near term through an initial public offering ("IPO")).

3. Lisser secured investors for the KPP Funds through at least two boiler rooms, in which he directed over 20 salespeople (the "Knightsbridge Salespeople") to cold-call potential investors and to use high-pressure sales tactics to solicit investments. Lisser and the Knightsbridge Salespeople told most investors that if they purchased an interest in one of the KPP Funds, they would hold a pro rata share of the pre-IPO stock held by that fund.

4. Lisser falsely told potential investors (and instructed the Knightsbridge Salespeople to do the same) that Knightsbridge was not charging any mark-ups or commissions on its sales of interests in pre-IPO securities through the KPP Funds. Instead, Lisser assured investors that Knightsbridge only profited by charging investors a fee based on the profits *after* the pre-IPO companies went public, such that Knightsbridge and the investors were on the "same side of the trade." In truth, Knightsbridge both marked up the price of the shares of the pre-IPO companies by 14% to 62% and also paid the Knightsbridge Salespeople upfront commissions on all of their sales.

5. Lisser also falsely told investors that Knightsbridge had already purchased directly from the employees of the respective companies the pre-IPO securities that Knightsbridge was

direct mail, without regard to the suitability to the needs of the customer, in such a manner as to induce a hasty decision to buy the security being offered without disclosure of the material facts about the issuer." *SEC v. R.J. Allen & Assocs., Inc.*, 286 F. Supp. 866, 874 (S.D. Fla. 1974).

offering to sell through the KPP Funds, and instructed the Knightsbridge Salespeople to do the same. Instead, Knightsbridge did not purchase any pre-IPO shares until it began raising money from investors. Moreover, it did not purchase the shares from the employees or from the pre-IPO companies themselves but, instead, bought interests in such shares from third-parties. As such, Lisser misrepresented the risk of the investment in the KPP Funds.

6. Of the approximately \$2.1 million raised from investors, Lisser only used about \$1.2 million for investments. As of March 8, 2019, when it stopped operating, Knightsbridge had used investor funds to acquire enough interests in shares of two pre-IPO companies to cover its sales of shares of those companies to its customers, but it was short over 65,000 shares of a third pre-IPO company, and did not have the funds necessary to purchase those shares.

7. Lisser misappropriated approximately \$900,000 of the investor funds, including by sending about \$103,000 to his personal and business bank accounts and using about \$47,000 to pay credit card bills.

VIOLATIONS

8. By virtue of the foregoing conduct and as alleged further herein, Lisser has violated Section 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77q(a)], and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

9. Unless Lisser is restrained and enjoined, he will again engage in the acts, practices, transactions and courses of business set forth in this Complaint or in acts, practices, transactions and courses of business of similar type and object.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

10. The Commission brings this action pursuant to authority conferred by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)].

11. The Commission seeks a final judgment: (a) permanently enjoining Lisser from violating the federal securities laws and rules this Complaint alleges he has violated; (b) ordering Lisser to disgorge ill-gotten gains he received as a result of the violations alleged here and to pay prejudgment interest thereon; (c) ordering Lisser to pay civil money penalties pursuant to 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)]; and (d) ordering any other and further relief the Court may deem just and proper.

JURISDICTION AND VENUE

12. This Court has jurisdiction over this action pursuant to Securities Act Section 22(a) [15 U.S.C. § 77v(a)] and Exchange Act Section 27 [15 U.S.C. § 78aa].

13. Lisser, directly and indirectly, has made use of the means or instrumentalities of interstate commerce or of the mails in connection with the transactions, acts, practices, and courses of business alleged herein.

14. Venue lies in this District under Securities Act Section 22(a) [15 U.S.C. § 77v(a)] and Exchange Act Section 27 [15 U.S.C. § 78aa]. Lisser is an inhabitant of the Eastern District of New York, and certain of the acts, practices, transactions, and courses of business alleged in this Complaint occurred within this District, including that Knightsbridge was located in North Bellmore, New York, and one of the boiler rooms that Lisser operated was located in Melville, New York.

DEFENDANT

15. **Lisser**, age 40, resides in Massapequa, New York. During the relevant period, Lisser was a principal and manager of Knightsbridge. Lisser was registered with the Financial Industry Regulatory Authority (“FINRA”) as a registered representative from 2001 to 2016 and held the Series 7 and 63 licenses.

OTHER RELEVANT ENTITIES

16. **Knightsbridge** is a Delaware limited liability company incorporated on October 1, 2018, with its principal place of business in North Bellmore, New York. Knightsbridge operated at least two boiler rooms, one located in Melville, New York, and the other in Boca Raton, Florida. Knightsbridge managed the **KPP Funds**, both of which purported to offer several series of limited liability company interests, which, in turn, invested in pre-IPO companies. Neither Knightsbridge nor the KPP Funds have ever been registered with the Commission. Knightsbridge ceased operations on March 8, 2019.

FACTS

Lisser Created Knightsbridge and Hid His History of Customer Complaints

17. Lisser, along with others, created Knightsbridge on or around October 1, 2018. Before creating Knightsbridge, Lisser was fired by a registered broker-dealer because of customer complaints alleging churning² and unauthorized trading.

18. Prior to working at that firm, Lisser had worked for five other broker-dealers, four of which were subsequently de-registered by FINRA for various rule violations.

19. Lisser concealed from Knightsbridge's investors and potential investors his history of customer complaints and his prior association with broker-dealers that were de-registered by FINRA

20. In communications with Knightsbridge's investors, Lisser identified himself as "Mark Allen," omitting his last name to prevent investors from searching for him on the internet and discovering his background. Likewise, Knightsbridge's Delaware corporate filings refer to

² "Churning occurs when a securities broker enters into transactions and manages a client's account for the purposes of generating commissions and in disregard of his client's interests." *Studer v. SEC*, No. 04-6646, 2008 U.S. App. LEXIS 837 at *4, 260 F. App'x 342, 343 (2d Cir. Jan. 15, 2008) (internal quotations omitted).

Lisser, the Manager, as “Mark Allen.” The Private Placement Memoranda (“PPMs”) for the KPP Funds do not refer to Lisser at all; instead falsely naming an individual nominee, instead of Lisser, as Knightsbridge’s manager.

21. At or around the same time that he created Knightsbridge, Lisser began operating boiler rooms in Melville, New York, and in Boca Raton, Florida, to solicit investors to purchase interests in the KPP Funds.

22. Lisser also contracted with another private entity (“LLC-1”) to operate an additional boiler room. On or around October 16, 2018, Knightsbridge entered into a contract with LLC-1 to “refer potential customers” to Knightsbridge, which would in turn “pay a front end referral fee of seventy Percent gross profit (70%) in regard to purchase costs” and “fifty Percent (50%) of the back end carried interest on any and all money or other consideration provided by the . . . Customers.”

23. Lisser hired approximately 20 individuals, including Salesperson 1, to staff his two boiler rooms, and he provided at least some of the Knightsbridge Salespeople with a script to use when cold-calling investors.

24. Lisser’s script included statements like, “Infonnation [*viz*] is king and nothing happens on Wall Street without me knowing about it!”; “You know this is the right investment, and you have to own it!”; “I have never in my life met anyone who wasn’t interested in making serious money. (Firm) is making more serious money for people than anyone out there”; and “You can buy this one with your eyes closed!”

25. During the relevant period, Lisser and the Knightsbridge Salespeople acting at Lisser’s direction, cold-called hundreds of potential investors and raised approximately \$2.1 million from 71 investors by selling interests in the various purported series of the KPP Funds that Lisser

claimed owned pre-IPO shares of Companies A, B and C.³

26. Companies A, B, and C were well-known private companies in the software and transportation industries that were believed by the market to likely become public companies in the near term through IPOs.

Lisser Materially Misrepresented the Cost of Investing in the Funds by Assuring Investors That No Commissions Were Charged and That There Were No Mark-Ups on the Price of Shares

27. In their pitch to potential investors, Lisser and the Knightsbridge Salespeople (at Lisser's direction) materially misrepresented the cost of investing in the KPP Funds by falsely representing that Knightsbridge would not charge investors any mark-up on the price at which Knightsbridge had purchased the pre-IPO shares and that Knightsbridge did not charge any upfront commissions on the sales of interests in the KPP Funds.

28. The PPMs for the KPP Funds that Lisser and the Knightsbridge Salespeople provided to at least some investors did not mention commissions or mark-ups to be paid to Knightsbridge or the KPP Funds. Instead, the PPMs represented that Knightsbridge would be paid a "management fee" that would "accrue commencing twelve (12) months after the Manager's acceptance of the Investor's subscription for Interests and the applicable closing of Series Interest in the Fund, and be equal to an aggregate of two percent (2%) of the Member's aggregate Capital

³ Specifically, Lisser and Knightsbridge told investors that they were "investing in a specific Series of the Fund," each of which would "correlate to a specific investment of the Fund in a particular Portfolio Company, or in a basket of Portfolio Companies," and that distributions to investors would be made "on a Series-by-Series basis and not on the Fund's portfolio as a whole." Similarly, the PPMs for the KPP Funds falsely stated that that investments would remain segregated by "series." Notwithstanding Knightsbridge's representations, no such "series" existed and all of the investors' funds were co-mingled, regardless of what stock the investor had decided to purchase. As an individual associated with Knightsbridge ("Associate A") explained to Salesperson 1, "the way the cash flows through is an omnibus account, because who cares, it goes right into the underlying."

Contributions, and accrue as an obligation to the Fund due and payable upon a liquidation event.”

29. The PPMs expressly provided that “Except with respect to the Management Fee and as otherwise set forth in the Operating Agreement, [Knightsbridge] or its affiliates shall bear the expenses of the Fund (the ‘Fund Expenses’).” Under the Operating Agreement, Knightsbridge “shall *not* charge any Member any expense Fee . . . or for any of the following Company expenses” like office overhead or expenses of operating the company (emphasis added).

30. Lisser told investors, and instructed the Knightsbridge Salespeople to tell investors, that instead of charging a mark-up or sales commissions, Knightsbridge was paid a “deferred commission” or “carried interest” on the profits on the KPP Funds’ sales of the pre-IPO shares after the company went public.

31. For example, on October 24, 2018, Lisser falsely told a potential investor:

“So basically now, you go straight to the fund, and the fund has with you a deferred commission on the percentage of the profit that you make on the money. So we're buying in volume. We're getting great prices. You get...the lowest prices...the lowest prices we get, the more we all make...make on the deferred.

32. Lisser told another potential investor on that same day, “so the way it works is, there is no commissions now. We’re on the same side of the investment.” When the investor asked, “Right now your commission is nothing?,” Lisser replied, “Correct. Twenty percent of the profit. So you are only paying commission once I get a profit.” In yet another conversation with a potential investor that day, Lisser misrepresented, “We’re wholesale...and us giving it to you, there’s no commission, there’s no fee, so this way you get it at cheaper rates, so we all make out.”

33. Notwithstanding the representations made to investors, Lisser paid the Knightsbridge Salespeople commissions equal to approximately 5% of the amount of the investments that they secured.

34. Lisser and Knightsbridge took steps to conceal the payments of commissions to the Knightsbridge Salespeople so the potential investors would not know about them.

35. When Salesperson 1 inquired about pay at an initial meeting with Knightsbridge on October 17, 2018, Associate A explained that Knightsbridge hires its salespeople as independent contractors and pays a “consulting fee we approximate, it’s like a working sales commission.” Associate A noted that if the “consulting fee” is insufficient, Knightsbridge would give “periodic bonuses, or on top of that, which top things out, even things out.” Associate A explained that, “We don’t want to be perfect, maybe a little higher or lower” – in an effort to avoid the payments being scrutinized as commissions – but that Knightsbridge seeks to be “more than fair.”

36. Another individual associated with Knightsbridge (“Associate B”) told Salesperson 1 that he could expect sales commissions of “about 5% on the front, 5% on the back,” meaning that Knightsbridge paid Knightsbridge Salespeople commissions equal to 5% of all funds brought in from investors, and 5% of the profits on those investor funds following distribution of the KPP Funds’ profits. When Salesperson 1 asked if he should tell clients that Knightsbridge did not charge commissions, Associate B explained that Salesperson 1 should only tell potential investors “about the backend. That’s basically the way the fund, the fund earns its money, by...you know, you know...sharing in the profit with them. So, we take 20% of the backend.”

37. Knightsbridge kept track of the undisclosed sales commissions that it paid to the Knightsbridge Salespeople on a spreadsheet titled “Payout History” that explicitly called the payments to the Knightsbridge Salespeople “Commissions.”

38. Lisser also tried to hide the sales commissions by making at least some of the commission payments to the Knightsbridge Salespeople from his personal bank account and by describing the payments in the memo section of the checks as being for “investor leads,” or by transferring funds to another private entity (“LLC-2”) and making payments from LLC-2’s account.

39. On November 2, 2018, Salesperson 1 met Lisser at Knightsbridge’s offices to pick up his commission check. At the meeting, Lisser handed Salesperson 1 a check from his personal

bank account for \$1,250, equal to five percent of the \$25,000 in sales that Salesperson 1 had made. Lisser also told Salesperson 1 that other Knightsbridge Salespeople were also given “commission checks.”

40. In addition to paying the Knightsbridge Salespeople upfront sales commissions, Lisser charged investors a significant mark-up on the price of the pre-IPO shares. The chart below reflects the average cost at which Knightsbridge bought the pre-IPO shares as compared to the price at which it sold the shares to investors through the KPP Funds:

Company	Average Price at which Knightsbridge Purchased Shares	Average Price at which Knightsbridge Sold Shares	Average Mark- Up per Share	% Mark-Up
Company A	\$53.79	\$61.14	\$7.62	14%
Company B	\$53.02	\$62.08	\$9.06	17%
Company C	\$5.17	\$8.38	\$3.21	62%

41. Lisser, who either signed the subscription agreements for the purchase of the shares of pre-IPO companies for Knightsbridge or received drafts of such agreements (which included the per share price), knew the actual cost of acquiring the shares of Companies A, B, and C. Lisser also knew how much investors paid for their interests in the Funds. As such, Lisser knew that Knightsbridge was marking-up the price per share at which investors acquired their interests.

Lisser Materially Misrepresented Knightsbridge’s Ownership of the Pre-IPO Securities

42. In their pitch to potential investors, Lisser, and the Knightsbridge Salespeople at Lisser’s direction, also falsely represented that Knightsbridge had already purchased directly from employees of the three companies the pre-IPO securities that it was offering through the KPP Funds, and that this distinguished Knightsbridge from other funds selling pre-IPO securities.

43. For example, on October 31, 2018, during a call in which Lisser pitched a potential

investor shares of Company A, the person asked, “Who has those shares now? Your fund or are you buying those from another fund?” Lisser falsely replied, “we’re on the cap table.⁴ We own the shares. So, you, you you are joining our fund, our company, so you’re going to own your amount of shares directly.” The investor asked, “That was my question. Whether you are going through another fund.” Lisser replied, “That’s the biggest thing, correct, yeah, because when, other places, they’ll take deposits, then they’ll go and write contracts and they’ll try to get the stock and then things would change. I don’t even know how they – that’s Kosher. We have the stock through ROFR, through first right of restriction.”

44. On another call, on October 24, 2018, Lisser falsely informed a potential investor, “I’m picking [shares of Company C] up at ah, six, six six fifty from the employee himself. I’m picking up 300 grand. So I deal directly with the employee.” Lisser added: “We’re on the cap table. So...we can take in the stock. We are on [Company A]’s cap table, [Company B]’s, soon to be closed, and uh [Company C]’s.”

45. On the same day, Lisser falsely told another potential investor, “We’re in with the employees, and we’re approved with the company’s cap table, so on [Company A’s] cap table, uh we’re approved to transact business with employees of theirs and buy stock from their employees. So we’re doing a \$3 million lot, we’re closing today.”

46. Lisser also directed the Knightsbridge Salespeople to make misrepresentations concerning Knightsbridge’s ownership of shares. On October 24, 2018, a potential investor asked Salesperson 1 to confirm that “Knightsbridge owns those shares [of Company A].” Salesperson 1, who was speaking to the investor on speakerphone, put the investor on mute, and Lisser directed Salesperson 1 to inform the investor that “Knightsbridge sits on the cap table, we buy the stock

⁴ A “cap table” or a “capitalization table” is a list a company maintains that reflects the equity ownership of the company.

from [Company A], we own them and [the investor] own[s] a piece of us.” Salesperson 1 then told the potential investor what Lisser had told him to say while Lisser listened to the call.

47. Contrary to the representations that Lisser and the Knightsbridge Salespeople made to investors, the KPP Funds never purchased any pre-IPO shares directly from Companies A, B, C or from the employees of those companies.

48. Instead, Knightsbridge (as opposed to the KPP Funds) entered into several subscription agreements and share purchase agreements to purchase the pre-IPO shares of the three companies largely from two unregistered investment funds. In some cases, these agreements purported to transfer the shares directly to Knightsbridge. In other cases, these agreements purported to transfer an interest in a fund that held such shares. In neither case, did Knightsbridge or the KPP Funds hold the pre-IPO shares of the three companies directly.

49. Thus, Lisser’s statements to investors that Knightsbridge was “on the cap table” and thus directly held shares of the pre-IPO shares were false. Indeed, by purchasing shares or interests in shares from third parties (instead of from the companies themselves or their employees), Knightsbridge introduced undisclosed risk in the transactions: Knightsbridge’s ability to distribute shares to investors of the KPP Funds was contingent on third parties fulfilling their contractual obligations to Knightsbridge.

50. Moreover, contrary to the representations of Lisser and the Knightsbridge Salespeople, Knightsbridge had not yet purchased the pre-IPO shares at the time that it began marketing and selling interests in the KPP Funds to the investors. This introduced further undisclosed risk in the transactions because there was no guarantee that Lisser and Knightsbridge would, in fact, be able to purchase the necessary shares of the three companies at all or at an advantageous price.

51. Although Knightsbridge marketed and sold interests in Companies A, B, and C

starting in October 2018, Knightsbridge did not actually purchase any interest in the pre-IPO shares of Company A until December 2018, in the pre-IPO shares of Company B until January 2019, and in the pre-IPO shares of Company C until February 2019, as described below:

- (a) On December 24, 2018, Knightsbridge first purchased its own interest in shares of Company A by paying \$224,410 to a third party, noting in the wire that it was for “[Company A] (4274 shares).” By that date, Knightsbridge had already raised \$238,646.20 from twelve investors for interests in the shares of Company A.
- (b) On January 16, 2019, Knightsbridge first purchased its own interest in shares of Company B by paying \$355,697.60 to a third party. By that date, Knightsbridge had already raised \$512,198 from twelve investors for interests in shares of Company B.
- (c) On February 20, 2019, Knightsbridge first purchased its own interests in shares of Company C by paying \$425,000 to a third party. By that date, Knightsbridge had already raised \$1,210,840 from 45 investors for interests in shares of Company C.

52. Lisser ultimately only used \$1.2 million of the \$2.1 million of proceeds that Knightsbridge raised from investors to fund Knightsbridge’s purchases of pre-IPO securities that Knightsbridge had told investors it already owned.

53. As of March 2019, Knightsbridge had used investor funds to acquire interest in enough pre-IPO shares of Company A and Company B to cover its sales of interests in those shares to its investors, but it had not purchased, and was financially unable to purchase, 67,649 shares of Company C that Knightsbridge had already re-sold to investors:

Company	Shares Sold to Investors	Shares Purchased by Knightsbridge	Shortfall
Company A	4,408	5,987	
Company B	8,411	8,550	
Company C	150,503	82,254	67,649

54. Knightsbridge paid an average price of \$5.17 per share for the Company C shares that it purchased. Therefore, it would have needed an additional \$349,745 to cover the shortfall.

55. On March 8, 2019, when Knightsbridge ceased operations, it only had approximately \$70,000 in its bank accounts and thus did not have the means to purchase enough additional shares of Company C to cover the shares that the investors had purchased.

Lisser Misappropriated Funds Solicited from Investors Including for His Personal Gain

56. The \$2.1 million that Knightsbridge raised from investors was directed to a Knightsbridge bank account, for which Lisser was the sole signatory.

57. As described above, Lisser arranged to use about \$1.2 million of the investors' funds to purchase interests in pre-IPO shares from third parties.

58. Lisser misappropriated the remaining \$900,000.

59. From December 2018 through February 2019, Lisser transferred approximately \$47,000 from the Knightsbridge bank account to pay credit card bills.

60. From November 2018 through February 2019, Lisser transferred approximately \$60,000 from the Knightsbridge bank account to his personal bank account.

61. In October 2018, Lisser transferred approximately \$43,000 from the Knightsbridge bank account to a personal business account.

62. Before creating Knightsbridge, two individuals associated with Knightsbridge (the

“Knightsbridge Associates”) created LLC-2 and opened a bank account in the name of the entity. Lisser was added as an authorized signatory for the account in late July 2018. Between November 2018 and February 2019, Lisser transferred \$310,500 from Knightsbridge to LLC-2, of which at least \$37,306 was then transferred to Lisser. LLC-2 also transferred at least \$138,000 to other individuals associated with Knightsbridge, in part for apparent commission payments. In addition, Lisser and/or the Knightsbridge Associates withdrew approximately \$18,000 from LLC-2’s bank account in cash or cash equivalents, and used significant additional amounts for apparent personal expenses like credit card payments (over \$16,000), car-related payments (over \$12,000), gym fees, and retail and food purchases.

63. Moreover, despite the fact that the PPMs stated that Knightsbridge “will be responsible for the day-to-day operations of the Fund,” Lisser used investor funds to pay Knightsbridge’s expenses, including \$29,000 to pay sales commissions to the Knightsbridge Salespeople (in addition to the amounts paid from LLC-2); \$19,571 to make a mortgage payment for office space; and approximately \$281,000 to make payments to LLC-1, which had contracted to “refer” customers to Knightsbridge.

FIRST CLAIM FOR RELIEF

Violations of Securities Act Section 17(a)

64. The Commission re-alleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 63 of this Complaint.

65. Defendant, directly or indirectly, singly or in concert, in the offer or sale of securities and by the use of the means or instruments of transportation or communication in interstate commerce or the mails, (1) knowingly or recklessly have employed one or more devices, schemes or artifices to defraud, (2) knowingly, recklessly, or negligently have obtained money or property by means of one or more untrue statements of a material fact or omissions of a material fact necessary

in order to make the statements made, in light of the circumstances under which they were made, not misleading, and/or (3) knowingly, recklessly, or negligently have engaged in one or more transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

66. By reason of the foregoing, Defendant, directly or indirectly, singly or in concert, has violated and, unless enjoined, will again violate Securities Act Section 17(a) [15 U.S.C. § 77q(a)].

SECOND CLAIM FOR RELIEF

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

67. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 63.

68. Defendants, directly or indirectly, singly or in concert, in connection with the purchase or sale of securities and by the use of means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange, knowingly or recklessly have (i) employed one or more devices, schemes, or artifices to defraud, (ii) made one or more untrue statements of a material fact or omitted to state one or more material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and/or (iii) engaged in one or more acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

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

PRAYER FOR RELIEF

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

I.

Permanently enjoining Lisser and his agents, servants, employees and attorneys and all persons in active concert or participation with him, from violating, directly or indirectly, Securities Act Section 17(a) [15 U.S.C. § 77q(a)] and Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

II.

Ordering Lisser to disgorge all ill-gotten gains he received directly or indirectly, with pre-judgment interest thereon, as a result of the alleged violations;

III.

Ordering Lisser to pay civil monetary penalties under Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)]; and

IV.

Granting any other and further relief this Court may deem just and proper.

Dated: December 1, 2020
New York, New York

By: /s/ Richard R. Best
RICHARD R. BEST
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Michael Paley
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