

**UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA**

**UNITED STATES SECURITIES  
AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**ISAIAH GOODMAN,**

**Defendant.**

**Civil Action No. 21-cv-00365**

**DEMAND FOR JURY TRIAL**

**COMPLAINT**

Plaintiff U.S. Securities and Exchange Commission (“SEC”) alleges as follows:

1. The SEC brings this civil law enforcement action against Defendant Isaiah Goodman (“Goodman”), doing business through Becoming Financial Advisory Services, LLC (“Becoming Financial”), a then Minnesota-registered investment adviser. From 2018 to 2020, Goodman stole approximately \$2.25 million from at least 20 of his advisory clients. Goodman represented that he would invest his clients’ funds in securities. Instead, without his clients’ knowledge or authorization, Goodman misappropriated his clients’ money by spending their funds for his own personal and business expenses, including home renovation and building expenses, car payments, vacations, and other luxury items.

**Jurisdiction and Venue**

2. The SEC brings this action under the Securities Act of 1933 (“Securities Act”) Section 20(b) [15 U.S.C. §77t(b)], the Securities Exchange Act of 1934

(“Exchange Act”) Sections 21(d) and 21(e) [15 U.S.C. §§78u(d) and 78u(e)], and the Investment Advisers Act of 1940 (“Advisers Act”) Sections 209(d) and 209(e) [15 U.S.C. §§ 80b-9(d) and 80b-9(e)].

3. This Court has jurisdiction over this action pursuant to 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 Sections 209(d), 209(e), and 214 of the Advisers Act [15 U.S.C. §§ 80b-9(d), 80b-9(e), and 80b-14]. Goodman has, directly or indirectly, made use of the means and instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange in connection with the acts, transactions, practices, and courses of business alleged in this Complaint, and will continue to do so unless enjoined.

4. Venue is proper in this Court pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], Section 27(a) of the Exchange Act [15 U.S.C. § 78aa], and Section 214 of the Advisers Act [15 U.S.C. § 80b-14]. Goodman resides in this district, transacted business in this district, and many of the acts, practices, and courses of business constituting the violations alleged herein occurred within the District of Minnesota.

**Defendant**

5. **Isaiah Leslie Goodman**, age 33, resides in Maple Grove, Minnesota. In 2018, Goodman registered his investment adviser business, Becoming Financial, with the State of Minnesota Department of Commerce. Goodman was the sole member and owner of Becoming Financial and its only investment adviser representative. In November 2020, the State of Minnesota Department of Commerce suspended the registration of

Becoming Financial pending an investigation of certain of the conduct alleged in this Complaint.

**Facts**

6. From at least September 2018 to November 2020, Goodman, through Becoming Financial, received approximately \$2.25 million from at least 20 advisory clients to invest in securities on their behalf.

7. Goodman generally represented to his clients that he would invest their money in securities, including mutual funds and stocks for their retirement and investment accounts, and Goodman's clients generally understood that he would invest their funds in securities based on their conversations with Goodman.

8. Further, Becoming Financial's firm brochure dated January 8, 2019, which was provided to clients, stated: "[Becoming Financial] generally limits its investment advice to mutual funds, fixed income securities, insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, non-U.S. securities, venture capital funds and private placements, although [Becoming Financial] primarily recommends growth and income - retirement planning. [Becoming Financial] may use other securities as well to help diversify a portfolio when applicable." The brochure further stated that Becoming Financial used "long term trading" as its investment strategy.

9. By way of example, in March 2019, two clients (Clients A and B) hired Goodman as their investment adviser after discussing with him their goal of investing in low-risk securities for their retirement savings. Clients A and B signed a Becoming

Financial “Financial Planning Agreement” memorializing the engagement, and which attached Becoming Financial’s firm brochure that included the above-referenced representations.

10. Clients typically invested with Goodman by transferring money to bank accounts in the name of Becoming Financial and controlled by Goodman, via wire transfer, Automated Clearing House (“ACH”) transfer, or by writing a check to Becoming Financial.

11. By way of example, in June 2019, Clients A and B wired approximately \$372,246 to a Becoming Financial bank account controlled by Goodman for investment in low risk securities for their retirement savings. As another example, in December 2019 and June 2020, another client (Client C) wired a total of \$545,000 to a Becoming Financial account for investments in various stocks and mutual funds.

12. As an investment adviser representative, Goodman owed fiduciary duties to his advisory clients, including the duties to act in his clients’ best interest, to act in good faith towards his clients, and to disclose to his clients all material facts affecting the advisory relationship. Further, Becoming Financial’s firm brochure dated January 8, 2019, stated that it “seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of [Becoming Financial’s] economic, investment or other financial interests.”

13. Nevertheless, beginning no later than 2018, Goodman engaged in a scheme to misappropriate and misuse the assets of at least 20 of his advisory clients in order to

pay his own personal and business expenses. Goodman did not invest their money in securities as he had represented.

14. Between approximately September 2018 and November 2020, Goodman cumulatively stole approximately \$2.25 million from at least 20 advisory clients – including Clients A, B, and C – by knowingly and intentionally using that money for his own personal and business expenses, including home renovation and building expenses, car payments, vacations, and other luxury items, rather than investing it on their behalf.

15. To further his fraud and deceive his clients, Goodman created, and provided to clients, fake account statements and computer screenshots purporting to show that their funds were appropriately invested and their accounts had appreciated in value. Goodman also made Ponzi-like payments to certain clients after receiving new investments from other clients.

16. By way of example, Clients A and B received from Goodman several purported computer screenshots falsely showing that their Investment Retirement Account had purportedly been invested in various mutual funds, and that its value had grown to \$402,000. In reality, Goodman spent virtually all of their money on construction and renovation expenses, American Express payments, transfers to family members and other individuals, and for other personal use, including furniture and a Royal Caribbean cruise, within two to three months of receiving their funds. Goodman also made Ponzi-like payments totaling \$13,000 to other clients.

17. As to Client C, Goodman sent her at least one account statement on Becoming Financial letterhead falsely showing that her initial investment had grown to

\$600,466.37, and had been invested in various stocks and mutual funds as of June 30, 2020. In reality, Goodman spent all of her money on consulting fees relating to another business of Goodman's, payments to homebuilders and interior decorators, credit card payments, rent, miscellaneous debit card purchases (including another cruise and a hot tub), transfers to family members, and Ponzi-like payments to other clients.

18. When certain clients – including Clients A, B, and C – confronted Goodman and demanded the return of their money, Goodman made false promises, representations, and excuses to them regarding their money in order to conceal the existence of his fraud.

19. For example, in September 2020, Client C notified Goodman that she wanted to transfer her account to another investment adviser. Throughout September and October 2020, Goodman provided a litany of phony excuses to delay the transfer, including a COVID-19 exposure at the office, processing issues with the transfer, and his lack of experience transferring accounts. Eventually, after threats of being reported to the Minnesota Attorney General, Goodman transferred approximately \$16,000 to the client in October 2020; these were funds that Goodman received from another individual, and not from any sort of securities investment.

20. Clients A, B, and C were not aware that Goodman was using the funds that they sent to him for investment for his own personal and business use, or to make Ponzi-like payments to other clients. They did not authorize, and would not have authorized, Goodman to make such payments.

21. In November 2020, Goodman consented to the Minnesota State Department of Commerce suspending Becoming Financial's investment adviser registration as a result of these allegations.

**COUNT I**

**(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder)**

22. The SEC re-alleges and incorporates by reference paragraphs 1 through 21 as if fully set forth herein.

23. By engaging in the conduct described in paragraphs 1 through 21 above, Defendant Goodman has, in connection with the purchase or sale of securities, by the use of the means or instrumentalities of interstate commerce or of the mails, or any national securities exchange, directly and indirectly: (a) used and employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices, and courses of business which operated or would operate as a fraud and deceit upon other persons.

24. Goodman acted with scienter by knowingly and recklessly engaging in the fraudulent conduct described above.

25. By engaging in the conduct described above, Goodman violated 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].

**COUNT II**

**Violations of Section 17(a) of the Securities Act**

26. The SEC re-alleges and incorporates by reference paragraphs 1 through 21 as if fully set forth herein.

27. By engaging in the conduct described in paragraphs 1 through 21 above, Goodman, in the offer and sale of securities, by the use of the means and instruments of interstate commerce, directly or indirectly:

- (a) employed devices, schemes and artifices to defraud;
- (b) obtained money or property by means of untrue statements of material fact and by omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and
- (c) engaged in transactions, practices, and courses of business that operated or would operate as a fraud and deceit upon the purchasers of such securities.

28. Goodman knowingly, recklessly, and negligently engaged in the conduct described above.

29. By reason of the foregoing, Goodman violated Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

**COUNT III**

**(Violations of Sections 206(1) and 206(2) of the Advisers Act)**

30. The SEC re-alleges and incorporates by reference paragraphs 1 through 21 as if fully set forth herein.

31. By engaging in the conduct described in paragraphs 1 through 21 above, Goodman, while acting as an investment adviser, directly or indirectly, by use of the



mails or means or instrumentalities of interstate commerce: (a) employed devices, schemes, and artifices to defraud his clients; and (b) engaged in transactions, practices, and courses of business that operated as a fraud and deceit upon clients or prospective clients.

32. Goodman knowingly, recklessly, and negligently engaged in the conduct described above.

33. By reason of the foregoing, Goodman violated Sections 206(1) and (2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and 80b-6(2)].

**RELIEF REQUESTED**

**WHEREFORE**, the SEC respectfully requests that this Court:

**I.**

Enter an Order finding that Goodman committed, and unless restrained, will continue to commit, the violations charged and alleged herein.

**II.**

Enter an Order permanently restraining and enjoining Goodman from, directly or indirectly, violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j] and Rule 10b-5 thereunder [17 CFR § 240.10b-5], and Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and 80b-6(2)].

**III.**

Issue an Order requiring Goodman to disgorge the ill-gotten gains received as a result of the violations alleged in this Complaint, including prejudgment interest,

pursuant to Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)] and Sections 6501(a)(1) and (a)(3) of the National Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283, to be codified at 15 U.S.C. §§ 78u(d)(3) and 78u(d)(7).

**IV.**

Issue an Order imposing upon Goodman appropriate civil 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)].

**V.**

Retain jurisdiction of this action in accordance with 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 applications or motions for additional relief within the jurisdiction of this Court.

**VI.**

Grant such other relief as this Court deems appropriate.

**JURY DEMAND**

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the SEC hereby requests a trial by jury.

Dated: February 8, 2021

Respectfully submitted,

**UNITED STATES SECURITIES AND  
EXCHANGE COMMISSION**

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