

Richard R. Best  
Sanjay Wadhwa  
Gerald A. Gross  
Jack Kaufman  
Liora Sukhatme  
Attorneys for Plaintiff  
**SECURITIES AND EXCHANGE COMMISSION**  
New York Regional Office  
Brookfield Place  
200 Vesey Street, Suite 400  
New York, New York 10281-1022  
(212) 336-0106 (Kaufman)  
KaufmanJa@sec.gov

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**-against-**

**Shamoon Omer Rafiq, a/k/a Shamoon Rafiq,  
Omer Rafiq, and Omar Rafiq,**

**Defendant.**

**COMPLAINT**

21 Civ. \_\_\_\_\_ ( )

**JURY TRIAL DEMANDED**

Plaintiff Securities and Exchange Commission (“Commission”), for its Complaint against Defendant Shamoon Omer Rafiq (a/k/a Shamoon Rafiq, Omer Rafiq, and Omar Rafiq) (“Rafiq” or “Defendant”), alleges as follows:

**SUMMARY OF ALLEGATIONS**

1. This case concerns a multi-million dollar securities offering fraud perpetrated by Defendant Rafiq, a recidivist securities fraudster. From in or about July 2020, Defendant sought to bilk investors out of millions of dollars by offering to sell them securities purporting to represent his ownership interests in a special purpose vehicle investment fund (“SPV”) that, Defendant claimed,

held stock of a well-known company (“Company A”) that had not yet made an initial public offering of its stock (“pre-IPO”). In fact, no such SPV existed, and Defendant held no interest in any such SPV. As part of his fraudulent sales pitch, Defendant falsely claimed that the SPV was controlled by a well-known European investment firm (“Family Capital”) run by a prominent family, and that Defendant was a close associate of Family Capital and its members. In fact, Defendant had no connection to, or association with, Family Capital or its family owners (who did not even know of Defendant), and Defendant fraudulently used the firm’s name to create the false appearance of a legitimate investment opportunity. In furtherance of his scheme, Defendant employed several fraudulent devices to dupe potential investors, including creating email addresses for misleading emails that purported to be sent to and from Family Capital.

2. Using these false representations and other deceptive devices, Defendant convinced one investor to deposit into escrow approximately \$9 million toward the purchase of Defendant’s purported interests in the fictitious fund. Before that transaction was completed, however, the investor discovered Defendant’s fraud and retrieved its escrowed funds. In addition, Defendant made similar fraudulent sales pitches to other investors.

### **VIOLATIONS**

3. By virtue of the foregoing conduct and as alleged further herein, Defendant violated Sections 17(a)(1) and 17(a)(3) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77q(a)(1) and 77q(a)(3)].

4. Unless Defendant is restrained and enjoined, he will 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**

5. The Commission brings this action pursuant to the authority conferred upon it by

Securities Act Sections 20(b) and 20(d) [15 U.S.C. §§ 77t(b) and 77t(d)].

6. The Commission seeks a final judgment: (a) permanently enjoining Defendant from violating the federal securities laws and rules this Complaint alleges they have violated; (b) ordering Defendant to pay civil money penalties pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)]; and (c) ordering any other and further relief the Court may deem just and proper.

### **JURISDICTION AND VENUE**

7. This Court has jurisdiction over this action pursuant to Securities Act Section 22(a) [15 U.S.C. § 77v(a)].

8. Defendant, 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.

9. Venue lies in this District under Securities Act Section 22(a) [15 U.S.C. § 77v(a)], as the offer or sale took place within the District. Certain of the acts, practices, transactions, and courses of business alleged in this Complaint occurred within this District, including: (i) the Defendant solicited at least one potential investor located in New York, NY; (ii) Defendant entered into an escrow agreement managed by an escrow agent located in New York, NY; and (iii) the Defendant agreed that the payment for his fictitious interests be transferred to an escrow account at a bank located in New York, NY.

### **DEFENDANT**

10. **Shamoon Omer Rafiq**, a/k/a Shamoon Rafiq, Omer Rafiq, and Omar Rafiq, age 47, is a Dutch citizen and, until at least recently, resided in Singapore. In a separate earlier matter, on May 17, 2004, Rafiq was convicted in the Eastern District of New York of a wire fraud scheme – offering to sell pre-IPO shares of Google stock (which he likewise did not own), and defrauding investors of approximately \$500,000. On September 14, 2004, Rafiq was sentenced to 41 months in

prison and ordered to pay \$342,784 in restitution. *See United States v. Shamoan Rafiq*, 04-cr-448 (E.D.N.Y).

### OTHER RELEVANT INDIVIDUALS AND ENTITIES

11. **Family Capital** is a European family-owned firm, founded in 2010, that manages and invests the assets of the prominent family that owns it.
12. **Family Capital Executive 1** is the co-founder and CEO of Family Capital.
13. **Family Capital Executive 2** is a partner of Family Capital.
14. **NY Firm** is an investment firm, located in New York, NY, which focuses on the secondary market for late stage, pre-IPO companies.
15. **NY Firm Partner** is a partner at NY Firm.
16. **Investor A** is a family-owned investment firm located in South America. Investor A is a client of NY Firm.

### FACTS

17. In or about July 2020, Rafiq began a scheme to defraud investors by offering to sell fictitious securities purportedly created by Family Capital. To deceive potential investors, Rafiq created the appearance of legitimacy by falsely representing himself to be a close associate of Family Capital and by impersonating members of Family Capital through misleading emails and fraudulent sale documents. In fact, Rafiq had no association with Family Capital, and members of Family Capital had not even heard of him.

18. By at least July 2020, Rafiq began soliciting potential investors in New York, NY, and elsewhere, by falsely representing that he owned interests in a limited liability company (“Family Capital Tech Fund LLC” or “Family Tech Fund”), which Rafiq claimed was an SPV that had been created by Family Capital to own pre-IPO shares of Company A, and that Rafiq wanted to sell those interests. In fact, Family Tech Fund did not, and does not, exist.

19. One of the potential investors that Rafiq solicited to purchase his purported Family Tech Fund interests was a New York investment firm that focused on the secondary market for late-stage, pre-IPO companies (“NY Firm”). On July 21, 2020, during a Skype call, Rafiq discussed with a partner of NY Firm (“NY Firm Partner”) his desire to sell his purported interest in Family Tech Fund. During that call, Rafiq told NY Firm Partner that Rafiq was a close family friend of the family that owns Family Capital. Rafiq stated that, in 2015, he had invested approximately \$2.5 million in Family Tech Fund, which he described as a limited liability corporation managed by Family Capital. Rafiq further stated that Family Tech Fund was an SPV, formed by Family Capital in 2015, which acquired pre-IPO shares of Company A for approximately \$11/share. Rafiq then explained that he was going through a divorce and was looking to sell all or some of his interests in Family Tech Fund, as the pre-IPO shares of Company A had increased in value to more than \$80 per share. Rafiq further explained that, in light of Family Capital’s role as manager of Family Tech Fund, Family Capital would have to be involved in any sale of Rafiq’s interests, but that Family Capital would consent to the sale and would facilitate any such transaction as long as the buyer was reputable.

20. As Rafiq knew, his statements to NY Firm Partner regarding the proposed investment during their July 21, 2020 call were false. In fact: (i) Family Tech Fund did not exist and had never existed; (ii) Rafiq did not own any interest in an SPV that owned pre-IPO shares of Company A; (iii) Rafiq was not an associate of Family Capital; and (iv) Family Capital was not aware of, and did not consent to, Rafiq’s representations.

21. During the weeks following the July 21 call, NY Firm Partner introduced Rafiq to NY Firm’s client, Investor A, and negotiated on Investor A’s behalf its potential purchase of Rafiq’s purported interests in Family Tech Fund. In emails to NY Firm Partner and Investor A during that time period, Rafiq repeated the false information he had given to NY Firm Partner during their July

21 call, offering to sell Investor A the purported SPV interests that Rafiq did not own and that did not even exist. For example, on August 3, 2020, Rafiq emailed Investor A's representatives, copying NY Firm Partner, stating that Rafiq would "hold \$5mm of [Company A] shares until you have spoken to your LPs [limited partners]," and that, "You have my commitment that I will remain a shareholder via [Family Capital] in [Company A] until the IPO." In fact, Rafiq did not own, or otherwise control, any shares of Company A stock through Family Capital.

22. Rafiq's representations regarding his purported association with Family Capital helped convince Investor A to move forward with the proposed transaction. For example, on August 5, 2020, Investor A's representatives emailed Rafiq, "confirming [Investor A]'s intent to move forward on a \$5mm purchase of [Company A] Series C Preferred shares via a membership interest via a Series of [Family Tech Fund] – our bid price is \$93.09/share." Investor A's representatives explained in that email that they had "talked to [NY Firm Partner] about [Family Capital] and based on our other preliminary due diligence and your original comfort with the family/team we are comfortable with proceeding forward towards an expected closing. We understand that [Family Capital Executive 2] is point on the [Family Capital] side so we look forward to getting connected in and proceeding forward."

23. As part of his fraudulent scheme, in or about July 2020, Rafiq caused the creation of an email account with an address that closely resembled the genuine email address of Family Capital Executive 1, Family Capital's co-founder and CEO, and a second email account that closely resembled the genuine email address of Family Capital Executive 2, a Family Capital partner. At that time, Family Capital Executive 1 and Family Capital Executive 2 were not aware of the email addresses created by Rafiq, and they never used them. Neither Family Capital Executive 1 nor Family Capital Executive 2 knew of Rafiq, or had ever met or otherwise communicated with him, and neither consented to the creation of these email addresses. At or about the same time, to

deceive potential investors, Rafiq also caused the creation of a Family Capital website address that corresponded to the above-described phony email addresses, and that automatically routed users to Family Capital's actual website.

24. To create the false impression that Family Capital knew of and approved the proposed transaction with NY Firm and Investor A, Rafiq caused to be sent to NY Firm and Investor A emails from the phony email addresses he caused to be created for Family Capital Executive 1 and Family Capital Executive 2. For example, on August 5, 2020, Rafiq responded by email to an Investor A email, adding on the "cc" line of his response email the misleading email addresses that he had caused to be created for Family Capital Executive 1 and Family Capital Executive 2. In his response email, Rafiq, knowing that he was not sending an email to the actual email address of Family Capital Executive 2, stated: "[Family Capital Executive 2] – I've taken liberty to get the NDA executed with folks at [Investor A] already and it should be sent to [Family Capital Executive 2] shortly as you have more urgent matters to deal with now. Also please see below request on documents, they are aware that [Family Capital] wont [sic] be disclosing any LP and/or their shareholding information. I will update you on the exact shares that need to be transferred."

25. On August 6, 2020, Rafiq caused a similar misleading response email to be sent from the Family Capital Executive 1 email address he used in his scheme, stating: "Given the situation in Beirut and that [Family Capital Executive 2]'s family members are still missing, please allow him some time to revert on the documents requested." As Rafiq knew, Family Capital Executive 1 was unaware of the August 6 email purportedly sent in his name, and Family Capital Executive 1 never authorized that email or its contents.

26. Rafiq used other similarly deceptive emails. On August 12, 2020, he caused an email to be sent purportedly from Family Capital Executive 2 to NY Firm Partner, Investor A, and others.

The August 12 email requested that the recipients sign and return to Family Capital Executive 1 and Family Capital Executive 2 certain purported deal documents attached to the August 12 email. As Rafiq knew and intended, the attached deal documents were phony. They included a document titled, “Limited Liability Operating Agreement of [Family Tech Fund] November 20, 2015,” (“Operating Agreement”) and another document titled, “[Family Tech Fund] Subscription Agreement” (“Subscription Agreement”). Rafiq knew that these documents were misleading because he knew that Family Tech Fund did not exist, and he knew that neither Family Capital nor any of its members knew of or had authorized the documents.

27. On or about August 13, 2020, an Investor A representative executed the Operating Agreement and the Subscription Agreement, and Investor A agreed to purchase Rafiq’s purported interests in Family Tech Fund for approximately \$9 million.

28. On or about August 13, 2020, Rafiq requested that Investor A wire transfer the \$9 million to a Singapore bank account registered to an individual who, Rafiq claimed, was Rafiq’s account manager. Rafiq told NY Firm Partner that Rafiq did not want the funds to be transferred to an account in Rafiq’s name due to concerns related to his divorce. NY Firm Partner proposed to Rafiq that the parties instead enter into an escrow agreement for deposit of the \$9 million purchase funds.

29. On August 13, 2020, Rafiq again sent an email to the misleading Family Capital Executive 2 email address, copying NY Firm Partner and Investor A. Rafiq’s August 13 email proposed that NY Firm set up the escrow account, and that the escrow agent would release the funds once the escrow agreement conditions were met. Rafiq stated that this would be “a simple lateral transfer of my shares.” Rafiq knew that this statement was false because Rafiq did not own any shares of Company A, and Rafiq knew that he was falsely inducing Investor A to wire approximately \$9 million to purchase securities interests that did not actually exist.



30. On August 13, 2020, Rafiq caused an email to be sent from the misleading Family Capital Executive 2 email address to Rafiq, NY Firm Partner, Investor A, and others, stating “approved from our end. Please initiate DocuSign process.” Rafiq knew that this statement was false because the email address did not belong to Family Capital Executive 2, and Rafiq knew that neither Family Capital Executive 2 (nor anyone else associated with Family Capital) was aware of or had approved the email or the underlying transaction.

31. On August 13, 2020, Rafiq caused an email to be sent from the misleading Family Capital Executive 1 email address to NY Firm Partner, Investor A, and others, stating that Family Capital Executive 1 had “countersigned the SA [Subscription Agreement] & OA [Operating Agreement] which are attached,” and asking Family Capital Executive 2 to sign the escrow agreement “on our behalf.” The attached Subscription Agreement and Operating Agreement appeared to be signed by Family Capital Executive 1. However, the signatures on the Subscription Agreement and Operating Agreement attached to the email were forgeries that Rafiq either created or caused to be created. As Rafiq knew, Family Capital Executive 1 did not sign those documents, or otherwise know of or authorize their signing or the underlying transaction.

32. On August 14, 2020, Investor A wire transferred approximately \$9 million to an escrow account created to proceed with the purported transaction with Rafiq. Shortly thereafter, NY Fund and Investor A became suspicious about the transaction. Investor A retrieved the funds it had sent to the escrow account, and the funds were not sent to Rafiq.

33. In or about July and August 2020, Rafiq solicited other investment firms using the same false representations and misleading email accounts that he used to fraudulently solicit NY Firm.

34. For example, beginning on or about July 10, 2020, Rafiq began soliciting an investment firm headquartered in Florida (“Florida Firm”). Rafiq falsely represented to Florida Firm

that he was a close associate of Family Capital, and Rafiq offered to sell Florida Firm fictitious interests in an SPV that held pre-IPO shares of Company A. On July 10, 2020, Rafiq submitted a “Client Engagement Form” to Florida Firm, and he stated on this form that his “net worth excluding primary residence” was “over \$50,000,000.” On August 8, 2020, in furtherance of his solicitation of Florida Firm, Rafiq caused to be sent an email to Florida Firm from the misleading email account appearing to belong to Family Capital Executive 2, with two attached documents, the Operating Agreement, and a document titled, [Family Tech Fund] Confidential Private Placement Memorandum.” The email further stated that Family Capital Executive 2 had not attached the Subscription Agreement because, “as I understand from Omer [Rafiq],” Rafiq and Florida Firm had not yet finalized “the specifics of the investment.”

35. As Rafiq knew, his above statements to Florida Firm were false, and the documents he caused to be sent to Florida Firm were misleading, because Rafiq did not own any interest in an SPV with pre-IPO shares of Company A, and Family Tech Fund did not exist.

36. On or about August 9, 2020, during its due diligence review of the proposed transaction, Florida Firm discovered Rafiq’s 2004 conviction (described in paragraph 10 above) and promptly terminated any further contact with Rafiq.

**FIRST CLAIM FOR RELIEF**  
**Violations of Securities Act Sections 17(a)(1) and 17(a)(3)**

37. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 36

38. 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 has employed one or more devices, schemes or artifices to defraud, and/or (2) knowingly, recklessly, or negligently has engaged in one or more transactions, practices, or courses of business which operated or would operate as a fraud or deceit

upon the purchaser.

39. By reason of the foregoing, Defendant, directly or indirectly, singly or in concert, has violated and, unless enjoined, will again violate Securities Act Sections 17(a)(1) and 17(a)(3) [15 U.S.C. §§ 77q(a)(1) and 77(q)(a)(3)].

**PRAYER FOR RELIEF**

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

**I.**

Permanently enjoining Rafiq and its agents, servants, employees and attorneys and all persons in active concert or participation with any of them from violating, directly or indirectly, Securities Act Sections 17(a) [15 U.S.C. § 77q(a)];

**II.**

Ordering Defendant to pay civil monetary penalties under Securities Act Section 20(d) [15 U.S.C. § 77t(d)]; and

**III.**

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

Dated: New York, New York  
March 12, 2021

/s/ Richard R. Best

Richard R. Best  
Sanjay Wadhwa  
Gerald A. Gross  
Jack Kaufman  
Liora Sukhatme  
Attorneys for Plaintiff  
SECURITIES AND EXCHANGE COMMISSION  
New York Regional Office  
Brookfield Place  
200 Vesey Street, Suite 400  
New York, New York 10281-1022  
(212) 336-0106 (Kaufman)  
KaufmanJa@sec.gov