

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.:

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
v.)
)
OM INVESTMENT MANAGEMENT LLC,)
GIGNESH MOVALIA and)
EDWIN V. GAW)
)
Defendants.)
_____)

COMPLAINT

Plaintiff Securities and Exchange Commission alleges as follows:

I. INTRODUCTION

1. The Commission brings this action to enjoin Defendant OM Investment Management LLC, formerly a registered investment adviser, its principal, Defendant Gignesh Movalia, and its managing director of investments, Defendant Edwin Gaw, from continuing to defraud investors through efforts to fraudulently raise money for the OM Global Investment Fund, LLC, an unregistered pooled investment vehicle fund formed in 2009.

2. On May 29, 2013, as part of an investor lawsuit against Movalia and OM Global, the Miami-Dade County Circuit Court entered an agreed order to freeze all assets of OM Global and to appoint a corporate monitor to oversee the continued management and ultimate dissolution of OM Global following allegations of corporate mismanagement.

3. Despite that order, Movalia and OM Investment Management have continued to illegally solicit investments and raise money for OM Global and have collected funds through a bank account they did not disclose to the court or the corporate monitor.

4. Movalia also has transferred funds from the illegal fundraising activities to his own personal account and has made unauthorized loans and other unauthorized investments.

5. In addition, OM Investment Management has made material misrepresentations and omissions to investors concerning, *inter alia*, the holdings of OM Global, the value of the fund, the identity and duties of the fund's auditor, sub-adviser, and administrator, the fund's entry into related party transactions, and the placement of fund assets in unauthorized and undisclosed investments. In addition, Movalia and OM Investment Management have distributed fabricated account statements, made false statements in regulatory filings with the Commission, and have failed to comply with Commission laws and rules concerning the operation of an advisory business, investment fund, and the offering and sale of securities.

6. As a result of the conduct described in this Complaint, Defendants violated Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)(1); Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(a); and Sections 206(1), 206(2) and 206(4) and Rule 206(4)-8 of the Investment Advisers Act of 1940 ("Advisers Act"), 15 U.S.C. §§ 80b-6(1), 80b-6(2), 80b-6(4), and 17 C.F.R. § 275.206(4)-8. OM Investment Management and Movalia also violated Section 207 of the Advisers Act, 15 U.S.C. § 80b-7, and aided and abetted OM Global's violation of Section 7(a) of the Investment Company Act of 1940 ("Investment Company Act"), 15 U.S.C. § 80a-7(a). In addition, OM Investment Management violated Sections 203A and 206(4) and Rule 206(4)-2 of the Advisers Act, 15 U.S.C. §§ 80b-3a,

80b-6(4), 17 C.F.R. § 275.206(4)-2, and Movalia aided and abetted OM Investment Management's violations of these provisions. Unless restrained and enjoined, Defendants are reasonably likely to continue to violate the federal securities laws.

7. The Commission respectfully requests that the Court enter: (a) a permanent injunction restraining and enjoining Defendants from violating the federal securities laws; (b) an order directing Defendants OM Investment Management and Movalia to pay disgorgement with prejudgment interest; (c) an order directing Defendants to pay civil money penalties; (d) an order freezing the assets of Defendants OM Investment Management and Movalia; (e) an order requiring Defendants OM Investment Management and Movalia to provide an accounting; and (f) an order requiring Defendants to preserve records.

II. DEFENDANTS

8. OM Investment Management is a Florida limited liability company formed by Movalia in 2007, with its principal place of business in Tampa, Florida. Until May 29, 2013, it was the managing member and investment adviser of OM Global. OM Investment Management was an investment adviser registered with the Commission until July 15, 2013.

9. Movalia, age 37, resides in Land O' Lakes, Florida. He is the managing member and co-owner of OM Investment Management and directed the activities of OM Global.

10. Gaw, age 48, resides in Weston, Massachusetts. Gaw is the managing director of investments for OM Investment Management.

III. JURISDICTION AND VENUE

11. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d), and 22(a) of the Securities Act, 15 U.S.C. §§ 77t(b), 77t(d) and 77v(a); Sections 21(d) and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d) and 78aa; Sections 209 and 214 of the Advisers Act, 15 U.S.C. §§ 80b-9 and 80b-14; and Section 44 of the Investment Company Act, 15 U.S.C. § 80a-43.

12. This Court has personal jurisdiction over Defendants, and venue is proper in the Southern District of Florida, because Defendants offered or sold securities in OM Global to at least three investors in this District. In addition, venue is proper in the Southern District of Florida because investors whom Defendants defrauded reside in this District. Furthermore, venue is proper in the Southern District of Florida because the corporate monitor overseeing OM Global is based in this District and the Miami-Dade County Circuit Court, which has authority over the monitor, also is located in the District.

13. In connection with the conduct alleged in this Complaint, Defendants, directly and indirectly, singly or in concert with others, have made use of the means or instrumentalities of interstate commerce, the means or instruments of transportation and communication in interstate commerce, and the mails.

IV. DEFENDANTS' FRAUDULENT CONDUCT

A. Misrepresentations and Omissions

a. Facebook Investment

14. Movalia formed OM Global in August 2007 and began raising money for the fund in 2010, but initial fundraising efforts were minimal.

15. In mid-2011, Movalia began soliciting investors by representing he had access to pre-IPO shares of Facebook, Inc. No later than January 2012, Gaw also began soliciting investors by touting OM Global's access to pre-IPO Facebook shares. By the end of 2012, Defendants had raised more than \$15.5 million for OM Global, of which Gaw raised \$472,000. Many of the investors were advisory clients of OM Investment Management, Movalia and/or Gaw. In addition, Gaw's immediate family members invested \$500,000 in the fund.

16. Movalia and Gaw solicited direct investments in OM Global and also directed several investors to invest in the fund by opening and funding separately managed accounts that gave OM Investment Management, Movalia, and/or Gaw trading authorization as the account investment adviser, although Gaw did not engage in any trading for the fund.

17. Movalia and Gaw told investors during 2011 and 2012 that they would be invested solely in Facebook shares, which had a six-month lock up period.

18. Movalia and OM Investment Management also executed a side letter with certain investors, which specified that OM Global would use the investor funds exclusively to purchase pre-IPO shares of Facebook at designated prices. The side letter further stated OM Global would account for the investment separately within the fund in a so-called "side pocket."

19. Contrary to the representations in the side letter, OM Investment Management did not segregate pre-IPO Facebook shares in a "side pocket" for any investors. Instead, OM Investment Management combined the pre-IPO Facebook shares with the other investments in the fund.

b. Investor Account Statements and Marketing Materials

20. Movalia and OM Investment Management distributed to OM Global investors false account statements through a Morningstar website that included fabricated holdings and

account valuations. For example, one investor account statement, dated as of May 16, 2013, listed the account value as \$74,657.14 and stated the account was 100% invested in Facebook, Inc. Class A shares. In fact, in May 2013, OM Global held no position in Facebook stock because Movalia had sold all of OM Global's Facebook shares in November 2012.

21. Defendants also provided investors with marketing materials, which represented that OM Global's portfolio would consist of "highly liquid, listed global equities exclusively."

22. In material deviation from the investment strategy disclosed in the marketing materials, Movalia and OM Investment Management used a significant portion of OM Global's assets to make loans from OM Global to a series of related parties.

23. For example, OM Global loaned \$1.8 million to a related entity that paid Movalia \$23,000 for purported consulting services. As of December 2010, Movalia was the principal of that related entity, which was the parent company to an investment adviser and hedge fund both of which, as of December 2010, Movalia also served as principal. As of March 2013, Movalia provided consulting services to these entities.

24. In 2012, OM Global also loaned \$1 million to a dental practice that paid Movalia at least \$22,000 for purported consulting services.

25. Movalia and OM Investment Management never disclosed these related party transactions or that OM Global had made any loans at all. Moreover, the fund's Private Placement Memorandum ("PPM") did not discuss even the possibility that the fund could enter into such related party transactions.

26. OM Investment Management and Movalia also redeemed investors from OM Global using the market value of Facebook shares at the time of the redemption (even though

Movalia already had sold all of OM Global's Facebook shares) instead of basing the redemptions on the net value of the assets under management ("NAV").

c. Offering Materials

27. Defendants distributed to prospective investors offering materials representing that OM Global would: (1) provide investors with audited financial statements; (2) engage the services of a sub-adviser; and (3) use a third-party administrator.

28. Contrary to these offering materials, however, OM Global never prepared audited financial statements or utilized a sub-adviser. In addition, OM Global discontinued reports from a third-party administrator after 2011.

29. Movalia and OM Investment Management also provided prospective OM Global investors with a due diligence questionnaire, which misrepresented that Movalia had personally invested \$225,000 in the fund and that no investor held more than 5% of the fund's total assets.

30. According to the PPM, OM Investment Management was entitled to management and performance fees from OM Global.

B. Violation of Court Order

31. On May 24, 2013, an investor in OM Global filed a lawsuit in Miami-Dade County Circuit Court against Movalia and OM Global. Citing allegations of corporate mismanagement, the lawsuit sought an injunction over the accounts held in the name of the fund, an accounting of the fund's transactions, and the appointment of a corporate monitor to take control of the fund.

32. On May 29, 2013, with the agreement of both Movalia and OM Global, the Miami-Dade County Circuit Court entered an order freezing all assets of OM Global and

appointing a corporate monitor to oversee the continued management and ultimate dissolution of OM Global.

33. Movalia and OM Investment Management failed to disclose to the court and to the corporate monitor the existence of at least one bank account in the name of OM Global, LP (“OM LP”), a Delaware limited partnership that Movalia had formed a few months before the corporate monitor was appointed. On May 24, 2013, four days prior to the entry of the order freezing assets, the undisclosed account received \$380,000 from investors. On May 28, 2013, Movalia misappropriated \$330,000 of this new investor money and transferred it – without disclosure to the new investors – to a start-up company for which he was raising capital.

34. On May 20, 2013, Gaw, although unaware that a motion to appoint the corporate monitor was pending at that time in the Miami-Dade County Circuit Court, executed an investment agreement on behalf of OM Global to invest \$50,000 in another start-up company. On May 28, 2013, Movalia transferred \$50,000 from the undisclosed OM LP account to fund this investment.

35. Movalia’s capital-raising activities continued after the appointment of the corporate monitor. On July 5, 2013, Movalia sent an existing OM Global investor a text message stating OM Global’s NAV had increased 7.2% in value during June. That same day, the investor invested an additional \$45,000 in what the investor thought was OM Global through the undisclosed OM LP account. At no time, however, did Movalia tell the unsuspecting investor that OM LP existed, that it was a separate entity from OM Global, or that the account into which the investor was wiring funds was an OM LP account and not an OM Global account. Movalia also did not disclose to the unsuspecting investor that OM Global was being dissolved or that his advisory business was under regulatory scrutiny.

36. When the investor confronted Movalia with the corporate monitor's notice, Movalia responded that he was continuing to raise money for OM Global and falsely claimed that the unwinding procedure was routine and that the federal government had audited OM Global and found nothing wrong or suspicious with the fund.

37. On July 5, 2013, Movalia transferred \$35,000 of the newly-raised funds to his personal bank account. He later returned the funds on the advice of his counsel.

38. On July 8, 2013, Movalia met with a group of prospective investors in New Jersey to solicit additional investments in OM Global. Again, he did not disclose that OM Global was being dissolved or that his advisory business was under regulatory scrutiny.

C. Improper Registration

39. Movalia registered OM Investment Management with the Commission as an investment adviser from October 2007 until July 15, 2013.

40. During the time it was registered with the Commission, OM Investment Management never claimed more than \$56.3 million in assets under management associated with its advisory business.

41. Section 203A and Rule 203A-1 of the Advisers Act, 15 U.S.C. § 80b-3a and 17 C.F.R. § 275.203A-1, prohibit investment advisers from registering with the Commission when they have less than \$100 million in assets under management.

42. Movalia launched OM Global in 2009 and commenced activity in 2010. Movalia and OM Investment Management operated OM Global as a pooled investment vehicle, buying and selling securities on behalf of investors in the fund. OM Global was, and held itself out as being, engaged primarily in the business of investing, reinvesting or trading in securities. At no time, however, was OM Global registered with the Commission as an investment company.

43. Section 7(a) of the Investment Company Act, 15 U.S.C. § 80a-7(a), requires investment companies to be registered with the Commission absent an applicable exemption. The OM Global PPM stated that it was exempt from registering as an investment company under Section 3(c)(1) of the Investment Company Act.

44. Section 3(c)(1) of the Investment Company Act, 15 U.S.C. § 80a-3(c)(1), only provides an exemption from registration as an investment company when there are 100 or fewer beneficial owners of a fund. Movalia and OM Investment Management raised money, however, from more than 100 individuals and entities, each of whom was a beneficial owner of OM Global.

45. In addition, Section 3(c)(7) of the Investment Company Act, 15 U.S.C. § 80a-3(c)(7), provides an exemption for a fund if its investors are “qualified purchasers.” Qualified purchasers are further defined in Section 2(a)(51), 15 U.S.C. § 80a-2(a)(51), as, among other things, individuals and entities holding not less than \$5 million in investment assets.

46. Movalia raised money on behalf of OM Global from at least 30 investors who were not qualified purchasers.

47. Defendants also failed to register the offer and sale of investment interests in OM Global with the Commission. Subject to certain exemptions, Section 5 of the Securities Act, 15 U.S.C. § 77e, requires the offer or sale of all securities to be registered with the Commission. Under Regulation D of the Securities Act, however, exemptions are available for certain offerings. Specifically, when unaccredited investors are included in an offering exceeding \$5 million, an audited financial statement must be provided to the investors under Rules 502(b) and 506 of Regulation D, 17 C.F.R. §§ 230.502(b) and 230.506, to avoid registering the offer or sale of securities. An accredited investor is defined in Rule 501(a), 17 C.F.R. § 230.501(a), and

includes, among other things, any person with an annual income of at least \$200,000 in each of the previous two years.

48. No such exemption from registration was available for OM Global's securities since OM Investment Management never obtained audited financial statements for the fund, raised at least \$15.5 million from investors, and recruited at least 30 individuals who were unaccredited investors.

D. False Filings

49. Movalia completed and signed OM Investment Management's Form ADV filings for 2012 and 2013.

50. In the 2012 and 2013 Form ADV Part 1A filings, OM Investment Management and Movalia stated the firm's regulatory assets under management were approximately \$56.3 million.

51. As part of the \$56.3 million of regulatory assets under management, Movalia included \$29 million that was associated with another entity for which he purportedly provided consulting services. Movalia did not provide those consulting services, however, in his capacity as an investment adviser. Rather, he described his consulting work as "advice, business consulting, and business acumen." Movalia further stated he provided "advice choosing a bank, healthcare financing solutions, asset protection planning, defined benefit planning, basic valuation guidance, practice acquisition guidance, financing assistance, and general financial planning."

52. In addition, in the 2012 Form ADV Part 1A filings, OM Investment Management and Movalia stated they did not have custody of client assets. OM Global, however, was, at all relevant times, a client of OM Investment Management and Movalia, both

of whom had custody of OM Global's assets. OM Investment Management and Movalia also stated in the 2012 Form ADV Part 1A filings that they did not advise pooled investment vehicles. OM Global, however, was, at all relevant times, a pooled investment vehicle.

COUNT I

**FRAUD IN THE OFFER OR SALE OF SECURITIES
IN VIOLATION OF SECTION 17(a)(1) OF THE SECURITIES ACT
(Against All Defendants)**

53. The Commission realleges and incorporates by reference paragraphs 1 through 52 as if fully set forth herein.

54. By engaging in the conduct described above, Defendants directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by use of the mails, in the offer or sale of securities, as described in this Complaint, knowingly, willfully or recklessly employed devices, schemes or artifices to defraud.

55. By reason of the foregoing, Defendants directly and indirectly violated, and, unless restrained and enjoined, are reasonably likely to continue to violate, Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

COUNT II

**FRAUD IN THE OFFER OR SALE OF SECURITIES
IN VIOLATION OF SECTIONS 17(a)(2) and 17(a)(3) OF THE SECURITIES ACT
(Against All Defendants)**

56. The Commission realleges and incorporates by reference paragraphs 1 through 52 as if fully set forth herein.

57. By engaging in the conduct described above, Defendants, directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by the use of the mails, in the offer or sale of securities: (a) obtained money or

property by means of untrue statements of material facts and omissions to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; or (b) engaged in transactions, practices and courses of business which are now operating and will operate as a fraud or deceit upon purchasers and prospective purchasers of such securities.

58. By reason of the foregoing, Defendants directly and indirectly violated, and, unless restrained and enjoined, are reasonably likely to continue to violate, Sections 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(2) and 77q(a)(3).

COUNT III

**FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES
IN VIOLATION OF SECTION 10(b) OF THE EXCHANGE ACT**

**AND RULE 10b-5
(Against All Defendants)**

59. The Commission realleges and incorporates by reference paragraphs 1 through 52 as if fully set forth herein.

60. By engaging in the conduct described above, Defendants, directly and indirectly, by use of the means and instrumentality of interstate commerce, and of the mails in connection with the purchase or sale of securities, knowingly, willfully or recklessly: (a) employed devices, schemes or artifices to defraud; (b) made untrue statements of material facts and omitting 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; or (c) engaged in acts, practices and courses of business which have operated, are now operating and will operate as a fraud upon the purchasers of such securities.

61. By reason of the foregoing, Defendants directly and indirectly violated, and, unless restrained and enjoined, are reasonably likely to continue to violate, Section 10(b) and Rule 10b-5 of the Exchange Act, 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5.

COUNT IV

**FRAUD BY INVESTMENT ADVISERS IN VIOLATION OF
SECTIONS 206(1) AND 206(2) OF THE ADVISERS ACT
(Against All Defendants)**

62. The Commission realleges and incorporates by reference paragraphs 1 through 52 as if fully set forth herein.

63. At all relevant times, Defendants were investment advisers within the meaning of Section 202(a)(11) of the Advisers Act, 15 U.S.C. § 80b-2(a)(11).

64. By engaging in the conduct described above, Defendants, by using the mails or the means or instrumentalities of interstate commerce, directly or indirectly, while acting as investment advisers, knowingly, willfully, or recklessly: (a) employed devices, schemes, or artifices to defraud clients or prospective clients; and (b) engaged in transactions, practices, and courses of business that operated as a fraud or deceit upon clients or prospective clients.

65. By reason of the foregoing, Defendants directly and indirectly violated, and, unless restrained and enjoined, are reasonably likely to continue to violate, Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

COUNT V

**FRAUD IN VIOLATION OF SECTION 206(4)
AND RULE 206(4)-8 OF THE ADVISERS ACT
(Against All Defendants)**

66. The Commission realleges and incorporates by reference paragraphs 1 through 52 as if fully set forth herein.

67. At all relevant times, Defendants were investment advisers within the meaning of Section 202(a)(11) of the Advisers Act, 15 U.S.C. § 80b-2(a)(11).

68. By engaging in the conduct described above, Defendants, by using the mails or the means or instrumentalities of interstate commerce, directly or indirectly, while acting as investment advisers: (a) made untrue statements of material fact or omitted to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading to any investor or prospective investors in an OM Investment Management-managed fund, a pooled investment vehicle; or (b) otherwise engaged in acts, practices, or courses of business that were fraudulent, deceptive, or manipulative with respect to investors or prospective investors in an OM Investment Management-managed fund, a pooled investment vehicle.

69. By reason of the foregoing, Defendants directly and indirectly violated, and, unless restrained and enjoined, are reasonably likely to continue to violate, Section 206(4) and Rule 206(4)-8 of the Advisers Act, 15 U.S.C. § 80b-6(4) and 17 C.F.R. § 275.206(4)-8.

COUNT VI

VIOLATIONS OF SECTION 206(4) AND RULE 206(4)-2 OF THE ADVISERS ACT (Against OM Investment Management)

70. The Commission realleges and incorporates by reference paragraphs 1 through 52 as if fully set forth herein.

71. At all relevant times, OM Investment Management was an investment adviser, within the meaning of Section 202(a)(11) of the Advisers Act, 15 U.S.C. § 80b-2(a)(11), to OM Global, a pooled investment vehicle, and OM Investment Management was registered with the Commission.

72. At all relevant times, by using the mails or the means or instrumentalities of interstate commerce, directly or indirectly, while acting as an investment adviser, OM Investment Management had custody and control over OM Global's assets.

73. OM Global never underwent a surprise annual examination by an independent accountant nor provided investors with audited financial statements.

74. By reason of the foregoing, OM Investment Management directly and indirectly violated, and, unless restrained and enjoined, is reasonably likely to continue to violate, Section 206(4) and Rule 206(4)-2 of the Advisers Act, 15 U.S.C. 80b-6(4) and 17 C.F.R. § 275.206(4)-2.

COUNT VII

AIDING AND ABETTING VIOLATIONS OF SECTION 206(4) AND RULE 206(4)-2 OF THE ADVISERS ACT (Against Movalia)

75. The Commission realleges and incorporates by reference paragraphs 1 through 52 as if fully set forth herein.

76. At all relevant times, OM Investment Management and Movalia were investment advisers within the meaning of Section 202(a)(11) of the Advisers Act, 15 U.S.C. § 80b-2(a)(11). In addition, at all relevant times, OM Investment Management served as an investment adviser to OM Global, a pooled investment vehicle, and OM Investment Management was registered with the Commission.

77. At all relevant times, by using the mails or the means or instrumentalities of interstate commerce, directly or indirectly, while acting as an investment adviser, OM Investment Management had custody and control over OM Global's assets.

78. OM Global never underwent a surprise annual examination by an independent accountant nor provided investors with audited financial statements.

79. By reason of the foregoing, Movalia aided and abetted OM Investment Management's violations of Section 206(4) and Rule 206(4)-2 of the Advisers Act, 15 U.S.C. § 80b-6(4) and 17 C.F.R. § 275.206(4)-2. Unless restrained and enjoined, Movalia is reasonably likely to continue to violate Section 206(4) and Rule 206(4)-2 of the Advisers Act, 15 U.S.C. 80b-6(4) and 17 C.F.R. § 275.206(4)-2.

COUNT VIII

VIOLATIONS OF SECTION 207 OF THE ADVISERS ACT
(Against OM Investment Management and Movalia)

80. The Commission realleges and incorporates by reference paragraphs 1 through 52 as if fully set forth herein.

81. At all relevant times, OM Investment Management and Movalia were investment advisers, within the meaning of Section 202(a)(11) of the Advisers Act, 15 U.S.C. § 80b-2(a)(11).

82. Through the false statements in OM Investment Management's 2012 and 2013 Form ADV Part 1A filings as alleged above, OM Investment Management and Movalia willfully made untrue statements of material fact in a registration application or report filed with the Commission under Section 203 or 204 of the Advisers Act, 15 U.S.C. § 80b-3 or 15 U.S.C. § 80b-4, or willfully omitted to state in any such application or report any material fact which is required to be stated therein.

83. By reason of the foregoing, OM Investment Management and Movalia directly and indirectly violated, and, unless restrained and enjoined, are reasonably likely to continue to violate, Section 207 of the Advisers Act, 15 U.S.C. § 80b-7.

COUNT IX

VIOLATIONS OF SECTION 203A
OF THE ADVISERS ACT
(Against OM Investment Management)

84. The Commission realleges and incorporates by reference paragraphs 1 through 52 as if fully set forth herein.

85. At all relevant times, OM Investment Management was an investment adviser, within the meaning of Section 202(a)(11) of the Advisers Act, 15 U.S.C. § 80b-2(a)(11).

86. At all relevant times, OM Investment Management had its principal office and place of business in the State of Florida, a state that examines investment advisers, and OM Investment Management was required to, and did, register with the State of Florida as an investment adviser.

87. Under Commission regulations adopted in June 2011, investment advisers with assets under management between \$25-100 million were required to withdraw from Commission registration no later than June 28, 2012 and move to state registration.

88. At all relevant times, OM Investment Management never reported more than \$56.3 million in assets under management and did not withdraw from Commission registration before June 28, 2012. OM Investment Management therefore improperly remained registered with the Commission under Section 203 of the Advisers Act, 15 U.S.C. § 80b-3.

89. By reason of the foregoing, OM Investment Management directly and indirectly violated, and, unless restrained and enjoined, is reasonably likely to continue to violate, Section 203A of the Advisers Act, 15 U.S.C. § 80b-3a.

COUNT X

**AIDING AND ABETTING VIOLATIONS OF SECTION 203A
OF THE ADVISERS ACT
(Against Movalia)**

90. The Commission realleges and incorporates by reference paragraphs 1 through 52 as if fully set forth herein.

91. At all relevant times, OM Investment Management and Movalia were investment advisers, within the meaning of Section 202(a)(11) of the Advisers Act, 15 U.S.C. § 80b-2(a)(11).

92. At all relevant times, OM Investment Management had its principal office and place of business in the State of Florida, a state that examines investment advisers, and OM Investment Management was required to, and did, register with the State of Florida as an investment adviser.

93. Under Commission regulations adopted in June 2011, investment advisers with assets under management between \$25-100 million were required to withdraw from Commission registration no later than June 28, 2012 and move to state registration.

94. At all relevant times, OM Investment Management never reported more than \$56.3 million in assets under management and did not withdraw from Commission registration before June 28, 2012. OM Investment Management therefore improperly registered with the Commission under Section 203 of the Advisers Act, 15 U.S.C. § 80b-3.

95. By reason of the foregoing, Movalia aided and abetted OM Investment Management's violations of Section 203A of the Advisers Act, 15 U.S.C. § 80b-3a. Unless restrained and enjoined, Movalia is reasonably likely to continue to violate Section 203A of the Advisers Act, 15 U.S.C. § 80b-3a.

COUNT XI

AIDING AND ABETTING VIOLATIONS OF SECTION 7(a)
OF THE INVESTMENT COMPANY ACT
(Against OM Investment Management and Movalia)

96. The Commission realleges and incorporates by reference paragraphs 1 through 52 as if fully set forth herein.

97. At all relevant times, OM Global was an investment company under Section 3(a) of the Investment Company Act, 15 U.S.C. § 80a-3(a).

98. By engaging in the conduct described above, OM Global, directly or indirectly, without being registered with the Commission as an investment company: (a) offered for sale, sold, or delivered after sale, by the use of the mails or a means or instrumentality of interstate commerce, a security or interest in a security; or offered for sale, sold, or delivered after sale any such security or interest, having reason to believe that such security or interest would be made the subject of a public offering by the use of the mails or a means or instrumentality of interstate commerce; (b) purchased, redeemed, retired, or otherwise acquired or attempted to acquire, by the use of the mails or a means or instrumentality of interstate commerce, a security or interest in a security; (c) engaged in any business in interstate commerce; or (d) controlled any company which engages in any of the conduct described in this paragraph.

99. By reason of the foregoing, OM Investment Management and Movalia aided and abetted OM Global's violations of Section 7(a) of the Investment Company Act, 15 U.S.C. § 80a-7(a). Unless restrained and enjoined, OM Investment Management and Movalia are reasonably likely to continue to violate Section 7(a) of the Investment Company Act, 15 U.S.C. § 80a-7(a).

COUNT XII

VIOLATION OF SECTIONS 5(a) and 5(c) OF THE SECURITIES ACT
(Against All Defendants)

100. The Commission realleges and incorporates by reference paragraphs 1 through 52 as if fully set forth herein.

101. By engaging in the conduct described above, Defendants, directly or indirectly, in the absence of any applicable exemption from registration, and without a registration statement in effect as to a security, made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise; or carried or caused to be carried through the mails or in interstate commerce, by the means or instruments of transportation, such security for the purpose of sale or for delivery after sale. In addition, by engaging in the conduct described above, Defendants made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, without filing a registration statement with the Commission as to such security, or while the registration statement was the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act, 15 U.S.C. § 77h.

102. By reason of the foregoing, Defendants directly and indirectly violated, and, unless restrained and enjoined, are reasonably likely to continue to violate, Sections 5(a) and (c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

I.

Declaratory Relief

Declare, determine, and find that Defendants have committed the violations of the federal securities laws alleged in this Complaint.

II.

Permanent Injunctive Relief

Issue a Permanent Injunction restraining and enjoining Defendants, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from violating the federal securities laws alleged in this Complaint.

III.

Disgorgement

Issue an Order directing Defendants OM Investment Management and Movalia to disgorge all ill-gotten gains, including prejudgment interest, resulting from the acts or courses of conduct alleged in this Complaint.

IV.

Penalties

Issue an Order directing Defendants to pay civil money penalties and prejudgment interest pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d); Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d); Section 209(e) of the Advisers Act, 15 U.S.C. § 80b-9(e); and Section 42(e) of the Investment Company Act, 15 U.S.C. § 80a-41(e).

V.

Asset Freeze

Issue an Order freezing the assets of Defendants OM Investment Management and Movalia until further Order of the Court.

VI.

Accounting

Issue an Order requiring Defendants OM Investment Management and Movalia to:

(a) make a sworn accounting to this Court and the Commission of all funds, whether in the form of compensation, commissions, income (including payments for assets, shares or property of any kind), and other benefits (including the provision of services of a personal or mixed business and personal nature) received by OM Investment Management and/or Movalia relating in any way to OM Investment Management, OM Global, and/or OM LP;

(b) make a sworn accounting to this Court and the Commission of all assets, funds, or other properties held by OM Investment Management and/or Movalia, jointly or individually, or for their direct or indirect beneficial interest, or over which they maintain control, wherever situated, stating the location, value, and disposition of each such asset, fund, and other property; and

(c) provide to the Court and the Commission a sworn identification of all accounts (including, but not limited to, bank accounts, savings accounts, securities accounts and deposits of any kind) in which OM Investment Management and/or Movalia (whether solely or jointly), directly or indirectly (including through a corporation, partnership, relative, friend or nominee), either have an interest or over which they have the power or right to exercise control.

VII.

Records Preservation

Issue an Order requiring that Defendants OM Investment Management and Movalia, their directors, officers, agents, servants, employees, attorneys, depositories, banks, and those persons in active concert or participation with any one or more of them, and each of them, be and they hereby are restrained and enjoined from, directly or indirectly, destroying, mutilating, concealing, altering, disposing of, or otherwise rendering illegible in any manner, any of the books, records, documents, correspondence, brochures, manuals, papers, ledgers, accounts, statements, obligations, files and other property of or pertaining to Defendants OM Investment Management and/or Movalia wherever located and in whatever form, electronic or otherwise, until further Order of this Court.

VIII.

Further Relief

Grant such other and further relief as may be necessary and appropriate.

IX.

Retention of Jurisdiction

Further, the Commission respectfully requests that the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that it may enter, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

Dated: September 27, 2013

Respectfully submitted,

By:



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