

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

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SECURITIES AND EXCHANGE COMMISSION,		)	
		)	
Plaintiff,		)	
		)	
v.		)	Case No.
		)	
ERIC D. LYONS,		)	JURY TRIAL DEMANDED
SYNCHRONY CAPITAL GP, LLC,		)	
SYNCHRONY GROUP, LLC, and		)	
SYNCHRONY CAPITAL GROUP,		)	
		)	
Defendants,		)	
		)	
and		)	
		)	
SYNCHRONY GLOBAL MACRO, LP,		)	
		)	
Relief Defendant.		)	
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**COMPLAINT**

Plaintiff Securities and Exchange Commission (“the Commission”) alleges the following against defendant Eric D. Lyons (“Lyons”), his investment adviser companies, Synchrony Capital GP, LLC, Synchrony Group, LLC, Synchrony Capital Group (the “Synchrony Adviser Entities”), and a hedge fund he has promoted and managed through these management companies, Synchrony Global Macro LP, and hereby demands a jury trial:

**PRELIMINARY STATEMENT**

1. Lyons is an investment adviser and hedge fund manager. In 2017 and 2018, Lyons, and the adviser entities that he controlled, misappropriated approximately \$570,000 from the hedge funds that they managed. They misappropriated these funds to pay for Lyons’ personal expenses, including rock concert tickets, Broadway shows, clothing, jewelry, vacations,

kids' summer camp fees, sailing expenses, and personal rent and car lease payments. Further, Lyons and his adviser entities replaced some of that misappropriated money by engaging in a fraudulent offering of securities, in which he obtained \$300,000 from an investor based on false and misleading statements about receiving a purported large-scale investment offer and a hundred million dollar business valuation.

2. By virtue of this fraudulent conduct, which is detailed further herein, Defendants Lyons and the Synchrony Adviser Entities have engaged and are still engaged in: (i) fraudulent or deceptive conduct upon an advisory client in violation of Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act"); (ii) fraudulent or deceptive conduct upon an investor in a pooled investment vehicle in violation of Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder; (iii) fraudulent or deceptive conduct in connection with the purchase or sale of securities, in violation of Section 10(b) of the Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder, and (iv) fraud in the offer or sale of securities, in violation of Section 17(a) of the Securities Act of 1933 ("Securities Act").

3. To halt Defendants' ongoing unlawful conduct, maintain the status quo, and preserve any remaining assets for defrauded clients before entry of a final judgment, the Commission seeks a preliminary injunction to: (a) prohibit Defendants from continuing to violate the Advisers Act, the Exchange Act, and the Securities Act; (b) freeze the Defendants' and Relief Defendant's assets; (c) require Defendants to provide an accounting of fund assets; (d) prohibit Defendants from accepting any monies obtained from actual or prospective investors pending the resolution of this action; (e) restrain Defendants from destroying, concealing or disposing of property or documents related to the misconduct in the complaint; and (f) authorizing the Commission to commence discovery immediately.

4. The Commission also seeks: (a) a permanent injunction prohibiting the Defendants from further violations of the Advisers Act, the Exchange Act, the Securities Act; (b) disgorgement of the Defendants' ill-gotten gains, plus prejudgment interest; and (c) civil penalties due to the egregious nature of the Defendants' violations.

### **JURISDICTION**

5. The Commission seeks a permanent injunction and disgorgement pursuant to Section 209(d) of the Advisers Act [15 U.S.C. §80b-9(d)], Section 20(b) of the Securities Act [15 U.S.C. §77t(b)], Section 21(d)(1) of the Exchange Act [15 U.S.C. §78u(d)(1)] . The Commission seeks the imposition of civil penalties pursuant to Section 209(e) of the Advisers Act [15 U.S.C. §80b-9(e)], Section 20(d) of the Securities Act [15 U.S.C. §77t(d)], and Section 21(d) of the Exchange Act [15 U.S.C. §78u(d)].

6. This Court has jurisdiction over this action pursuant to Sections 209(d), 209(e) and 214(a) of the Advisers Act [15 U.S.C. §§80b-9(d), 80b-9(e), 80b-14(a)], Sections 20(b), 20(d), and 22(a) of the Securities Act [15 U.S.C. §§77t(b), 77t(v), 77v(a)], and Sections 21(d)(1), 21(e) and 27 of the Exchange Act [15 U.S.C. §§78u(d)(1), 78u(e), 78aa]. Venue is proper in this District because Defendants and Relief Defendant transacted business and maintained a principal place of business in the Commonwealth of Massachusetts. Lyons resides in Concord, Massachusetts.

7. In connection with the conduct described in this Complaint, Defendants directly or indirectly made use of the mails or the means or instruments of transportation or communication in interstate commerce.

8. Defendants' conduct has involved fraud, deceit, or deliberate or reckless disregard of regulatory requirements, and has resulted in substantial loss, or significant risk of substantial loss, to other persons.

**DEFENDANTS**

9. **Eric D. Lyons** ("Lyons"), age 48, is a resident of Concord, Massachusetts.

10. **Synchrony Capital GP, LLC** ("Synchrony Capital GP") is a Delaware limited liability company formed in June 2018 as the adviser to, and general partner of, the Synchrony Global Macro, LP fund. Lyons was the sole owner of Synchrony Capital GP until he sold certain "class B" shares in the company in the second half of 2018. Despite the sale of these shares, Lyons exercises sole control of Synchrony Capital GP.

11. **Synchrony Group LLC** ("Synchrony Group") is a Massachusetts limited liability company formed by Lyons in September 2018. Offering documents for the Synchrony Global Macro, LP describe either or both Synchrony Capital GP or this entity as the adviser of the fund.

12. **Synchrony Capital Group a/k/a Synchrony Capital Group LLC** is a sole proprietorship created by Lyons in or around 2017 and operated by him as the adviser to the Synchrony Capital Partners Limited Partnership. Although Lyons has described this entity as a Massachusetts limited liability company in various fund documents, contracts, and bank account records, the Commonwealth of Massachusetts, Corporations Division online data base has no record Synchrony Capital Group registering its formation as a limited liability company.

**RELIEF DEFENDANT**

13. **Synchrony Global Macro, LP** ("Global Macro Fund") is a Delaware limited partnership formed in June 2018. It is a hedge fund that Lyons and his Synchrony Adviser

Entities managed and marketed to investors and potential investors. Lyons formed the Global Macro Fund as the successor to the Synchrony Value Fund, LP. In October 2018, Lyons transferred the assets of the Value Fund to the Global Macro Fund.

**OTHER RELEVANT ENTITIES**

14. **Synchrony Capital, LLC** (“Synchrony Capital”) was a Virginia limited liability company based in Charlottesville, Virginia and Concord, Massachusetts until it dissolved in December 2018. In 2012, Lyons co-founded Synchrony Capital as the general partner to, and manager of, the Synchrony Value Fund, LP. By the end of March 2018, Lyons owned ninety percent of Synchrony Capital. From the end of March 2018 until dissolution, Lyons has been in sole operational control of Synchrony Capital.

15. **Synchrony Value Fund, LP** (“Value Fund”) is a Delaware limited partnership formed in July 2012. It is a hedge fund that Lyons and his Synchrony Capital managed and marketed to investors and potential investors. In October 2018, Lyons and Synchrony Capital transferred the assets of the Value Fund to the Global Macro Fund.

16. **Synchrony Capital Partners Limited Partnership** (“Capital Partners Fund”) is a Massachusetts limited liability partnership formed in May 2017. It is a hedge fund that Lyons and his Synchrony Capital Group managed and marketed to certain Czech investors and potential investors. As will be explained in further detail below, in February 2018 the assets of the Capital Partners fund were wiped out by investment losses incurred by securities trading positions taken by Lyons and Synchrony Capital Group.

**STATEMENT OF FACTS**

**I. The Origin of Synchrony Capital and the Value Fund**

17. Lyons (“Lyons”) and another individual founded the Synchrony hedge fund business in 2012 with the formation of Synchrony Capital as the adviser to, and manager of, the Synchrony Value Fund. Although Lyons and the other owner initially founded the business as an investment vehicle for the extended family of Lyons, Lyons himself was not an investor in his family’s fund. Rather, the family paid Lyons, through the fund, to serve as their investment adviser.

18. From 2012 to through the end of 2014, the only investors in the Value Fund were members of the Lyons family. Eric Lyons did not invest in the fund. During this period, the Lyons family’s total investments were approximately \$194,000.

19. In 2015, Lyons and his co-owner sold a twenty percent share of Synchrony Capital to a third person. From 2015 through March 2018, the other two co-owners and other members of the Lyons family provided financial and operational support for Synchrony Capital on a part-time basis. Lyons was the only full-time employee of Synchrony Capital. He was also the sole investment manager of the Value Fund’s investing activities.

20. Synchrony Capital charged Value Fund investors a management fee at the rate of two percent per year on assets under management, which would be taken from the fund in monthly installments. It also charged an annual performance fee of 20% on profits (meaning that for all profits on investments, investors would get 80% and Synchrony Capital would get 20%).

21. During the “family fund” period of the Value Fund prior to 2015, the Lyons family paid Lyons’ Synchrony Capital salary from funds taken directly from the Value Fund, rather than from money paid to Synchrony Capital as part of a management fee for advising the

fund. The Lyons family also used Value Fund monies for other Synchrony Capital expenses that are not normally paid directly by a fund.

22. In or about early 2017, an accountant for Synchrony Capital and the Value Fund discovered approximately \$180,000 worth of these payments by the Value Fund that are not normally paid directly by a fund. These expense payments included payments from the fund to pay Lyons. The accountant advised the members of Synchrony Capital (Lyons and the other two individual owners) to execute a promissory note in the amount of \$140,000 to reimburse the fund for these expenses. He also advised them to pay the other \$40,000 over time as an unsecured loan. On or about February 2017, Lyons and the other two co-owners of Synchrony Capital, executed a promissory note to pay the Value Fund \$140,000.

23. Starting in approximately January 2015, Synchrony Capital and its members offered Value Fund subscriptions to potential investors outside the Lyons family and began receiving investments in response to these offers. From January 2015 to January 2018, Lyons and the other members of Synchrony Capital raised approximately \$2.5 million in investor contributions from approximately seven investors who were not family members of Lyons or otherwise related to Synchrony Capital.

24. Prior to investing in the Value Fund, Synchrony Capital provided these seven non-family member investors with fund offering documents, including a Private Placement Memorandum and a Limited Partnership Agreement. These Value Fund offering documents represented to investors that invested funds would be used for the limited partnership's purpose of investing in securities.

25. These non-family investors included a representative of a business located in the Czech Republic, which contacted Lyons about a potential investment. From early 2016 to early 2018, this Czech investor invested approximately \$1,850,000 in the Value Fund.

26. By the end of 2017, the Value Fund held assets in the approximate amount of \$2.4 million. Effective February 1, 2018, the Value Fund received additional contributions of \$430,000 from two of its then existing investors who were not Lyons family members.

## **II. The Origin of Capital Partners Fund and the Misappropriation of Its Assets**

27. In or around May 2017, Lyons started negotiating with the Czech investor about forming a new private fund separate from the Value Fund. They conducted their negotiations over electronic mail and telephone calls. The Czech investor told Lyons that this new fund would need to be invested conservatively because it planned for a close and personal client of the Czech investor to invest in the new fund. As part of this new fund, the Czech investor also wanted to acquire fifty percent ownership of the fund's newly formed investment adviser in exchange for investing \$100,000 in the fund alongside its client.

28. Without informing the other members of Synchrony Capital, Lyons agreed to start a new private fund, which he called the Capital Partners Fund, and to share equal ownership of the fund manager in exchange for an initial \$100,000 investment in the fund by Czech investor itself.

29. Lyons created Synchrony Capital Group as the general partner of the Capital Partners Fund. The general partner was the manager and adviser to the fund and would receive management and performance fees from the Capital Partners Fund. And, consistent with his agreement with the Czech investor, Lyons sold it a 50% interest in Synchrony Capital Group in exchange for its investment of \$100,000 to seed the new fund.



30. Lyons and Synchrony Capital Group emailed the Czech investor offering documents for the Capital Partners Fund limited partnership. These documents stated that the fund would be managed by Synchrony Capital Partners, LLC, which would receive a management fee at the rate of 2% per year on assets under management, taken in monthly installments. Synchrony Capital Group in fact charged the Capital Partners Fund management and performance fees in 2017 and 2018.

31. The offering documents also represented that the private partnership would operate as an investment partnership, investing in securities. The offering documents represented that funds provided by an investor would be placed in the custody of financial institutions and brokerage firms under appropriate arrangements.

32. Lyons also opened a brokerage account and bank accounts in the name of Synchrony Capital Group and the Capital Partners Fund. Lyons had control of these accounts, the Czech investor and its client did not.

33. Lyons' and Synchrony Capital Group's representations to the Czech investor regarding the operation of the Capital Partnership Fund and the custody of investor funds were false and misleading. Lyons and Synchrony Capital Group knew that they intended to misappropriate the Capital Partners Funds' assets by transferring them to Lyons' personal bank account or using them to pay for Lyons' personal expenses. The fact that Lyons and Synchrony Capital Group intended on misappropriating the Capital Partners Fund assets was a material fact that would have been an important factor for a reasonable investor's decision whether to invest in the fund.

34. After Lyons and the Czech investor signed the fund offering documents, the Czech investor sent Lyons and Synchrony Capital Group the initial seed \$100,000 in June 2017

to be invested in the Capital Partners fund, which Lyons deposited in a bank account in the name of the Capital Partners Fund.

35. Following the first investment, the Czech investor sent Lyons and Synchrony Capital Group its client's investment, approximately \$600,000, in September 2017 for investment in the Capital Partners Fund, which Lyons and Synchrony Capital Group also deposited in a bank account in the name of the Capital Partners Fund.

36. As soon as Lyons and Synchrony Capital Group received the Czech investor's first investment in June 2017, they began misappropriating the funds. In total, during 2017 and 2018, Lyons and Synchrony Capital Group misappropriated approximately \$320,000 from the Capital Partners Fund by transferring cash from the fund's bank account to Lyons's bank account or using the fund's cash for Lyons' personal expenses. The personal spending included \$10,000 on piano expense and over \$6,000 on designer clothing.

37. By the end of 2017, the total value of the Capital Partners Fund was approximately \$713,000.

### **III. The Catastrophic Losses of February 2018 and Their Aftermath**

38. By early February 2018, Lyons made significant options trades in the brokerage accounts of the Value and Capital Partners funds that were levered to perform based on the performance of the S&P 500 Index. During the first week of that month, the index declined. As a result, on or about February 5, 2018, the options held by the funds caused steep declines in the total value of the funds' brokerage accounts.

39. Because of the steep declines in account values, the broker traded the positions in the Value Fund's account to halt the account losses. With regard to the Capital Partners Fund account, the broker demanded that the fund either provide additional collateral or the broker

would trade the securities in the market to prevent further loss in value. The Capital Partners Fund did not meet the broker's call for additional collateral. As a result, the broker closed the positions, halting and setting the fund's losses.

40. For the Capital Partners Fund, all of its investments were wiped out and the brokerage account was left with an approximate negative \$380,000 balance, meaning that Capital Partners Group owed the brokerage firm \$380,000. Since February 2018, the broker has been pursuing Lyons and Capital Partners Group for collection of that account debt.

41. For the Value Fund, the closing of these positions caused the fund's value to drop by approximately seventy percent for the month of February. The fund's assets dropped from from approximately \$3 million to approximately \$1 million.

42. Lyons informed the other two co-owners of Synchrony Capital about the Value Fund losses. Within weeks, the other two co-owners abandoned the Synchrony hedge fund business and transferred their membership interests in Synchrony Capital to Lyons.

43. In the months of February and March 2018, the other two co-owners of Synchrony Capital negotiated their exit from Synchrony Capital with Lyons. By that time, the other two co-owners had paid off their share of the \$140,000 promissory note owed to the Value Fund as well as their share of the \$40,000 unsecured loan. Lyons, however, still owed approximately \$17,500 on promissory note and \$20,500 on the unsecured loan.

44. Lyons and Synchrony Capital also informed the Value Funds' largest investor, the Czech investor, about the fund losses. As a result, the Czech investor requested redemption of its investment in the Value Fund. Lyons and Synchrony Capital fulfilled that redemption request by paying the Czech investor what purported to be the remaining value of its investment.

**IV. Misappropriation from the Value Fund and Transfer to the Global Macro Fund**

45. Soon after the other two co-owners departed Synchrony Capital at the end of March 2018, Lyons and Synchrony Capital began misappropriating funds from the Value Fund to pay Lyons' personal expenses. These personal expenses included, \$9,000 on sailing activities, approximately \$6,500 on entertainment expenses, including tickets to a Taylor Swift concert, and \$2,000 on summer camp fees.

46. As explained above, Lyons and Synchrony Capital obtained investors' subscriptions to the Value Fund based upon offering documents representing their funds would be used for the legitimate purpose of investing in securities. Lyons' and Synchrony Capital's actions and course of business in obtaining funds based on a purported legitimate investing purpose, but instead using them for the illegitimate purpose of paying Lyons' personal expenses, deceived the investors in the Value Fund.

47. In June 2018, Lyons and Synchrony Capital set up the Synchrony Capital Global Macro Fund and, as its general partner and manager, Synchrony Capital GP, LLC. As formed, Lyons was the sole owner of Synchrony Capital GP. Lyons also opened bank and brokerage account for these entities, for which he was the authorized user.

48. In October 2018, Lyons and Synchrony Capital transferred the assets of the Synchrony Value Fund to the Global Macro Fund.

49. Since 2018, Lyons, Synchrony Capital, and Synchrony Capital GP have misappropriated approximately \$250,000 from the Value Fund and the Global Macro Fund.

**V. The Securities Offering Fraud Used to Replace Misappropriated Funds**

50. In or about August 2018 and March 2019, Lyons and Synchrony Capital GP committed another fraud, using some proceeds of this later fraud to replace money that had been taken from the Value Fund and the Global Macro Fund.

51. In August 2018, Lyons approached an investor (hereinafter “Investor A”) about purchasing an ownership interest in Synchrony Capital GP. By 2018, Lyons and Investor A had known each other for several years. And, over the years, Lyons had talked to Investor A about Synchrony Capital and the hedge fund that it and Lyons advised and managed.

52. Lyons, on behalf of Synchrony Capital GP, offered Investor A an ownership interest in Synchrony Capital GP in exchange for a cash investment. Specifically, they offered Investor A ten percent of the adviser’s “class B shares” in exchange for a payment of \$125,000 from Investor A. Lyons offered Investor A these securities to make Investor A a “silent partner,” meaning Investor A would have no role in the operation of the business, but profit from the investment through Lyons’ and Synchrony Capital GP’s efforts. In their negotiations, Lyons and Investor A communicated by electronic mail, including exchanging drafts of written agreements.

53. To entice Investor A’s investment, Lyons and Synchrony Capital GP provided Investor A with a spreadsheet calculating the returns Investor A would receive from monthly management fees on the adviser’s assets under management. He sent the spreadsheet to Investor A by electronic mail. In the first column of this spreadsheet, it showed assets under management of \$25 million. Lyons and Synchrony Capital GP told Investor A that a well-known private investor group had an outstanding offer to invest \$25 million in the Synchrony Global Macro Fund and that, based on this investment, Investor A could expect monthly income of approximately \$11,000 from management fees in the months to come.

54. This statement was false. According to representatives from this private investor group, a person from this group met with Lyons once or possibly two times. This person did not make an offer on behalf of the firm to invest \$25 million with any Synchrony related entity or fund in August 2018. Although it is possible that the firm representative who met with Lyons

might have inquired if Synchrony Capital GP would be open to a “seed” investment deal, such a discussion would have been introductory in nature and not an offer to invest. The person who met with Lyons was not authorized to make an offer on behalf of the firm without management approval, and he never sought or received such approval.

55. Lyons and Synchrony Capital GP knew or should have known or were reckless in disregarding the fact that this well-known private investment group had not made an offer to invest \$25 million. The fact that his well-known private investor had not made such an offer to invest was a material fact that would have been an important factor in a reasonable investor’s decision whether to invest in Synchrony Capital GP.

56. Lyons and Synchrony Capital GP also told Investor A that his money would be used to operate Synchrony Capital GP and its management and marketing of the Global Macro Fund. This statement was false. In actuality, Lyons intended to, and did, divert \$100,000 (out of Investor A’s investment of \$125,000) to back fill monies that Lyons had previously misappropriated from the Value Fund.

57. Lyons’ and Synchrony Capital GP’s plan to use investor money to replace misappropriated monies taken from the Value Fund for personal expenses was a material fact that would have been an important factor in a reasonable investor’s decision whether to invest in Synchrony Capital GP.

58. Following these misrepresentations, Investor A gave Lyons \$125,000 for investment in Synchrony Capital GP and ten percent of the adviser’s class B shares.

59. In March 2019, Lyons came to Investor A’s house and solicited him for another investment in Synchrony Capital GP. To persuade Investor A to invest this time, Lyons and Synchrony Capital GP told Investor A that they were in urgent need for an additional investment

of \$165,000 because Synchrony Capital GP's accountant had told Lyons the company needed this money to repay certain inter-company loans.

60. This statement was false. As Lyons knew, the inter-company loan story was based on an issue that had been raised by Synchrony Capital's accountant approximately two years earlier concerning the Value Fund. He also knew that the other two co-owners of Synchrony Capital had already substantially paid down that debt prior to their resignation from Synchrony Capital. He further knew that Synchrony Capital GP was a different company from Synchrony Capital. Lyons and Synchrony Capital GP used this story about the Value Fund's general partner to get Investor A's money to either cover up their misappropriation or to continue to pay for Lyons' personal expenses.

61. Lyons and Synchrony Capital GP knew or should have known or were reckless in disregarding the fact that they were misrepresenting the facts concerning the intercompany loan issue. Further, the omitted facts that (i) this inter-company loan pertained to a different limited liability company that was the general partner of a different limited partnership hedge fund, and (ii) this the inter-company loan between these two different entities was substantially paid down by Lyons' former business partners, were material facts that would have been important factors in a reasonable investor's decision whether to invest in Synchrony Capital GP. Lyons' and Synchrony Capital GP's plan to use investor money to replace misappropriated funds taken for personal expenses or to continue paying for Lyons' personal expenses was also material fact that would have been an important factor in a reasonable investor's decision whether to invest in Synchrony Capital GP.

62. To persuade Investor A to invest, Lyons and Synchrony Capital GP further told Investor A that an experienced private fund investor had valued the Synchrony hedge fund business and its investment strategy at \$100 million.

63. This statement was false and misleading. According to this private fund investor, he had become aware of Synchrony Capital, LLC and Lyons through his employment as a managing director at a private investment fund that invested in hedge funds. As part of his duties and responsibilities, this private fund investor was charged with looking at newer hedge funds and seeding them. In this regard, he met with hundreds of firms like Synchrony Capital. After learning more about Synchrony Capital, this person believed the firm did not seem large enough or of sufficient institutional quality for his employer to invest. The private fund investor thought that maybe within three to five years Synchrony Capital might grow large enough to attract institutional business, but not at that time. While he may have met with Synchrony Capital and Lyons “at a high level,” and may have mentioned Synchrony Capital to his bosses, Synchrony Capital never made it to any advanced stage of consideration for investment purposes. According to this private fund investor, he never provided Lyons or Synchrony Capital with any analysis valuing Lyons’ or Synchrony Capital’s investment strategy at \$100 million.

64. Despite this private fund investor’s decision not to invest in Synchrony, this person became acquaintances with Lyons and stayed in touch with him over the years since meeting him. On occasion, Lyons asked this person for feedback regarding how to make Synchrony more attractive to institutional type investors. The private fund investor informed Lyons that he needed to “systematize” Synchrony’s trading and make it more of a quantitative process, so that institutional investors wouldn’t feel like they were merely “betting on some guy making bets.” This person said he had met with Lyons a few weeks ago on April 5, 2019, and



that Lyons had said he was working with “some math guy” to systematize the quantitative process.

65. Lyons and Synchrony Capital GP knew or should have known or were reckless in disregarding the fact that this private fund investor had not performed a valuation of the Synchrony hedge fund business or its investment strategy. The fact that this private fund investor had not valued the Synchrony hedge fund business or its trading strategy at \$100 million, or at any amount, was a material fact that would have been an important factor in a reasonable investor’s decision whether to invest in Synchrony Capital GP.

66. Following these false and misleading statements, Investor A invested another \$175,000 in exchange for approximately fifteen percent of “class B shares” of Synchrony Capital GP.

**FIRST CLAIM FOR RELIEF**  
**(Violation of Sections 206(1) and 206(2) of the Advisers Act)**

67. The Commission repeats and incorporates by reference the allegations in paragraphs 1-66 of the Complaint as if set forth fully herein.

68. Lyons and the Synchrony Adviser Entities operated as an investment adviser defined by Section 202(a)(11) of the Advisers Act [15 U.S.C. § 80b-2(a)(11), and served in that capacity with respect to his clients and investors.

69. Lyons and the Synchrony Adviser Entities, while acting as an investment adviser, directly or indirectly, by use of the mails or means and instrumentalities of interstate commerce, knowingly, willfully or recklessly: (a) employed and are employing devices, schemes, or artifices to defraud clients or prospective clients; and (b) engaged and are engaging in transactions, practices, and courses of businesses which operated and operate as a fraud or deceit upon clients or prospective clients.

70. By reason of the foregoing, Lyons and the Synchrony Adviser Entities violated, and unless enjoined will continue to violate, Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§80b-6(1)–(2)].

**SECOND CLAIM FOR RELIEF**  
**(Violation of Sections 206(4) of the Advisers Act AND Rule 206(4)-8 thereunder)**

71. The Commission repeats and incorporates by reference the allegations in paragraphs 1-66 of the Complaint as if set forth fully herein.

72. Lyons and the Synchrony Adviser Entities, singly or in concert with others, directly or indirectly, by use of the mails or any means or instrumentality of interstate commerce, while acting as investment advisers to pooled investment vehicles within the meaning of Section 202(11) of the Advisers Act [15 U.S.C. §80b-2(11)], made untrue statements of material fact or omitted to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, to an investor or prospective investor in a pooled investment vehicle or otherwise engaged in acts, practices, or courses of business that are fraudulent, deceptive or manipulative with respect to an investor or prospective investor in a pooled investment vehicle.

73. By reason of the foregoing, Lyons and the Synchrony Adviser Entities have directly or indirectly violated, and unless enjoined will likely again violate, Section 206(4) of the Advisers Act [15 U.S.C. §80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. §275.206(4)-8].

**THIRD CLAIM FOR RELIEF**  
**(Violation of Section 10(b) of the Exchange Act and Rule 10b-5)**

74. The Commission repeats and incorporates by reference the allegations in paragraphs 1-66 of the Complaint as if set forth fully herein.

75. Lyons and the Synchrony Adviser Entities, directly or indirectly, acting intentionally, knowingly or recklessly, by the use of means or instrumentalities of interstate commerce or of the mails, in connection with the purchase or sale of securities: (a) have employed or is employing devices, schemes or artifices to defraud; (b) have made or are making untrue statements of material fact or have omitted or are omitting to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) have engaged or are engaging in acts, practices or courses of business which operate as a fraud or deceit upon certain persons.

76. By reason of the foregoing, Lyons and the Synchrony Adviser Entities have violated and, unless enjoined, will continue to violate 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].

**FOURTH CLAIM FOR RELIEF**  
**(Violation of Section 17(a) of the Securities Act)**

77. The Commission repeats and incorporates by reference the allegations in paragraphs 1–66 of the Complaint as if set forth fully herein.

78. Lyons and the Synchrony Adviser Entities directly or indirectly, singly or in concert with others, in the offer and sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails, intentionally, knowingly, recklessly, or negligently: (a) employed and are employing devices, schemes or artifices to defraud; (b) obtained and are obtaining money or property by means of untrue statements of material fact or omissions to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) engaged and are engaging in transactions, practices or courses of business which operate as a fraud or deceit upon purchasers of the securities.

79. By reason of the foregoing, Lyons and the Synchrony Adviser Entities have violated and, unless enjoined, will continue to violate Section 17(a) of the Securities Act [15 U.S.C. §77q(a)].

**FIFTH CLAIM FOR RELIEF**  
**(Other Equitable Relief, Including Unjust Enrichment and Constructive Trust,**  
**Against the Synchrony Global Macro, LP)**

80. The Commission repeats and incorporates by reference the allegations in paragraphs 1 through 66 above as if set forth fully herein.

81. Section 21(d)(5) of the Exchange Act states, “In any action or proceeding brought or instituted by the Commission under any provision of the securities laws, the Commission may seek, and any Federal court may grant, any equitable relief that may be appropriate or necessary for the benefit of investors.”

82. Relief defendant Synchrony Global Macro, LP has received and possesses ill-gotten investor funds derived from unlawful acts or practices of Lyons and the Synchrony Adviser Entities dictating that, in equity and good conscience, they should not be allowed to retain such funds.

83. Synchrony Global Macro, LP has no legitimate claim to this property.

84. As a result, Synchrony Global Macro, LP is liable for unjust enrichment and should be required to return its ill-gotten gains, in an amount to be determined by the Court. The Court should also impose a constructive trust on the ill-gotten investor funds in the possession of Synchrony Global Macro LP.

**PRAYER FOR RELIEF**

WHEREFORE, the Commission requests that this Court:

A. Enter a temporary restraining order and preliminary injunction to: (a) prohibit the Lyons and the Synchrony Adviser Entities from continuing to violate the Exchange Act, the Securities Act, and the Advisers Act; (b) freeze the assets of Lyons, the Synchrony Advisers, and the Global Macro Fund; (c) require Lyons and the Synchrony Adviser Entities to provide an accounting of investor assets; (d) prohibit Lyons and the Synchrony Adviser Entities from accepting any monies obtained from actual or prospective investors pending the resolution of this action; (e) restrain Lyons and the Synchrony Adviser Entities from destroying, concealing or disposing of property or documents related to the misconduct in the complaint; and (f) authorizing the Commission to commence discovery immediately;

B. Enter a permanent injunction restraining defendants Lyons and the Synchrony Adviser Entities, as well as their agents, servants, employees, attorneys, and other persons in active concert or participation with them, from directly or indirectly engaging in the conduct described above, or in conduct of similar purport and effect, in violation of:

1. 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];
2. Section 17(a) of the Securities Act [15 U.S.C. §77q(a)]; and
2. Sections 206(1), 206(2) and 206(4) of the Advisers Act [15 U.S.C. §§80b-6(1)–(2)] and Rule 206(4)-8 thereunder [17 C.F.R. §275.206(4)-8];

C. Require Lyons and the Synchrony Adviser Entities to disgorge their ill-gotten gains, plus prejudgment interest;

D. Require Relief Defendant Synchrony Global Macro LP to disgorge all unjust enrichment and/or ill-gotten gains;

E. Order Lyons and the Synchrony Adviser Entities to pay an appropriate civil penalty pursuant to Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)];

F. Retain jurisdiction over this action to implement and carry out the terms of all orders and decrees that may be entered; and

G. Award such other and further relief as the Court deems just and proper.

**DEMAND FOR JURY TRIAL**

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the Commission demands a jury trial in this action of all issues so triable under the claims in this Complaint.

Respectfully submitted,

/s/Richard M. Harper II

Richard M. Harper II (Mass. Bar No. 634782)

Robert Baker (Mass. Bar No. 654023)

Sue Curtain (Mass. Bar No. 554550)

William Donahue (Mass. Bar No. 631229)

Attorneys for Plaintiff

**SECURITIES AND EXCHANGE COMMISSION**

Boston Regional Office

33 Arch Street

Boston, MA 02110

(617) 573-8979 (Harper direct)

(617) 573-4590 (fax)

harperr@sec.gov (Harper email)

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