

**UNITED STATES DISTRICT COURT  
DISTRICT OF SOUTH CAROLINA  
CHARLESTON DIVISION**

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**-against-**

**EDGAR M. RADJABLI,**

**APIS CAPITAL MANAGEMENT, LLC, and**

**MY LOAN DOCTOR, LLC,**

**Defendants.**

**Civil Action No. 2:21-cv-01761-MBS**

**JURY TRIAL DEMANDED**

**COMPLAINT**

Plaintiff Securities and Exchange Commission (“Commission”) files this Complaint against Defendants Edgar M. Radjabli (“Radjabli”), Apis Capital Management, LLC (“Apis Capital”), and My Loan Doctor, LLC dba Loan Doctor Financial (“Loan Doctor”) (collectively “Defendants”) and alleges as follows:

**SUMMARY**

1. This matter involves a series of three distinct but interrelated securities frauds of escalating size and potential investor harm perpetrated by Radjabli and two of his alter ego entities – Apis Capital, an unregistered investment adviser, and Loan Doctor – between June 2018 and July 2020.

2. In the first scheme, Radjabli conducted a fraudulent offering of Apis Tokens, a digital asset purportedly representing tokenized interests in Apis Capital’s main investment fund. Radjabli and Apis Capital issued a June 2018 press release, which claimed falsely that the

offering had raised \$1.7 million when in fact it had raised no money. This misrepresentation was material. Following this misrepresentation, they raised approximately \$36,000 from foreign investors.

3. In the second scheme, Radjabli manipulated the securities market for Veritone, Inc. (“Veritone”), a publicly-traded artificial intelligence company, in which Apis Capital and an affiliated investment fund owned shares. On December 10, 2018, Radjabli and Apis Capital issued a press release announcing an unsolicited cash tender offer to acquire Veritone at an 82% premium. The announced tender offer, and the related forms that Radjabli and Apis Capital filed with the Commission, contained a number of materially false and misleading misrepresentations. Specifically, Radjabli and Apis Capital falsely represented that they had well in excess of the \$200 million offer price and beneficially owned a 5.03% stake in Veritone. In truth, the defendants lacked the financing, or any reasonable prospect of obtaining the financing, necessary to complete the deal, and Radjabli and Apis Capital owned only a 4.6% stake in Veritone. The defendants’ misrepresentations were material. Following the pre-market announcement and Commission filings, Veritone’s stock price opened at \$7.96 a share, a 41.4% increase from the prior day’s close. Radjabli then capitalized on the scheme by selling Veritone securities and purchasing put options on behalf of Apis Capital and its affiliated fund. Ten days later, Radjabli and Apis Capital withdrew the supposed tender offer. As a result of this scheme, Radjabli generated illicit profits of approximately \$162,800 for Apis Capital and its affiliated fund.

4. In the third scheme, Radjabli raised \$19.95 million from 461 investors in an unregistered, fraudulent offering launched in August 2019, of a security called Health Care Finance High Yield CD Account, which guaranteed a 6% return. Among other things, Radjabli made materially false and misleading representations to investors about how their funds would be used. In particular, Radjabli represented that funds raised would be used by Loan Doctor to

originate loans to healthcare professionals, which then would be securitized and sold to large institutional investors. Loan Doctor never originated or securitized any loans. Instead, Radjabli invested the bulk of the investor funds in unsecured and uninsured loans to digital asset lending firms, and he loaned almost \$1.8 million of investor proceeds to Apis Capital. Radjabli also created a fictitious persona, who purported to be Loan Doctor's CFO, who was quoted in its press releases; Radjabli also fabricated customer testimonials for his website, and posed as investors on social media to tout Loan Doctor. Radjabli ultimately reimbursed investors their funds with the 6% interest and closed down Loan Doctor in the face of ongoing Commission and Consumer Financial Protection Bureau ("CFPB") investigations.

5. By virtue of the conduct alleged herein,
  - a. Radjabli violated, and unless restrained and enjoined will violate again, Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (the "Securities Act"); Sections 10(b), and 14(e) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rules 10b-5 and 14e-8 thereunder; and Section 206(4) of the Advisers Act of 1940 (the "Advisers Act") and Rule 206(4)-8 thereunder.
  - b. Apis Capital violated, and unless restrained and enjoined will violate again, Section 17(a) of the Securities Act; Sections 10(b) and 14(e) of the Exchange Act and Rules 10b-5 and 14e-8 thereunder; and Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder.
  - c. Loan Doctor violated, and unless restrained and enjoined will violate again, Sections 5(a), 5(c), and 17(a) of the Securities Act; and Section 10(b) of the Exchange Act and Rule 10b-5thereunder.

**JURISDICTION AND VENUE**

6. The Commission brings this action 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), 78u-1], and Sections 209(d) and 209(e) [15 U.S.C. §§ 80b-9(d) and 80b-9(e)] of the Advisers Act to enjoin such acts, practices, and courses of business; and to obtain disgorgement, prejudgment interest, civil money penalties, and such other relief as the Court may deem just and appropriate.

7. This Court has jurisdiction over this action pursuant to Section 20 and 22 of the Securities Act [15 U.S.C. §§ 77t & 77v], Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), 78u-1, and 78aa], and Section 214 of the Advisers Act [15 U.S.C. § 80b-14].

8. Defendants, directly and indirectly, have 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 pursuant to Section 22 of the Securities Act [15 U.S.C. § 77v], Section 27 of the Exchange Act [15 U.S.C. § 78aa], and Section 214 of the Advisers Act [15 U.S.C. § 80b-14]. Certain of the sales of securities and acts, practices, transactions, and courses of business constituting the violations alleged in this Complaint occurred within the jurisdiction of the United States District Court for the District of South Carolina (Charleston Division), including, but not limited to, fraudulent acts being committed and fraudulent statements being made by Defendants in this judicial district. In addition, Radjabli resided in this judicial district during relevant portions of the conduct alleged herein.

**DEFENDANTS**

10. **Edgar Radjabli**, age 35, is a U.S. citizen who at times relevant to this Complaint resided in North Charleston, South Carolina. During the relevant period he served as the

Managing Partner of Apis Capital and was the CEO of Loan Doctor. He was a practicing dentist until approximately 2015 when he transitioned to the financial industry. He is not licensed with the Commission but holds a Series 3 Futures License from the National Futures Association (“NFA”).

11. **Apis Capital Management, LLC** is a Delaware limited liability company incorporated in November 2017, with its principal place of business listed as West Palm Beach, Florida. Apis Capital is 99 percent owned by Radjabli. Radjabli is the Managing Partner and sole employee of Apis Capital. Apis Capital is an unregistered investment adviser and has never been registered with the Commission in any capacity, but has been registered with the Commodity Futures Trading Commission (“CFTC”)/NFA as a Commodity Trading Advisor since January 2019.

12. **My Loan Doctor, LLC d/b/a Loan Doctor** is a Delaware limited liability company incorporated in July 2019 with its principal place of business listed as West Palm Beach, Florida. Radjabli has at all times maintained at least a 95% ownership interest in Loan Doctor. Loan Doctor stated that its principal business was providing financing for healthcare professionals.

#### **RELATED ENTITIES**

13. **ACM Market Neutral Volatility Strategy Fund LP (“ACM Fund”)** is a Delaware limited partnership incorporated in November 2017, with its principal place of business listed as West Palm Beach, Florida. Apis Capital was established and serves as the general partner of the ACM Fund. ACM Fund’s principal business is trading securities that track the volatility of the S&P 500. Radjabli and his family are the primary investors in the ACM Fund.

14. **Apis Ventures LLC (“Apis Ventures”)** is a Delaware limited liability company incorporated in November 2018, with its principal place of business listed as West Palm Beach, Florida. Apis Capital was established and serves as the manager of Apis Ventures. Apis Ventures’ principal business is acquiring and holding securities for investment purposes. Radjabli and Apis Capital are the sole investors in Apis Ventures.

15. **Apis Token Fund, Ltd. (“Apis Token Fund”)** is a Cayman Islands exempt issuer controlled by Radjabli that issued Apis Tokens, a digital asset representing indirect fractional economic interests in Apis Capital’s ACM Fund.

## **FACTS**

### **I. Apis Token Fraudulent Offering**

16. Radjabli’s first fraudulent scheme began in May 2018, when Apis Capital announced that it was launching the Apis Token Fund. The Apis Token Fund offered investors a tokenized version of Apis Capital’s ACM Fund. In exchange for investor funds, the Apis Token Fund issued Apis Tokens – digital assets issued on a blockchain representing an indirect, fractional, non-voting economic interest in the ACM Fund. Investor funds would, in turn, be invested in the ACM Fund, in which Apis Token Fund was a limited partner. Apis Tokens could be redeemed and investors would receive a prorated share of any gains or losses generated by the ACM Fund. Apis Capital limited sales of Apis Token to foreign and accredited investors.

17. On June 4, 2018, Apis Capital issued a press release titled “Apis Token Launches on Stellar Blockchain, Raises \$1.7 Million in Initial Pre-Sale.” The press release quoted Radjabli who claimed “[s]o far, Apis Token has raised \$1.7MM, which has already been allocated to the [ACM Fund] strategy.” Additionally, in an interview with Tech Company News, published on its website on June 6, 2018, Radjabli stated “We have raised \$1.7 million in the

initial pre-sale, and we have issued those tokens to the initial investors, and the funds raised are already deployed, potentially earning profits in June.”

18. The statements made by Apis Capital and Radjabli in the June 4, 2018 press release and June 6, 2018 interview were materially false and misleading. The Apis Token Fund did not raise any funds in the purported initial pre-sale. No sales of the Apis Token occurred until after Radjabli issued the press release, and, even then, the Apis Token Fund only raised approximately \$36,000 from non-U.S. investors. These facts would have been important to a reasonable investor.

19. Apis Capital and Radjabli knew or were reckless in not knowing that the statements they made in the June 4, 2018 press release and June 6, 2018 interview were untrue because Radjabli was Apis Capital’s sole employee and responsible for all aspects of the company.

## **II. Veritone Market Manipulation**

20. Radjabli’s second scheme related to his December 2018 fraudulent offer to acquire all of Veritone’s outstanding common stock through an all-cash offer. In truth, Radjabli had no intention of acquiring Veritone. Instead, Radjabli’s goal was to use his fraudulent offer to increase Veritone’s share price so that he could profit by selling shares he owned and purchasing put options.

21. To carry out his scheme Radjabli made materially false and misleading representations to his lawyers, his investment banker, Veritone, the Commission, and investors about his intent to complete the transaction, his ownership interest in Veritone, and his financial ability to complete the transaction.

**A. Radjabli Misrepresented His Financing to Veritone**

22. On December 4, 2018, Radjabli sent a private letter to Veritone’s CEO apprising him that Apis Capital was submitting a non-binding proposal to acquire all the outstanding shares of Veritone for \$8 per share. Radjabli stated in the letter that “[w]e have held in depth discussions with our financing sources and would expect to have a fully executed, underwritten financing commitment prior to execution of the definitive merger agreement” and “have retained appropriate legal, financial and other advisors to assist us with this transaction.”

23. In response to a request from Veritone that Radjabli provide more information regarding the potential financing of the transaction, Radjabli sent a second letter to Veritone on December 6, 2018, stating that “we have current and committed capital well in excess of the proposed aggregate purchase price . . . [and] we have engaged in detailed discussions with several lenders, including [three Banks] who have indicated a strong interest in funding the transaction.” However, at the time, Radjabli did not have current and committed capital in excess of the proposed purchase price, and he had only had general discussions with the three Banks listed in his letter regarding the Veritone acquisition, and none had indicated they were interesting in providing funding for the transaction.

**B. Radjabli’s Misrepresentations in a Press Release and Commission Filings**

24. On December 10, 2018, Radjabli issued a press release and filed Schedules TO-C and 13D with the Commission on behalf of himself, Apis Capital, ACM Fund, and Apis Ventures (the “Reporting Entities”) stating that (1) the Reporting Entities beneficially owned a 5.03% interest in Veritone and (2) Apis Capital, on behalf of Apis Ventures, had made an offer to Veritone to acquire the company for approximately \$200 million in cash and reserved the right to commence a tender offer if it could not reach an agreement with Veritone.



25. A Schedule TO-C is used to report a written communication relating to a tender offer. The filing of a Schedule TO-C can have a material impact on a company's stock price, causing it to rise in anticipation of a potential tender offer. In the Schedule TO-C, Rajabli stated that Apis Ventures had increased its offer to acquire Veritone to \$10.26 per share, representing an 82% premium over Veritone's closing price the prior trading day.

26. A person or group that acquires beneficial ownership of more than 5% of a voting class of a company's stock usually is required to file a Schedule 13D, reporting the acquisition of the interest and the purpose of the acquisition. Radjabli filed a Schedule 13D and represented that the Reporting Entities had acquired a 5.03% interest in Veritone. Radjabli attached to the Schedule 13D a press release and the most recent letter to Veritone concerning the offer to acquire the company. Radjabli believed that disclosing that he had a reportable stake in Veritone would make the offer to acquire the company appear more legitimate.

27. The press release and schedules filed by Radjabli through the Reporting Entities were filled with materially false and misleading information. Radjabli and Apis Capital had neither the funds necessary to complete the acquisition nor any reasonable basis to believe that they would be able to finance the transaction. In addition, the Reporting Entities did not beneficially own a 5.03% interest in Veritone. In the Schedule 13D, Radjabli only reported the Reporting Entities' purchases of Veritone securities, and he omitted the fact that, due to insufficient buying power, he had sold a portion of the Veritone securities held by the Reporting Entities. Accounting for these sales, the Reporting Entities only beneficially owned an approximate 4.6% interest in Veritone, less than the 5% threshold necessitating the filing of a Schedule 13D.

28. At the time of the Commission filings, Radjabli and Apis Capital had less than \$3 million in total assets under their control, the majority of which were held in the ACM Fund's

brokerage account. Apis Ventures had only \$10,000 in capital, all of which had been contributed by Radjabli and Apis Capital.

29. Radjabli retained an international law firm, Law Firm A, and an investment banker to facilitate his deception of Veritone and investors about the legitimacy of his tender offer announcement. However, Radjabli misled both Law Firm A and the investment banker regarding the amount of money under his and Apis Capital's control.

30. For example, on November 15, 2018, Radjabli misrepresented to Law Firm A that Apis Ventures had \$570 million in current and committed capital, and thus already had enough funds to complete the Veritone acquisition. In late November 2018, Radjabli spoke to the investment banker who was assisting him with obtaining financing for the Veritone acquisition, and Radjabli misrepresented that Apis Ventures had access to \$800 million in capital. Radjabli also falsely stated to the investment banker that Apis Capital would proceed with the acquisition regardless of whether the investment banker could secure additional financing and, if necessary, would use Apis Venture's current and committed capital to fully fund the \$200 million Veritone acquisition. However, Radjabli knew or was reckless in not knowing that Apis Capital would not be able to fully fund the \$200 million Veritone acquisition.

31. False and misleading statements Defendants made were material. On December 10, 2018, the price of Veritone stock opened trading at \$7.96, an increase of over 40% from the closing price the prior trading day. After this spike at the opening of the market, the price of Veritone stock dropped, closing at a price of \$6.895 at the end of the trading day.

**C. Radjabli's Additional Misrepresentations Regarding Apis Capital's Ability to Complete the Acquisition of Veritone**

32. Following his December 10, 2018 filings with the Commission, Radjabli continued to misrepresent Apis Capital's ability to consummate the Veritone acquisition. On December 12, 2018, Radjabli confirmed for a reporter writing a story about the proposed tender

offer that Apis Ventures “has investment commitments of \$500 million and plans to raise an addition \$450 million.” One week later, on December 19, 2018, Radjabli represented to Veritone’s financial adviser that Apis Ventures had over \$500 million in available capital and that he had spoken with lenders who were interested in financing the transaction.

33. Radjabli’s representations were false because Radjabli did not have commitments of \$500 million, nor did Apis Ventures have over \$500 million in available capital or lenders who were interested in financing the transactions.

34. These false and misleading statements were material because a reasonable investor would have considered important the fact that Radjabli and Apis Capital still intended to go forward with the acquisition.

**D. Radjabli Profited From His Manipulation of Veritone’s Stock Price**

35. Prior to filing his materially false and misleading Schedules TO-C and 13D, Radjabli acquired over \$3 million of Veritone shares and Veritone call options using brokerage accounts held in the name of the ACM Fund and Apis Capital. Less than five minutes after the market opened on the morning of December 10, 2018, Radjabli began selling Veritone securities. Radjabli continued selling Veritone securities in the following days, and by December 12, 2018, had sold over 80% of Apis Capital and the ACM Fund’s initial Veritone position. In addition to selling Veritone securities, Radjabli also purchased in-the-money Veritone put options on behalf of the ACM Fund, allowing it to sell most of its remaining Veritone shares at inflated prices.

36. After Radjabli had profited from his manipulation of Veritone securities, he filed an amendment to the Schedule 13D on December 20, 2018, indicating that Apis Ventures was withdrawing its offer and filed a second amendment on December 28, 2018, reflecting that the Reporting Entities’ beneficial ownership of Veritone was 0.43%.

37. In total, between November 14, 2018 and February 19, 2019, Radjabli generated profits of around \$162,800 for Apis Capital and the ACM Fund from his unlawful trading in Veritone securities.

### **III. Loan Doctor Fraudulent, Unregistered Offering**

38. Radjabli's third scheme involved a fraudulent, unregistered public offering conducted by Loan Doctor. Between August 2019 and April 2020, Loan Doctor raised \$19.95 million through its offering of its HCF High Yield CD Account (the "HCF CD"), purportedly paying guaranteed 6% interest.

39. Section 5(a) of the Securities Act provides that, unless a registration statement is in effect as to a security, it is unlawful for any person, directly or indirectly, to sell securities in interstate commerce. Section 5(c) of the Securities Act provides a similar prohibition against offers to sell or offers to buy, unless a registration statement has been filed. Thus, Sections 5(a) and 5(c) of the Securities Act prohibit the unregistered offer or sale of securities in interstate commerce.

40. Loan Doctor marketed the HCF CD through a variety of media: its public website, press releases, targeted Facebook and Google advertisements, emails to individuals who had expressed interest in the HCF CD, and emails to registered investment advisors, as well as through interviews of Radjabli by news organizations.

41. Loan Doctor never registered the HCF CD offering with the Commission, and there was no applicable exemption from registration.

#### **A. Loan Doctor's False and Misleading Statements Regarding its Use of Investor Funds**

42. In a press release issued on August 22, 2019 announcing the launch of the HCF CD, Loan Doctor falsely and misleadingly stated that the funds it raised from investors would be used "to fill short term lending needs to its healthcare clients, before the loans are securitized and

sold to large institutional investors.” Loan Doctor further stated that “[t]he security of the [HCF CD] is ensured as it is backed by cash and cash equivalent funds that are FDIC insured and an additional \$100MM umbrella through Lloyds of London, making it as safe as a savings account or CD.”

43. Despite the use of the term “CD,” the HCF CDs were not traditional CDs, but in fact were offered and sold as securities.

44. Loan Doctor’s website contained similar false and misleading statements. For example, language on the website, directly or indirectly created and drafted by Radjabli, stated: “Similar to a bank, the funds deposited in the account allow Loan Doctor to fund healthcare lending needs during very short time periods, before the originated loans are securitized and sold to large institutional investors.” Loan Doctor’s website also stated that before making a loan, it would already have an investor lined up to purchase the loan. The website also stated that “[t]he funds in the CD account are deposited at either US banks where they are covered by FDIC insurance, or in the case of cash alternatives, by Lloyd’s of London up to \$100MM.”

45. The statements made by Loan Doctor in its August 22, 2019 press release and on its website were materially false and misleading. Loan Doctor did not originate a single loan and only a small portion of investor funds were held in FDIC-insured accounts. Investor funds were also not insured by Lloyd’s of London. Instead, Loan Doctor used the bulk of the investor funds to make unsecured loans to several crypto currency lending firms as well as to make \$1.79 million in loans to Apis Capital.

46. Loan Doctor’s misrepresentations and omissions regarding its use of investor funds were material because a reasonable investor would have wanted to know that their funds were being used to make high-risk, unsecured loans to digital asset lending firms, rather than

being held in insurance-protected accounts and used to originate loans to healthcare professionals where Loan Doctor already had an investor lined up to purchase the loan.

47. Radjabli knew, or was reckless not knowing, that statements made about Loan Doctor's use of investor funds were materially false and misleading. Radjabli had sole control over the allocation of investor funds and was aware that Loan Doctor was not using the investor funds in the manner described to investors.

**B. Radjabli's False and Misleading Conduct and Statements Used to Promote Loan Doctor**

48. To promote Loan Doctor and bolster the company's legitimacy, Radjabli engaged in additional deceptive conduct including the creation of a fictitious persona who purported to be Loan Doctor's Chief Financial Officer and his creation of fake client testimonials on Loan Doctor's website. Radjabli also posed as investors on the website Reddit and touted Loan Doctor.

49. For example, in or around September 2019, Radjabli created Loan Doctor's website and listed an employee named Isika Rostova as the company's "Lead Credit Analyst." Rostova was represented to be a Chartered Financial Analyst who previously worked at Bank 1, an international bank. Around October 2019, Radjabli changed Loan Doctor's website to state that an individual named Isika Rosova was the company's CFO, and he included a bio for Rosova stating that she had previously worked at Investment Bank 1 and Investment Bank 2 prior to her role as CFO of Loan Doctor.

50. However, Isika Rosova (or Rostova) was never associated with or employed by Loan Doctor. Bank 1, Investment Bank 1, and Investment Bank 2 each confirmed that they never employed Ms. Rosova (or Rostova), and no such individual has ever been a member of the CFA Institute.

51. Radjabli also posted fabricated testimonials from three dentists claiming that Loan Doctor had assisted them with obtaining loans for their dental practices. For example, one purported testimonial from a dentist states “The Loan Doctor Team helped me compare 3 different lenders, and I got a better rate that [sic] I ever thought possible.” However, there is no evidence that these three dentists exist, or that Radjabli provided them the services described in their purported testimonials.

52. Radjabli also created and used multiple Reddit.com accounts to conceal his identity as the owner of Loan Doctor and to pose as investors touting Loan Doctor on Reddit’s message boards. For example, in January 2020, in a message board thread asking whether Loan Doctor was a scam, Radjabli, using the username “mbarry15,” responded that he had “Invested in [Loan Doctor] and requested withdrawal for Jan 15[, 2020]. I will let you know how it does.” Radjabli, again using the same username, replied a few days later, “Got the withdrawal no problem” and falsely stated that he had invested \$20,000 more.

53. Radjabli closed Loan Doctor to new investors in March 2020, and ultimately shut down the program entirely after reimbursing investor funds, plus interest.

**FIRST CLAIM FOR RELIEF**

**Violation of Section 17(a) of the Securities Act  
(Against Radjabli, Apis Capital, and Loan Doctor)**

54. The Commission realleges and incorporates by reference paragraphs 1 through 53, as though fully set forth herein.

55. By virtue of the foregoing, Radjabli, Apis Capital, and Loan Doctor, directly or indirectly, singly or in concert with others, in the offer or sale of any security, with scienter, used the means or instruments of transportation or communication in interstate commerce or of the mails to: (a) employ any device, scheme, or artifice to defraud; (b) obtain money or property by

means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engage in any transaction, practice, or course of business which operated or would operate as a fraud or deceit upon the purchaser.

56. By virtue of the foregoing, Defendants Radjabli, Apis Capital, and Loan Doctor, directly or indirectly, violated and, unless restrained and enjoined, will again violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

### **SECOND CLAIM FOR RELIEF**

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

#### **(Against Radjabli, Apis Capital, and Loan Doctor)**

57. The Commission realleges and incorporates by reference paragraphs 1 through 53, as though fully set forth herein.

58. By virtue of the foregoing, Radjabli, Apis Capital, and Loan Doctor, directly or indirectly, singly or in concert with others, in connection with the purchase or sale of a security, with scienter, used the means or instrumentalities of interstate commerce, or of the mails, or of a facility of a national securities exchange to: (1) employ devices, schemes, or artifices to defraud; (2) make untrue statements of a material fact or to omit to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (3) engage in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon others.

59. By virtue of the foregoing, Defendants Radjabli, Apis Capital, and Loan Doctor, directly or indirectly, violated and, unless restrained and enjoined, will again 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].



**THIRD CLAIM FOR RELIEF**

**Violation of Section 206(4) of the Advisers Act and Rule 206(4)-8 Thereunder  
(Against Radjabli and Apis Capital)**

60. The Commission realleges and incorporates by reference paragraphs 1 through 37, as though fully set forth herein.

61. Radjabli and Apis Capital, while acting as investment advisers to a pooled investment vehicle, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, engaged in acts practices or course of business that were fraudulent, deceptive, or manipulative. Radjabli and Apis Capital, directly or indirectly: (A) Made untrue statements of material fact and omitted to state material facts necessary to make statements made, in light of the circumstances under which they were made, not misleading, to investors and prospective investors in 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 a pooled investment vehicle.

62. By virtue of the foregoing, Radjabli and Apis Capital violated, and unless enjoined, will continue to 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].

**FOURTH CLAIM FOR RELIEF**

**Violations of Section 14(e) of Exchange Act and Rule 14e-8 Thereunder  
(Against Radjabli and Apis Capital)**

63. The Commission realleges and incorporates by reference paragraphs 1 through 37, as though fully set forth herein.

64. Defendants Radjabli and Apis Capital made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or engaged in fraudulent, deceptive,

or manipulative acts or practices, in connection with a tender offer or request or invitation for tenders, and a solicitation of security holders in favor of the offer, request or invitation.

65. Defendants Radjabli and Apis Capital made a public announcement related to Apis Venture's purported tender offer and (I) at the time of the announcement, did not reasonably believe Apis Ventures had the intention to commence the offer within a reasonable time and complete the offer; (2) intended, directly or indirectly, for the announcement to manipulate the market price of the stock of the bidder or subject company; and/or (3) did not have the reasonable belief that Apis Ventures had the means to purchase securities to complete the offer.

66. By virtue of the foregoing, Defendants Radjabli and Apis Capital violated, and unless restrained and enjoined will again violate, Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-8 thereunder [17 C.F.R. § 240.14-e8].

### **FIFTH CLAIM FOR RELIEF**

#### **Violations of Sections 5(a) and (c) of the Securities Act**

#### **(Against Radjabli and Loan Doctor)**

67. The Commission realleges and incorporates by reference paragraphs 1 through 15 and 38 through 53, as though fully set forth herein.

68. The HCF CD constitutes a "security" within the meaning of Section 2(a)(1) of the Securities Act [15 U.S.C. § 77b(a)(1)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. § 78c(a)(10)].

69. The offers and sales of HCF CDs described above were not registered in accordance with the provisions of the Securities Act and no exemption from such registration was applicable.

70. By reason of the foregoing, Defendants Radjabli and Loan Doctor, directly or indirectly, made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer and sell securities when no registration statement had been filed or was in effect as to such securities and when no exemption from registration was available.

71. By reason of the forgoing, Defendants Radjabli and Loan Doctor have violated, and unless enjoined and restrained by this Court will continue to violate, Sections 5(a) and (c) of the Securities Act [15 U.S.C. §§ 77e(a) and (c)].

**PRAYER FOR RELIEF**

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

**I.**

Finding that Radjabli, Apis Capital, and Loan Doctor violated the provisions of the federal securities laws as alleged herein;

**II.**

Permanently restraining and enjoining Radjabli, Apis Capital, and Loan Doctor and their agents, servants, employees, and attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise from, directly or indirectly, engaging in conduct in violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] and 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];

**III.**

Permanently restraining and enjoining Radjabli and Apis Capital their agents, servants, employees, and attorneys and all persons in active concert or participation with them who

receive actual notice of the injunction by personal service or otherwise from, directly or indirectly, engaging in conduct in violation of Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-8 thereunder [17 C.F.R. § 240.14-e8]; Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)];

**IV.**

Permanently restraining and enjoining Radjabli and Loan Doctor their agents, servants, employees, and attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise from, directly or indirectly, engaging in conduct in violation of Sections 5(a) and (c) of the Securities Act [15 U.S.C. §§ 77e(a) and (c)].

**V.**

Ordering Defendants to disgorge all ill-gotten gains or unjust enrichment derived from the activities set forth in this Complaint together with prejudgment interest thereon;

**VI.**

Ordering Radjabli, Apis Capital, and Loan Doctor to pay a civil monetary penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]; and

**VII.**

Permanently restraining and enjoining Radjabli from directly or indirectly, including, but not limited to, through any entity controlled by him: (i) participating in the issuance, purchase, offer, or sale of any security, or (ii) engaging in activities for purposes of inducing or attempting to induce the purchase or sale of any security; provided, however, that such injunction shall not prevent Radjabli from purchasing or selling securities listed on a national securities exchange for his own personal account.

**VIII.**

Pursuant to Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)], permanently barring Radjabli, from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock.

**IX.**

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

**JURY DEMAND**

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff demands that this case be tried to a jury.

Dated: June 11, 2021

Respectfully submitted,

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\*Application for admission *pro hac vice* forthcoming