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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

RAYMOND J. PIRRELLO, JR., MARCELLO FOLLANO, ROBERT CASSINO, ANTHONY DITUCCI, JOSEPH RIVERA, PRIOR 2 IPO INC., LATE STAGE ASSET MANAGEMENT, LLC, PRE IPO MARKETING INC., and JL RIVERA ENTERPRISES LTD.,

Defendants.

COMPLAINT

23 Civ. _____ ()

JURY TRIAL DEMANDED

Plaintiff Securities and Exchange Commission (“Commission”), for its Complaint against Defendants Raymond J. Pirrello, Jr. (“Pirrello”), Marcello Follano (“Follano”), Robert Cassino (“Cassino”), Anthony DiTucci (“DiTucci”), Joseph Rivera (“Rivera”), Prior 2 IPO Inc. (“Prior2IPO”), Late Stage Asset Management, LLC doing business as Late Stage Management (“Late Stage Management”), Pre IPO Marketing Inc. (“Pre IPO Marketing”), and JL Rivera Enterprises Ltd. (“JL Rivera Enterprises”) (collectively, “Defendants”), alleges as follows:

SUMMARY

1. Defendants used a network of unregistered sales agents to engage in unregistered offerings of securities in investment vehicles that provided access to shares of private companies that may hold an initial public offering (“Pre-IPO Companies”). But, Defendants procured investor funds by fraud, falsely telling investors that Defendants would only make money when investors made money—by taking a portion of any profits made after the Pre-IPO Companies went public—and that the investors would pay no upfront fees or commissions. Contrary to these representations, investors were charged exorbitant upfront markups on all investments, allowing Defendants to pocket millions of dollars before investors made a dime.

2. From at least March 2019 to July 2022, Defendants raised approximately \$528 million from more than 4,000 investors located across the country, including in this District, and internationally. In exchange for their investments, investors received securities—interests in a subsection (called a “Series”) of one of at least fifty private investment funds (the “Late Stage Funds”). Each Series invested in pre-IPO shares of specific Pre-IPO Companies (“Pre-IPO Shares”).

3. Defendants used unregistered sales agents to sell the interests in Pre-IPO Shares held by the Late Stage Funds. Defendants and their affiliated unregistered sales agents solicited investments in the Late Stage Funds as a way for investors to access Pre-IPO Shares without paying upfront fees and commissions.

4. Through both written materials and their vast network of sales agents, Defendants falsely told investors that there were no upfront fees and that they would only pay a fee in the form of a percentage on profits (if any) earned on the back end, after the relevant Pre-IPO Companies went public.

5. Contrary to these representations, however, Defendants earned handsome upfront

profits from markups on the Pre-IPO Shares that, depending on the Pre-IPO Companies at issue, were as high as 150% above the prices the Late Stage Funds paid for such shares. In total, Defendants paid themselves and Prior2IPO's affiliated sales agents approximately \$88.6 million in undisclosed markups.

6. Defendants also concealed from investors the identity of Pirrello—the head of Late Stage Funds' affiliated salesforce. In August 2019, a jury had found Pirrello liable for insider trading in a Commission enforcement action and, in September 2019, the Commission barred Pirrello from associating with brokerage firms and certain other types of firms in the securities industry.

7. Additionally, Defendants violated the securities and broker-dealer registration provisions of the federal securities laws. First, none of the offers or sales of interests in the Late Stage Funds were registered with the Commission and no exemption from registration applied to these securities offerings because, among other reasons, Pirrello was barred from the brokerage industry. Second, Defendants and their sales agents, all of whom received transaction-based compensation in the form of commissions, acted as brokers without being registered as broker-dealers or associated with registered broker-dealers.

8. Finally, in violation of another provision of the federal securities laws, Pirrello acted a broker despite a Commission order barring him from associating with a broker-dealer.

VIOLATIONS

9. By virtue of the foregoing conduct and as alleged further herein, 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)], Sections 10(b) and 15(a) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78j(b) and 78o(a)], and Rule 10b-5 [17 C.F.R. § 240.10b-5]; Pirrello and Follano aided and abetted the violations by Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management,

Pre IPO Marketing, and JL Rivera Enterprises of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5], and the violations by Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises of Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)]; Pirrello is liable as a control person for the violations by Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises of 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] pursuant to Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)]; and Pirrello violated Section 15(b)(6)(B)(i) of the Exchange Act [15 U.S.C. § 78o(b)(6)(B)(i)].

10. Unless Defendants are restrained and enjoined, they will engage in the acts, practices, transactions, and courses of business set forth in this Complaint or in acts, practices, transactions, and courses of business of similar type and object.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

11. The Commission brings this action pursuant to the authority conferred upon it by Securities Act Sections 20(b) and 20(d) [15 U.S.C. §§ 77t(b) and 77t(d)], and Exchange Act Section 21(d) [15 U.S.C. § 78u(d)].

12. The Commission seeks a final judgment: (a) permanently enjoining Defendants from violating the federal securities laws and rules this Complaint alleges they have violated, alleges they have aided and abetting violations of, or alleges they are liable for violating as control persons; (b) ordering Pirrello to disgorge all ill-gotten gains he received as a result of the violations alleged here and to pay prejudgment interest thereon, pursuant to Exchange Act Sections 21(d)(3), 21(d)(5), and 21(d)(7) [15 U.S.C. §§ 78u(d)(3), 78u(d)(5), and 78u(d)(7)]; (c) ordering Follano to disgorge all ill-gotten gains he received as a result of the violations alleged here and to pay prejudgment interest thereon, pursuant to Exchange Act Sections 21(d)(3), 21(d)(5), and 21(d)(7) [15 U.S.C. §§ 78u(d)(3),

78u(d)(5), and 78u(d)(7)]; (d) ordering Cassino, DiTucci, and Pre IPO Marketing, jointly and severally, to disgorge all ill-gotten gains they received as a result of the violations alleged here and to pay prejudgment interest thereon, pursuant to Exchange Act Sections 21(d)(3), 21(d)(5), and 21(d)(7) [15 U.S.C. §§ 78u(d)(3), 78u(d)(5), and 78u(d)(7)]; (e) ordering Rivera and JL Rivera Enterprises, jointly and severally, to disgorge all ill-gotten gains they received as a result of the violations alleged here and to pay prejudgment interest thereon, pursuant to Exchange Act Sections 21(d)(3), 21(d)(5), and 21(d)(7) [15 U.S.C. §§ 78u(d)(3), 78u(d)(5), and 78u(d)(7)]; (f) ordering Defendants to pay civil money penalties pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)]; (g) permanently prohibiting Pirrello, Follano, Cassino, DiTucci, and Rivera from serving as an officer or director of any company that has a class of securities registered under Exchange Act Section 12 [15 U.S.C. § 78l] or that is required to file reports under Exchange Act Section 15(d) [15 U.S.C. § 78o(d)], pursuant to Securities Act Section 20(e) [15 U.S.C. § 77t(e)] and Exchange Act Section 21(d)(2) [15 U.S.C. § 78u(d)(2)]; and (h) ordering any other and further relief the Court may deem just and proper.

JURISDICTION AND VENUE

13. This Court has jurisdiction over this action pursuant to Securities Act Section 22(a) [15 U.S.C. § 77v(a)] and Exchange Act Section 27 [15 U.S.C. § 78aa].

14. 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.

15. Venue lies in this District under Securities Act Section 22(a) [15 U.S.C. § 77v(a)] and Exchange Act Section 27 [15 U.S.C. § 78aa]. Defendants worked with sales agents located in this District, as well as nationwide, to solicit investors for the Late Stage Funds, including through Pre IPO Marketing and JL Rivera Enterprises, which Cassino, DiTucci, and Rivera used to conduct the

business of these entities. Additionally, certain acts, practices, transactions, and courses of business alleged in this Complaint occurred within this District, including communications with prospective investors in the Late Stage Funds, as well as sales of Series interests in the Late Stage Funds to investors located in this District. Furthermore, Defendants Cassino, DiTucci, and Rivera live in this District.

DEFENDANTS

16. **Pirrello**, age 47, resides in West Palm Beach, Florida, and Sparta, New Jersey. Pirrello was the founder and owner of Prior2IPO. From 1996 to 2016, Pirrello was a registered representative associated with various broker-dealers registered with the Commission. On August 14, 2019, Pirrello was found liable for insider trading, and on September 9, 2019, the court entered a final judgment enjoining him from future violations of Sections 10(b) and 14(e) of the Exchange Act, and Rules 10b-5 and 14e-3 thereunder. Securities and Exchange Commission v. Thomas W. Avent, Jr., et al., Case No. 1:16-cv-02459 (WMR) (N.D. Ga). On September 23, 2019, the Commission barred Pirrello from associating with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, and from participating in any offering of a penny stock. Raymond J. Pirrello, Jr., Exchange Act Release No. 87044 (Sept. 23, 2019) (the “Order”). From at least March 2019, Pirrello was not licensed or registered with the Commission in any capacity.

17. **Follano**, age 38, resides in Hobe Sound, Florida, and Caldwell, New Jersey. Follano was the founder, Managing Partner, and President of Late Stage Management and of several Late Stage Funds. From 2006 to 2015, Follano was a registered representative associated with various broker-dealers registered with the Commission. From at least March 2019, Follano was not licensed or registered with the Commission in any capacity.

18. **Cassino**, age 60, resides in Miller Place, New York. Cassino was a co-owner of Pre

IPO Marketing. From 1993 to 2008, Cassino was a registered representative associated with various broker-dealers registered with the Commission. From at least March 2019, Cassino was not licensed or registered with the Commission in any capacity.

19. **DiTucci**, age 31, resides in Great Neck, New York. DiTucci was a co-owner of Pre IPO Marketing. From 2014 to 2016, DiTucci was a registered representative associated with various broker-dealers registered with the Commission. From at least March 2019, DiTucci was not licensed or registered with the Commission in any capacity.

20. **Rivera**, age 44, resides in Elmont, New York. Rivera owns JL Rivera Enterprises. From 2000 to 2012, Rivera worked as a registered representative associated with various broker-dealers registered with the Commission. From at least March 2019, Rivera was not licensed or registered with the Commission in any capacity.

21. **Prior2IPO** is a New Jersey corporation incorporated in February 2017 with its principal place of business in Sparta, New Jersey. Prior2IPO solicited investors for pre-IPO investment opportunities. It has never been registered with the Commission in any capacity.

22. **Late Stage Management** is a Delaware limited liability company formed in February 2015 with its principal place of business in Montclair, New Jersey. Late Stage Management was the manager to the various Late Stage Funds. It has never been registered with the Commission in any capacity.

23. **Pre IPO Marketing** is a New York corporation incorporated in July 2018 with its principal place of business in Freeport, New York. Pre IPO Marketing operated as a branch office of Prior2IPO. It has never been registered with the Commission in any capacity.

24. **JL Rivera Enterprises** is a New York corporation incorporated in April 2020 with its principal place of business in Elmont, New York. JL Rivera Enterprises operated as a branch office of Prior2IPO. It has never been registered with the Commission in any capacity.

OTHER RELEVANT INDIVIDUALS AND ENTITIES

25. **Individual A**, age 44, was the founder and President of Company A, and served as a manager for various Late Stage Funds. From 2000 to 2015, Individual A was a registered representative associated with various broker-dealers registered with the Commission. Individual A is not currently licensed or registered with the Commission in any capacity.

26. **Individual B** age 33, was a registered representative associated with various Commission-registered broker-dealers between approximately 2011 to 2016. On August 15, 2017, the Financial Industry Regulatory Authority (“FINRA”)—a self-regulatory organization to which most Commission-registered broker-dealers belong—barred Individual B from associating with any FINRA member firm in any capacity. From in or around 2017, Individual B worked as a sales agent for Prior2IPO and also opened his own Prior2IPO affiliated sales office selling Late Stage Fund interests to investors. Individual B is not currently licensed or registered with the Commission in any capacity.

27. **Individual C** acted as a confidential source to law enforcement purporting to invest in Pre-IPO Shares held by the Late Stage Funds and solicit investors for the Late Stage Funds.

28. **Individual D** acted as a confidential source to law enforcement purporting to solicit investors for Pre-IPO Shares held by the Late Stage Funds.

29. **Individual E** acted as a confidential source to law enforcement purporting to solicit investors for Pre-IPO Shares held by the Late Stage Funds.

30. **Company A** was a Delaware limited liability company formed in February 2015 and a New Jersey limited liability company formed in 2020 with its principal place of business in Montclair, New Jersey. It was owned and controlled by Individual A. Company A was a private investment company that used its proprietary capital to seek investments in late-stage, Pre-IPO Companies from existing shareholders that were primarily based in the United States. Company A

has never been registered with the Commission in any capacity.

31. **Valeo Capital Corporation** (“Valeo Capital”) is a New Jersey corporation incorporated in June 2017 with its principal place of business in Sparta, New Jersey. It was owned and controlled by Pirrello.

32. **Vero Enterprise Holdings LLC** (“Vero Enterprise”) is a New Jersey limited liability company formed in December 2018 with its principal place of business in Montclair, New Jersey. It was owned and controlled by Follano.

33. **Pre-IPO Company A, Pre-IPO Company B, Pre-IPO Company C, Pre-IPO Company D, and Pre-IPO Company E** were each Pre-IPO Companies for which the Late Stage Funds owned Pre-IPO Shares.

FACTS

I. BACKGROUND

34. Pirrello, Follano, and Individual A are veterans of the securities industry. Since 2007, Pirrello, Follano, and Individual A have worked together, overlapping at various Commission-registered broker-dealers over the years.

35. Since at least March 2019, Pirrello, Follano, and Individual A worked together to acquire Pre-IPO Shares and then sell to investors limited liability company membership interests in specific Series of Late Stage Funds that owned the rights to those Pre-IPO Shares (“Interests”).

36. Pre-IPO Shares are often held by early-stage investors and private company employees and their family members and are not typically widely available to the investing public because they are not listed on a national securities exchange.

37. Pre-IPO Shares are attractive to investors due to the potential for high returns in the event the company does make a public offering and there is high demand for its shares, allowing the shares to be sold above their pre-IPO price.

38. Together, Defendants sold these Interests to individual members of the investing public.

II. THE LATE STAGE FUNDS' SECURITIES OFFERINGS AND THE FALSE OR MISLEADING OFFERING MEMORANDA AND SIDE LETTERS.

39. Individual A had primary responsibility for sourcing and acquiring Pre-IPO Shares on behalf of the Late Stage Funds.

40. Individual A caused Company A to acquire Pre-IPO Shares.

41. Then, through a series of open-ended stock purchase agreements, Follano, through Late Stage Management, caused the Late Stage Funds to purchase the rights to those Pre-IPO Shares from Company A.

42. Even though the Late Stage Funds had purchased the rights to those Pre-IPO Shares, Company A held the shares until a liquidity event (typically, an IPO), at which time the shares were distributed to the management of the Late Stage Funds to deliver to their investors.

43. The Late Stage Funds were a group of over fifty private investment funds, each of which was organized as a Delaware or New Jersey limited liability company.

44. As described in offering documents and related materials, the Late Stage Funds acquired Pre-IPO Shares of various Pre-IPO Companies. Each Late Stage Fund contained shares of numerous Pre-IPO Companies. Each separate Series was established for the purpose of making an equity investment in a specific Pre-IPO Company.

45. Late Stage Management's business model was to sell Interests in an applicable Series of a Late Stage Fund to investors.

46. Late Stage Management's website advertised its offerings as a chance for investors to obtain access to Pre-IPO Shares of private companies.

47. Pirrello, in consultation with Follano, set the equivalent price per share at which the corresponding Series Interests would be sold to investors.

48. Defendants, through Prior2IPO and several affiliated independent sales organizations (“ISOs”) operating under the Prior2IPO umbrella, solicited investors to purchase Interests in Series of the Late Stage Funds corresponding to shares in specific Pre-IPO Companies. To do so, Pirrello, Prior2IPO and its affiliated ISOs employed unregistered sales agents, including Cassino, DiTucci, and Rivera.

49. The sales agents were compensated on a per share basis based on the number of Pre-IPO Shares sold to the investing public.

50. Late Stage Management sent prospective investors offering documents for the relevant Late Stage Fund.

51. Each Late Stage Fund used similar offering documents containing substantially similar language, which included a general series investment letter, a private placement memorandum (“PPM”), a subscription booklet and operating agreement, a series-specific signature page to sign and date, and a suitability questionnaire, along with wire instructions for the fund.

52. Follano was named in some of the PPMs as the “Managing Partner of Late Stage Asset management LLC since its inception.”

53. Those PPMs touted Follano’s background and experience in the securities industry, including “expertise in private Pre-IPO opportunities.”

54. None of the PPMs named Pirrello.

55. The PPMs for the Late Stage Funds stated that during the term of each fund, “the Members will not be required to pay to the Fund any management fee” and that Late Stage Management or its affiliate “shall bear all the expenses of the Fund,” except the PPMs for certain funds specified that the investor “shall be responsible for any DTC transfer fee that may be imposed . . . in connection with the distribution of any Marketable Securities by the Company.”

56. The PPMs also stated that Late Stage Management would receive a “carried interest”

equal to twenty percent of any net profits realized by the Fund at the time the underlying pre-IPO shares or the proceeds from the sales of such pre-IPO shares were distributed to investors. In certain instances, Late Stage Management agreed to receive a lower percentage of the net profits (e.g., ten or fifteen percent) in its side letters with investors.

57. The carried interest was to be paid as a percentage of the Pre-IPO Shares after the IPO. In other words, Late Stage Management would keep its cut, generally twenty percent or less, as carried interest and transfer the remainder of the Pre-IPO Shares to investors.

58. The PPMs also claimed that Late Stage Management and its affiliates “may” charge a “mark-up.”

59. The PPMs did not disclose that investors were charged a markup on every investment transaction.

60. Thus, investors who were told by Defendants that Defendants would only make money after a Pre-IPO Company went public believed that they were purchasing Series Interests backed by Pre-IPO Shares at approximately the same prices paid by the Late Stage Funds.

61. If an investor wanted to invest in a Series, the investor sent back a completed subscription agreement, purchaser questionnaire, and money to Late State Management.

62. Then, Late State Management sent the investor a side letter confirming the investor’s acquisition of Interests in a Series of a Late Stage Fund.

63. The side letters included the amount of the investment, and the equivalent number of Pre-IPO Shares purchased by the investor.

64. The side letter was signed by both the investor and the manager of the relevant Late Stage Fund.

65. Follano signed numerous side letters as manager of several of the Late Stage Funds.

66. The side letters stated that it was “a legally binding document that memorializes

various terms of the [i]nvestment that are (1) not documented elsewhere; and/or (ii) may conflict with various provisions of the limited liability company operating agreement of the [f]und.”

67. Each side letter further provided that it “constitutes a valid and binding obligation of the Manager, the Fund and the Purchaser, and supersedes any actual or potentially conflicting wording in the Subscription Booklet of the Fund and the Operating Agreement.”

68. The side letters also stated that “[t]here are no fees what-so-ever attached to this investment other than the [c]arried [i]nvestment documented” in the side letter. The side letters outlined the “carried interest” or profit-sharing percentage the parties agreed to, with the standard fee being twenty percent of any profit the investor realizes. Certain side letters provided for a lower fee.

69. For example, a side letter signed by Follano dated June 26, 2019 with an investor who purchased Series Interests corresponding to shares in Pre-IPO Company D advised that “[t]here are no fees what-so-ever attached to this investment other than the Carried Interest documented... above” and that “[a]ny other fees...shall be null and void.”

70. Similarly, a side letter signed by Follano dated August 20, 2019 with another investor who purchased Series Interests corresponding to shares in Pre-IPO Company D also contained the exact same language.

71. And, a side letter signed by Follano dated March 3, 2021 with an investor who purchased Series Interests corresponding to shares in Pre-IPO Company E advised that “[t]here are no fees what-so-ever attached to this investment other than the Carried Interest documented...above” and that “[a]ny other fees...shall be null and void.”

72. Between approximately March 2019 and July 2022, Defendants sold Series Interests in the Late Stage Funds to more than 4,000 investors located nationwide and internationally.

73. Between approximately March 2019 and July 2022, Defendants raised at least

approximately \$528 million from investors for the Late Stage Funds.

74. When Late Stage Management received money from investors, it transferred the investor funds to Company A.

75. Notwithstanding the representations to the contrary described above, Defendants always charged substantial up-front fees on every investment in the form of an undisclosed markup—that is, the difference between the price at which Pirrello and Follano acquired the Pre-IPO Shares and the price at which Defendants sold corresponding Series Interests to investors.

76. The undisclosed markups ranged between 3% and 150% per Pre-IPO Company.

77. Upon its receipt of investor funds, Company A distributed the undisclosed markups to Defendants by paying Vero Enterprise for Follano, Valeo Capital for Pirrello, and Defendants' sales agents.

78. In turn, Pirrello caused Valeo Capital to pay Defendants' sales agents their transaction-based commissions based on the number of Pre-IPO Shares they sold to investors.

79. Between 2019 and 2022, Valeo Capital received approximately \$78 million from Company A, representing Pirrello and Defendants' sales agents' share of the undisclosed markups connected to the sale of securities to Late Stage Fund investors.

80. Between 2019 and 2022, Vero Enterprise received approximately \$10.3 million from Company A, representing Follano's share of the undisclosed markups connected to the sale of securities to Late Stage Fund investors.

III. DEFENDANTS FALSELY TOLD INVESTORS THERE WERE NO UPFRONT FEES IN OTHER COMMUNICATIONS.

81. On its website, Prior2IPO advertised itself as “connect[ing] private accredited investors to shares of the largest industry disruptors. Sometimes at discounts as much as 50% of the expected IPO.”

82. The website further stated that the “Late Stage Investment Family of Funds” was

Prior2IPO's "largest client" and listed the reasons Prior2PIO chose Late Stage Management, including because "there are no upfront fees."

83. This "no upfront fee" selling point was prominently featured by the Defendants in investor communications and marketing materials, including on Prior2IPO's website, in its social media posts, its pitch books, in the scripts and written communications used by sales agents, in Prior2IPO videos posted on YouTube, LinkedIn and other social media sites, and on Prior2IPO-related podcasts.

84. Sales agents who wanted to sell Late Stage Fund Pre-IPO Shares, like Cassino, DiTucci, and Rivera, met with Pirrello, Follano, and Individual A at their offices in Montclair, New Jersey, to discuss the mechanics of the Prior2IPO and Late Stage Management business.

85. To procure investments, Prior2IPO and its affiliated sales agents solicited potential investors through paid advertisements on various social media platforms such as Facebook and LinkedIn and through investor referrals.

86. During solicitations, the sales agents made no mention of markups, let alone the exorbitant nature of the markups charged on every investment in the Late Stage Funds, in the advertisements, marketing materials, investor communications, or Late Stage Management's and Prior2IPO's websites.

87. On sales calls with prospective investors, Pirrello, Follano, Cassino, DiTucci, Rivera, and other affiliated sales agents routinely pitched the Late Stage Funds' offerings of Pre-IPO Shares by stating that, unlike other funds, the Late Stage Funds profited only by taking twenty percent of investors' profits when the Pre-IPO Companies went public and did not charge any upfront fees or commissions.

88. For example, during a recorded call on January 28, 2021, with Individual C, a sales agent, and a potential investor, Cassino falsely stated that there are "no fees on the front end, only

on the backend. Twenty percent of the profit.”

89. Similarly, during a call on February 28, 2022, with Individual C, Pirrello discussed Pre-IPO Shares in Pre-IPO Company A. In response to Individual C asking whether he pays the same price that Late Stage pays, Pirrello falsely stated that “Late Stage always buys from where they buy at the price that you’re paying.” In fact, Defendants charged a markup of approximately 50% on shares of Pre-IPO Company A.

90. Likewise, during a call on March 2, 2022, with Individual C, Follano falsely confirmed that the Late Stage Funds did not charge any upfront fees and only took 20% of the profit on the back end. He explained that he used to charge upfront fees, but he “[doesn’t] need to charge any upfront fees anymore,” that he “always felt it’s better up front for every dollar to go to work for you in the investment,” and that not charging upfront fees was a way to “separate[e] [him]self from everyone else.” He further stated that “the only fee that you will pay is the same fee I pay from the brokerage firms to deliver me my shares...it’s like 75, 100 bucks.”

91. And, during a call on March 8, 2022, with Individual D and a potential investor, Rivera falsely said that “we don’t charge any upfront fees” and that “the only fee that they do charge is on the backend.” Rivera explained that it’s “kind of like a performance fee...it’s based off of the profits. It’s called carried interest...it’s twenty percent of only the profits.”

92. Based on representations by Pirrello, Follano, Cassino, DiTucci, Rivera, and other sales agents affiliated with Prior2IPO, investors generally understood that they were not being charged any upfront fees or commissions and that they were paying approximately the same price for Series Interests backed by Pre-IPO Shares that Late Stage Management paid to acquire its interest in the Pre-IPO Shares. This understanding was important to investors’ decisions to invest in the Late Stage Funds.

IV. DEFENDANTS KNEW INVESTORS WERE BEING CHARGED MARKUPS.

93. Defendants knew or recklessly disregarded that investors were being charged markups and actively concealed the markups from investors in order to procure investments.

94. As the founder and President of Prior2IPO, Pirrello controlled the sales efforts for the Late Stage Funds. Pirrello oversaw and managed the supervising sales agents of the ISOs affiliated with Prior2IPO, including Cassino, DiTucci, Rivera, Pre IPO Marketing, and JL Rivera Enterprises.

95. In an email dated November 11, 2019, Pirrello instructed the sales agents associated with ISOs that if their emails used the name of the ISO, they should “edit the disclaimer to say you[re] from Prior2IPO.”

96. When Pirrello was not available for the sales agents, he directed the sales agents to contact Follano and Individual A.

97. Pirrello directed Prior2IPO and its affiliated ISOs and sales agents, including Cassino, DiTucci, Rivera, Pre IPO Marketing, and JL Rivera Enterprises, to tell investors that there were no upfront fees, to never mention commissions, and to portray themselves as “marketers.” Pirrello repeated these instructions during regular Zoom calls with the sales agents.

98. For example, during a call on December 8, 2021, with sales agents, including Rivera, Pirrello cautioned that “no one gets paid commissions” and that “no one works for commissions.” Pirrello said that sales agents should never disclose the pricing sheets (which contained the purchase price and sale price of the Pre-IPO Shares) he circulated. Pirrello further instructed the sales agents not to speak to regulators and to reach out to him if they were approached by regulators. Pirrello also warned the sales agents that he was going to fire people who did not follow his instructions.

99. Pirrello also regularly communicated with the sales agents, including Cassino, DiTucci, and Rivera, through email or by posting to a shared Dropbox account regarding the

inventory of available Pre-IPO Shares and their pricing.

100. Cassino, DiTucci, and Rivera received Pirrello's emails, and had access to the shared Dropbox account.

101. Pirrello's inventory lists, or pricing sheets, in the shared Dropbox account identified the fund's cost, the fixed price(s) shares could be sold for, the number of shares available, the company's outstanding shares, its current valuation, and its projected IPO valuation. These pricing lists made clear to recipients that Prior2IPO was charging up-front markups on the Pre-IPO shares because sales agents could see that the prices they were selling Pre-IPO Shares to investors at was higher, and in many cases much higher, than the prices at which Late Stage Funds purchased the Pre-IPO Shares.

102. The markups charged ranged between 3% and 150%.

103. Pirrello also regularly texted the sales agents, including Cassino, DiTucci, and Rivera, about the markups for particular Pre-IPO Shares.

104. For example, in a text message to Prior2IPO's sales agents on June 20, 2020, which included Cassino, DiTucci, and Rivera, Pirrello texted, "just obtained 7000 more shares of [Pre-IPO Company B] ... at \$45 ... first come first serve on money in ... 55\$ only on [Pre-IPO Company B] to [sic] to get ... for clients." Thus, Pirrello's text made clear that investors were being charged a 22.2% markup.

105. Similarly, in a text message to Prior2IPO's sales agents on June 23, 2020, which included Cassino, DiTucci, and Rivera, Pirrello texted, "just acquired 2450 more shares of [Pre-IPO Company C] at 105\$ go out at \$125." Thus, Pirrello's text made clear that investors were being charged a 19% markup.

106. Using these numbers, sales agents kept track of their share of the markups for selling interests and later sent invoices to Pirrello through Valeo Capital.

107. Sales agents received their share of the upfront markups in cash and their share of the back-end carried interest in shares of the investors' stock.

108. Defendants also explained to potential sales agents how sales agents made money right away, despite telling investors that there were no upfront fees.

109. For example, during a meeting on October 21, 2021, with Individual E, Pirrello explained that he set up the Late Stage Fund and the payment structure so that sales agents did not get paid from the fund. Pirrello stated that he “g[ot] rid of the upfront fees” and though “we try to never use the term commissions...we try to average the guys around fifty.” He then provided an example of certain Pre-IPO Shares that the Late Stage Funds acquired at \$605 per share and were selling at \$655 or \$725 per share. He explained that brokers get paid “fifty percent of the markup that we created, and they get fifty percent of the carried interest.”

110. Similarly, during a meeting on February 12, 2021, with Individual C and DiTucci, Cassino explained how the sales agent would make money upfront and on the back end if an investor he brought in purchased Series Interests. Cassino explained that the investor would not know about the upfront profit because “the fund pays the branch and we pay you.”

111. Likewise, during a meeting on February 16, 2022, Rivera explained to Individual D how he would be compensated by stating that “you get paid commission, you get paid on the backend for performance also.”

112. And, during a call on March 8, 2022, Rivera explained to Individual D that, if he were to get an investor to invest in a particular Pre-IPO Company, the potential sales agent would make money upfront on the markup. Rivera further assured the potential sales agent that investors would not know about the markups by stating, “as far as the clients are concerned, like, there’s no upfront fees. There’s nothing on the paperwork, there’s no markup there or anything. So, yeah, you don’t have to worry about that.”

113. Finally, during a call on March 16, 2022, call, Rivera explained to Individual D that the price of a stock's IPO is what "affects the backend not what you're going to make upfront ... as far as what we get paid, no, that doesn't change. But, what changes is if [the investor] doesn't make money, we don't make money on the back, on profits, we don't make anything on that end, on the backend. So, in [the investor's] eyes, we don't make a commission." Rivera cautioned, "the client never sees the markups so don't ever mention markups."

114. Defendants used the undisclosed markups to obtain upfront transaction-based compensation and to pay commissions to their unregistered sales agents.

115. Defendants received a total of at least approximately \$42 million—all before any investor obtained any profits and in addition to Late Stage Management's percent of the profit on the backend.

116. From March 2019 to July 2022, Pirrello, directly and through Valeo Capital, received approximately \$18.9 million in undisclosed markups.

117. From March 2019 to July 2022, Follano, through Vero Enterprise, received approximately \$10.3 million in undisclosed markups.

118. Follano knew the amounts he received were for undisclosed markups—not backend profits after an IPO—because he received these amounts in cash (not stock) and because he received these amounts before the underlying companies had held an IPO or other liquidity event.

119. From March 2019 to July 2022, Cassino and DiTucci, through Pre IPO Marketing, received approximately \$9.3 million in undisclosed markups.

120. From March 2019 to July 2022, Rivera, through JL Rivera Enterprises, received approximately \$3.6 million in undisclosed markups.

V. DEFENDANTS CONCEALED PIRRELLO'S IDENTITY.

121. Defendants concealed Pirrello's identity to hide his disciplinary history—his liability

for insider trading in a prior Commission enforcement action and his Commission bar order—from prospective investors.

122. In a version of the Prior2IPO pitch deck circulated to Defendants’ sales agents for soliciting investors, Pirrello was identified as “Our Founder Raymond John,” alongside his picture.

123. Similarly, Pirrello’s signature block on his Prior2IPO email account identified him as “Raymond John” and as the founder of Prior2IPO.

124. Pirrello used this email account to email Follano, Cassino, DiTucci, and Rivera, among others.

125. During a meeting on October 21, 2021, with Individual E, Pirrello explained why he concealed his identity. He noted, “I got in trouble back in ’16 for trades that were done in ’11...it was an insider trading thing” and that the case “ended up going civil and I lost the civil trial.” Pirrello further explained, “[F]or me, I said you have to separate church from state and mostly it was to isolate me from the whole game, right? I figured if I was involved, and I lost my case, that it would, it would, you know, wreck the whole thing anyway, so I wanted to keep my name out of it. So, I said let’s start a marketing company.”

126. Follano, Cassino, DiTucci, and Rivera knew or recklessly disregarded that Pirrello concealed his identity in the sale of the Pre-IPO Shares of the Late Stage Funds.

127. For example, during a January 28, 2021, call among Cassino, Individual C, and other sales agents, Cassino was asked for Pirrello’s last name to look up Pirrello, and Cassino replied, “[T]hat’s a bad idea...he had some regulatory issues.”

128. Similarly, during a February 12, 2021, meeting among Individual C, Cassino, and DiTucci, Individual C wondered how Pirrello was the boss because “that guy Roy, Ray...I looked at him, I googled him and I’m like how...is this guy the boss? He looks like a...mess...I gotta worry about this guy paying me...I was a little nervous.” Cassino assured the potential sales agent that he

would get paid and DiTucci told him not to worry because “you’re never going to hear the name Raymond ever.”

129. And, in a March 24, 2022, recording call between Rivera and Individual D, Individual D stated that a potential investor asked Individual D if he was friends with Ray because the potential investor was “poking around and...sounded concerned. So...I brushed him off...and then I was like let me find out from Joe before I tell him anything. I don’t want to tell him the wrong thing.” Rivera replied, “I have known Ray personally. I mean, I’ve known Ray for years.” Rivera then stated he is “curious to know how he knows Ray,” asked for the investor’s last name, and stated that “I’ll ask Ray too, like, how he knows him.”

130. Despite Pirrello’s role in structuring and managing the Late Stage Funds, Pirrello and Follano purposefully left Pirrello’s name off documents relating to the Late Stage Funds.

131. Pirrello and Follano knew about Pirrello’s essential role with respect to the Late Stage Funds.

132. For example, during a meeting on October 21, 2021, with Individual E, Pirrello acknowledged that “we set the fund up,” referring to himself, and his “friends” and “partners,” meaning Follano and Individual A.

133. Defendants concealed Pirrello’s identity because they knew that Pirrello’s prior regulatory troubles would impact investors’ decisions to invest in the Late Stage Funds and run afoul of the Commission’s regulations.

VI. THE OFFERINGS OF SERIES INTERESTS IN THE LATE STAGE FUNDS VIOLATED OFFER AND SALE REGISTRATION PROVISIONS.

134. Securities Act Section 5 [15 U.S.C. § 77e] makes it unlawful for any person, directly or indirectly, to offer or sell securities, unless a registration statement is filed with the Commission and is in effect as to such offer or sale.

135. None of the Series Interests offered or sold by Defendants were offered or sold pursuant to a registration statement filed with the Commission.

136. No valid exemptions from registration applied.

137. Defendants purported to offer the Series interests on the basis of Rule 506(c) of Regulation D [17 C.F.R. § 230.506(c)], a Commission regulation that provides a safe-harbor registration exemption under Securities Act Section 4(a)(2) (“Section 4(a)(2)”) for qualifying private offerings.

138. The offerings of the Series interests in the Late Stage Funds did not qualify for a safe-harbor exemption under Rule 506(b) because Defendants used general solicitation by advertising their offerings on social media.

139. However, the sales of Series Interests did not qualify for a safe-harbor exemption because of Pirrello’s role, including as a key promoter behind soliciting investors in these securities offerings after September 23, 2019, when he was barred from association with, among other entities, any broker, dealer, or investment adviser and was deemed a “bad actor” under Rule 506(d) for purposes of Rule 506(b) and (c) [17 C.F.R. § 230.506(d)(1)(vi)].

140. As alleged in Paragraph 133, during a meeting on October 21, 2021, with Individual E, Pirrello stated that “we set the fund up,” referring to himself, and his “friends” and “partners,” meaning Follano and Individual A. Pirrello also acknowledged his management of the Late Stage Funds and stated that “Prior2IPO...[is] the largest pre-IPO marketing company in the world. And we have a pretty interesting structure, but Late Stage Funds is us, so all of our business goes into the Late Stage Funds.”

141. Similarly, Individual B was barred by FINRA in August 2017 and was disqualified as a “bad actor” under Rule 506(c) [17 C.F.R. § 230.506(d)(1)(vi)]. Individual B’s involvement as a sales agent who was paid for soliciting investors for Defendants in and after March 2019 similarly

disqualifies the offerings from a registration exemption.

VII. DEFENDANTS' SALES EFFORTS VIOLATED THE BROKER-DEALER REGISTRATION PROVISIONS AND PERILLO VIOLATED HIS BAR ORDER.

142. Exchange Act Section 15(a)(1) makes it unlawful for any broker or dealer “to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security” unless such broker or dealer is registered with the Commission. 15 U.S.C. § 78o(a)(1).

143. To sell the Series Interests to investors, Defendants worked with a network of sales agents who were not licensed broker-dealers or associated with registered brokerage firms. In fact, one sales agent, Individual B, had been barred from working as a securities broker by FINRA.

144. Pirrello and Follano met with each supervisory sales agent who joined their sales force to go over the structure, procedures, and inner workings of their pre-IPO business.

145. Follano had primary responsibility for handling customer funds which were deposited into bank accounts held by the various Late Stage Funds and controlled by Follano.

146. Pirrello had primary responsibility for managing the sales agents and directed a network of sales agents around the country through which he controlled the sales efforts for the Late Stage Funds.

147. During a meeting on October 21, 2021, with Individual E, Pirrello stated that “we have offices all over the country” and “we got 200 guys” working as sales agents.

148. Pirrello provided sales agents affiliated with Prior2IPO, including Cassino, DiTucci, and Rivera, with access to Prior2IPO’s proprietary back-office system to enter orders, keep track of investor accounts, view each affiliated ISO’s monthly sales totals, and access templates he created for communications with investors, such as email formats and disclaimers.

149. Pirrello also provided many of these sales agents with email addresses that identified them as employees of Prior2IPO.

150. Additionally, as alleged in paragraph 96, Pirrello instructed the sales agents who used emails associated with their ISOs to “edit the disclaimer to say you[’re] from Prior2IPO.”

151. Prior2IPO and its affiliated ISOs ran makeshift offices used to solicit investors, located in this District and elsewhere including, but not limited to, other locations in New York, New Jersey, and Florida.

152. Over time, in an effort to obscure the relationship between Prior2IPO, its affiliated ISOs, and Late Stage Management, Pirrello used a separate entity, Valeo Capital, to enter into introducing agreements (“Introducing Agreements”) with approximately twenty active affiliated ISOs that functioned as branch offices of Prior2IPO, including Pre IPO Marketing and JL Rivera Enterprises.

153. Pirrello typically signed the Introducing Agreements.

154. The Introducing Agreements specified that the introducers or ISO affiliates were not licensed broker-dealers or registered representatives under any state or federal securities laws.

155. Yet, pursuant to these Introducing Agreements, the ISO affiliates would receive monthly transaction-based compensation from Valeo Capital for the Late Stage Fund investors that they successfully solicited pursuant to their individual fee-splitting arrangements with Pirrello.

156. The commissions—transaction-based compensation that was a percentage of the amounts of money each ISO affiliate raised for the Late Stage Funds—received by the ISO, including Pre IPO Marketing and JL Rivera Enterprises, was funded from the undisclosed upfront markups Defendants charged the investors in the Late Stage Funds for Pre-IPO Shares.

157. Pirrello and Follano caused the payment of the commissions to the supervisory sales agents, including Cassino, DiTucci, and Rivera.

158. Pirrello and Follano also paid themselves their portion of the undisclosed upfront markups.

159. From at least March 1, 2019, through July 2022, Valeo Capital paid approximately \$60 million of the markups it received from Company A in the form of undisclosed commissions to Prior2IPO and its affiliated ISOs while retaining over \$18 million for Pirrello.

160. Pirrello, Follano, Cassino, DiTucci, and Rivera were also unregistered sales agents who acted as securities brokers.

161. After being barred in September 2019, Pirrello continued to manage the Late Stage Funds' sales force, which solicited investments in the Series Interests.

162. Cassino, DiTucci, and Rivera participated with regularity in the selling of securities; their job was to solicit investors for the Late Stage Funds. They each personally communicated with investors about the Late Stage Funds and recommended investments to investors.

163. In a text message to Prior2IPO's sales agents on June 12, 2020, which included Cassino, DiTucci, and Rivera, Pirrello texted, "[a]nd the weekly winner is drumroll Bobby and Anthony take the week," referring to Cassino and DiTucci being the top producers of investments that week.

164. Additionally, Cassino, DiTucci, and Rivera and their companies, Pre IPO Marketing and JL Rivera Enterprises, hired, supervised, and directed others to act as unregistered sales agents of the Late Stage Funds.

165. Defendants knew that the sales agents they recruited to sell securities for the Late Stage Funds were not associated with a registered broker at the time of those sales.

166. For example, during a December 8, 2021, video call with sales agents, including Rivera, Pirrello cautioned that "we should not ever represent ourselves as Late Stage" and that "the fund does not have salespeople" because the sales agents were not licensed. He explained that he intentionally set up the fund this way, and "we've created the largest marketing company in the world in Pre-IPO...we sell our leads. Nobody gets paid a commission. There is no pricing that is ever to be

divulged to anybody in the world of what we do in terms of our marketing expenses...nobody works for commission ever. It's marketing fees.”

167. Though Pirrello, Cassino, DiTucci, and Rivera disseminated the false narrative that they were “marketing” investments in the Late Stage Funds, in fact, Pirrello, Cassino, DiTucci, Rivera, Prior2IPO, Pre IPO Marketing, and JL Rivera Enterprises sold securities to investors for transaction-based compensation.

168. During a meeting on October 21, 2021, with Individual E, Pirrello explained that “Prior2IPO...[is] the largest pre-IPO marketing company in the world. And we have a pretty interesting structure, but Late Stage Funds is us, so all of our business goes into the Late Stage Funds.” When asked if Follano “runs for the fund for you?” Pirrello replied that Follano “runs Late Stage” and agreed that Follano “essentially works for” Pirrello.

169. Exchange Act Section 15(b)(6)(B)(i) makes it unlawful for any person who is barred by the Commission from associating with a broker-dealer “to become, or to be, associated with a broker or dealer in contravention of such order,” without the consent of the Commission. [15 U.S.C. § 78o(b)(6)(B)(i)].

170. By acting as a securities broker, Pirrello violated the September 23, 2019 Commission order barring him from associating with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, and from participating in any offering of a penny stock.

171. All of Pirrello, Follano, Cassino, DiTucci, and Rivera’s false and misleading statements and omissions, their additional deceptive conduct, and their knowledge, recklessness and/or negligence were and are imputed to their companies, Prior2IPO, Late Stage Management, Pre IPO Marketing (Cassino and DiTucci), and JL Rivera Enterprises, respectively.

FIRST CLAIM FOR RELIEF
Violations of Securities Act Section 17(a)
(All Defendants)

172. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 7, 9 through 134, and 144 through 168.

173. Defendants, directly or indirectly, singly or in concert, in the offer or sale of securities and by the use of the means or instruments of transportation or communication in interstate commerce or the mails, (1) knowingly or recklessly have employed one or more devices, schemes or artifices to defraud, (2) knowingly, recklessly, or negligently have obtained money or property by means of one or more untrue statements of a material fact or omissions 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/or (3) knowingly, recklessly, or negligently have engaged in one or more transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

174. By reason of the foregoing, Defendants, directly or indirectly, singly or in concert, have violated and, unless enjoined, will again violate Securities Act Section 17(a) [15 U.S.C. § 77q(a)].

SECOND CLAIM FOR RELIEF
Aiding and Abetting Violations of Securities Act Section 17(a)
(Pirrello and Follano)

175. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 7, 9 through 134, and 144 through 168.

176. Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises violated Securities Act Section 17(a) in the offer or sale of the Series Interests.

177. Specifically, Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises, directly or indirectly, singly or in concert, in

the offer or sale of securities and by the use of the means or instruments of transportation or communication in interstate commerce or the mails, (i) knowingly or recklessly have employed one or more devices, schemes or artifices to defraud, (ii) knowingly, recklessly, or negligently have obtained money or property by means of one or more untrue statements of a material fact or omissions 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/or (iii) knowingly, recklessly, or negligently have engaged in one or more transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

178. Pirrello and Follano knowingly or recklessly provided substantial assistance to the violations by Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises.

179. By reason of the foregoing, Pirrello and Follano are liable pursuant to Securities Act Section 15(b) [15 U.S.C. § 77o(b)] for aiding and abetting the violations by Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises of Securities Act 17(a) [15 U.S.C. § 77q(a)] and, unless enjoined, Pirrello and Follano will again aid and abet these violations.

THIRD CLAIM FOR RELIEF
Violations of Exchange Act Section 10(b) and Rule 10b-5 Thereunder
(All Defendants)

180. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 7, 9 through 134, and 144 through 168.

181. Defendants, directly or indirectly, singly or in concert, in connection with the purchase or sale of securities and by the use of means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange, knowingly or recklessly have (i) employed

one or more devices, schemes, or artifices to defraud, (ii) made one or more untrue statements of a material fact or omitted to state one or more material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and/or (iii) engaged in one or more acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

182. By reason of the foregoing, Defendants, directly or indirectly, singly or in concert, have violated and, unless enjoined, will again violate Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

FOURTH CLAIM FOR RELIEF
Aiding and Abetting Violations of Exchange Act Section 10(b) and Rule 10b-5 Thereunder
(Pirrello and Follano)

183. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 7, 9 through 134, and 144 through 168.

184. As alleged above, Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises violated Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5(b) [17 C.F.R. § 240.10b-5(b)] thereunder.

185. Pirrello and Follano knowingly or recklessly provided substantial assistance to Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises with respect to their violations of Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5(b) [17 C.F.R. § 240.10b-5b] thereunder.

186. By reason of the foregoing, Pirrello and Follano are liable pursuant to Exchange Act Section 20(e) [15 U.S.C. § 78t(e)] for aiding and abetting the violations by Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises of Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5(b) [17 C.F.R. § 240.10b-5(b)] thereunder and, unless enjoined, Pirrello and Follano will again aid and abet these violations.

FIFTH CLAIM FOR RELIEF

**Control Person Liability for Violations of Exchange Act Section 10(b) and Rule 10b-5(b)
(Pirrello)**

187. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 7, 9 through 134, and 144 through 168.

188. As alleged above, Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises violated Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

189. At all relevant times, Pirrello controlled Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises and was a culpable participant in the violations by Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises of Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

190. By reason of the foregoing, pursuant to Exchange Act Section 20(a) [15 U.S.C. § 78t(a)], Pirrello is liable as a control person for the violations by Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises of Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

SIXTH CLAIM FOR RELIEF

**Violations of Exchange Act Section 15(a)
(All Defendants)**

191. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 7, 9 through 121, and 143 through 168.

192. Defendants, while not registered with the Commission as a broker or dealer or associated with a registered broker or dealer, made use of the mails or any means or instrumentality of interstate commerce to effect transactions in, or to induce or attempt to induce the purchase or sale of, any security without being registered with the Commission as a broker-dealer.

193. By reason of the foregoing, Defendants directly or indirectly, singly or in concert, violated, and, unless enjoined, will again violate Exchange Act Section 15(a) [15 U.S.C. § 78o(a)].

SEVENTH CLAIM FOR RELIEF
Aiding and Abetting Violations of Exchange Act Section 15(a)
(Pirrello and Follano)

194. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 7, 9 through 121, and 143 through 168.

195. As alleged above, Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises violated Exchange Act Section 15(a) [15 U.S.C. § 78o(a)].

196. Pirrello and Follano knowingly or recklessly provided substantial assistance to Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises with respect to their violations of Exchange Act Section 15(a) [15 U.S.C. § 78o(a)].

197. By reason of the foregoing, Pirrello and Follano are liable pursuant to Exchange Act Section 20(e) [15 U.S.C. § 78t(e)] for aiding and abetting the violations by Cassino, DiTucci, Rivera, Prior2IPO, Late Stage Management, Pre IPO Marketing, and JL Rivera Enterprises of Exchange Act Section 15(a) [15 U.S.C. § 78o(a)] and, unless enjoined, Pirrello and Follano will again aid and abet these violations.

EIGHTH CLAIM FOR RELIEF
Violations of Securities Act Sections 5(a) and (c)
(All Defendants)

198. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 7 and 9 through 142.

199. Defendants, directly or indirectly, singly or in concert, and notwithstanding the fact that there was no applicable exemption: (a) made use of means or instruments of transportation or communication in interstate commerce or of the mails to sell, through the use or medium of a prospectus or otherwise, securities as to which no registration statement was in effect; (b) for the

purpose of sale or for delivery after sale, carried or caused to be carried through the mails or in interstate commerce, by any means or instruments of transportation, securities as to which no registration statement was in effect; and/or (c) made use of 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 a prospectus or otherwise, securities as to which no registration statement had been filed.

200. By reason of the foregoing, Defendants violated and, unless enjoined, will again violate, Securities Act Sections 5(a) and 5(c) [15 U.S.C. §§ 77e(a) and 77e(c)].

NINTH CLAIM FOR RELIEF
Violations of Exchange Act Section 15(b)(6)(B)(i)
(Pirrello)

201. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 117 and 143 through 170.

202. Pirrello, having been previously barred by the Commission from associating with a broker-dealer effective September 23, 2019, and with such previous bar being in effect, willfully associated with a broker-dealer without the consent of the Commission.

203. By reason of the foregoing, Pirrello violated, and, unless enjoined, will again violate Exchange Act Section 15(b)(6)(B)(i) [15 U.S.C. § 78o(b)(6)(B)(i)].

PRAYER FOR RELIEF

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

I.

Permanently enjoining Defendants and their agents, servants, employees and attorneys and all persons in active concert or participation with any of them from violating, directly or indirectly, Securities Act Sections 5(a) and (c) and 17(a) [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)], and Exchange

Act Sections 10(b) and 15(a) [15 U.S.C. §§ 78j(b) and 78o(a)], and Rule 10b-5thereunder [17 C.F.R. §§ 240.10b-5]; and permanently enjoining Pirrello and his agents, servants, employees and attorneys and all persons in active concert or participation with any of them from violating, directly or indirectly, Section 15(b)(6)(B)(i) of the Exchange Act [15 U.S.C. § 78o(b)(6)(B)(i)].

II.

Ordering (i) Pirrello, (ii) Follano, (iii) Cassino, DiTucci, and Pre IPO Marketing jointly and severally, and (iv) Rivera and JL Rivera Enterprises jointly and severally to disgorge all ill-gotten gains they received directly or indirectly, with pre-judgment interest thereon, as a result of the alleged violations, pursuant to Exchange Act Sections 21(d)(3), 21(d)(5), and 21(d)(7) [15 U.S.C. §§ 78u(d)(3), 78u(d)(5), and 78u(d)(7)];

III.

Ordering Defendants to pay civil monetary penalties under Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)];

IV.

Permanently prohibiting Pirrello, Follano, Cassino, DiTucci, and Rivera from serving as an officer or director of any company that has a class of securities registered under Exchange Act Section 12 [15 U.S.C. § 78l] or that is required to file reports under Exchange Act Section 15(d) [15 U.S.C. § 78o(d)], pursuant to Securities Act Section 20(e) [15 U.S.C. § 77t(e)] and Exchange Act Section 21(d)(2) [15 U.S.C. § 78u(d)(2)];

V.

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

JURY DEMAND

The Commission demands a trial by jury.

Dated: New York, New York
December 6, 2023

_____/s/ Antonia M. Apps_____
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