IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA

Civil Action No.

SECURITIES AND EXCHANGE COMMISSSION, Plaintiff v. GANESH H. BETANABHATLA, Defendant

COMPLAINT AND JURY DEMAND

Plaintiff Securities and Exchange Commission (the "Commission") alleges:

SUMMARY OF THE ACTION

1. Defendant Ganesh H. Betanabhatla ("Betanabhatla" or "Defendant"), a private-fund manager, defrauded three issuers whose securities he committed to purchase in private securities offerings on behalf of investment funds he managed. Between March 2021 and August 2021, Betanabhatla signed subscription agreements to purchase a total of $263.5 million in stock in three private securities offerings. At the time, none of the investment funds Betanabhatla managed, nor the management firm he ran, Ramas Capital Management, LLC ("Ramas"), had the money to invest. Two of the securities offerings were private investment in public equity, or PIPE, offerings in connection with business combinations undertaken by two publicly traded special purpose acquisition companies, or SPACs. A SPAC is a publicly traded company formed to raise funds in an initial public offering and then acquire an operating company through a business combination financed, in part, by the money it raised from investors.

2. Moreover, Betanabhatla had no reasonable basis to believe that he would be able to raise the hundreds of millions of dollars he agreed to invest by the time the investment commitments became due. The funds he managed through Ramas had not raised any money since late 2019, and in the year preceding Betanabhatla's signing of the subscription agreements agreeing to purchase the stock, Ramas and the funds it managed had no more than $204,000 in their bank accounts at any point. This combined balance dropped to $11 by the time Betanabhatla signed the first subscription agreement.

3. Ultimately, none of the investments were funded, and the issuers were left to attempt to fill the gap in funding they had been anticipating, which in one case left the company raising capital without 60 percent of the money committed to the transaction.

4. To hide the fact that there was no money to invest, Betanabhatla falsified key documents and emails that he provided to the issuers and lied to at least one of the issuers about having $500 million on hand to invest.

5. By his actions, Betanabhatla violated the antifraud provisions of the federal securities laws. Specifically, Betanabhatla violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

6. The Commission requests, among other things, that the Court: (i) permanently enjoin Betanabhatla from further violating the federal securities laws as alleged in this complaint; (ii) prohibit Betanabhatla from acting as an officer or director of a publicly traded company; and (iii) order Betanabhatla to pay civil monetary penalties.

JURISDICTION AND VENUE

7. The Commission brings this action pursuant to Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

8. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

9. Defendant, directly or indirectly, made use of the means and instruments of interstate commerce or of the mails in connection with the acts, transactions, practices, and courses of business alleged in this complaint.

10. Venue is proper in this District pursuant to Section 27(a) of the Exchange Act [15 U.S.C. § 78aa(a)] because the Defendant resides in this District.

DEFENDANT

11. **Ganesh H. Betanabhatla**, 39 years old, resides in Omaha, Nebraska. Betanabhatla was the founder of Ramas, a now-defunct firm that managed three private equity funds until it ceased business in 2021. From at least 2016 to 2021, Betanabhatla was managing partner and chief investment officer of Ramas. Betanabhatla has worked in finance at investment banks and private equity firms since 2006. Betanabhatla was a defendant in a prior Commission enforcement action, SEC v. Ramas Cap. Mgmt, LLC and Ganesh H. Betanabhatla, No. 4:22-cv-02979 (S.D. Tex. filed Sept. 1, 2022).

OTHER RELEVANT ENTITY

12. **Ramas Capital Management, LLC**, was a Delaware limited liability company formed by Betanabhatla in 2012 as Oilchem, LLC, which changed its name to Ramas Capital Management, LLC in 2016. It was declared forfeited by the Delaware Secretary of State in May 2021. Betanabhatla, who was Ramas's founder, managing partner, and chief investment officer,

controlled Ramas. Ramas's principal place of business was Betanabhatla's former residence in Houston, Texas. At the time of the events described herein, Ramas had no employees, but engaged two consultants, Consultant 1 and Consultant 2 (together, the "Consultants"), to assist with sourcing and performing diligence on potential investment opportunities.

FACTUAL ALLEGATIONS

A. The First Securities Offering

13. In March 2021, a publicly traded SPAC ("SPAC 1") announced that it had entered into an agreement to engage in a business combination with a privately held operating company ("Target"). SPAC 1 also announced that it had received commitments from institutional investors to invest more than $330 million in a PIPE offering set to close concurrent with the closing of the business combination if approved by SPAC 1's shareholders. The PIPE funding would provide the surviving company with money to fund its capital-intensive operations after the business combination. A PIPE offering can reduce risk and protect a SPAC's investors by guaranteeing that capital is available to the surviving company after a business combination.

14. Ahead of the announcement, Consultant 1 introduced Betanabhatla to an officer of Target, and Betanabhatla expressed an interest in making a sizeable investment in SPAC 1's PIPE on behalf of a Ramas-managed fund. However, one of SPAC 1's financial advisers expressed concern about Ramas's ability to fund a large investment, given that the adviser had not heard of Ramas. In response, Betanabhatla emailed representatives of SPAC 1 and Target a supposed term sheet between Ramas Energy Opportunities I, L.P. (the "Ramas Energy Opportunities Fund"), an investment fund purportedly managed by Ramas, and a certain sovereign wealth fund (the "Sovereign Wealth Fund"), contemplating an investment in the Ramas Energy Opportunities Fund and bearing the supposed signature of the Sovereign Wealth

Fund's then-CEO. Despite language in the term sheet that the Ramas Energy Opportunities Fund "was established as an investment vehicle for the purpose of" making certain investments, it had never actually been formed.

15. Consultant 1 followed up with an email to SPAC 1 and Target, on which Betanabhatla was copied, representing that the Ramas Energy Opportunities Fund's major limited partner (*i.e.*, the Sovereign Wealth Fund) had agreed to invest $1.5 billion in the Ramas Energy Opportunities Fund and had already funded the first of three $500 million tranches to be deployed at Ramas's discretion, which Betanabhatla had previously told Consultant 1. In the email, Consultant 1 added "[h]opefully this alleviates any concern with regards to the 'ability to fund' the Ramas desired investment level" in SPAC 1's PIPE offering.

16. In truth, the Sovereign Wealth Fund never contemplated an investment in a Ramas fund and never did business with Ramas or any of its funds. The purported term sheet between the Ramas Energy Opportunities Fund and the Sovereign Wealth Fund, which Betanabhatla drafted, was fake and the signature of the Sovereign Wealth Fund's CEO on the document was forged. Additionally, at the time, Ramas did not have $500 million to invest, which Betanabhatla knew. Nevertheless, Betanabhatla falsely told Consultant 1 that Ramas had the $500 million available, and failed to correct the consultant when the consultant passed the false information on to SPAC 1 and Target in his email.

17. Shortly thereafter, Betanabhatla signed a subscription agreement "irrevocably subscrib[ing] for and agree[ing] to purchase" $200 million worth of shares in SPAC 1's PIPE offering on behalf of the Ramas Energy Opportunities Fund, representing 60 percent of the capital committed by all investors in the PIPE offering. At the time, neither Ramas nor any fund that it managed had $200 million to invest. According to Betanabhatla, he believed that he could

secure an investment from the Sovereign Wealth Fund to fund the $200 million commitment. However, Betanabhatla had no reasonable basis to believe this, as he had never had contact with anyone at the Sovereign Wealth Fund, let alone a commitment from the Sovereign Wealth Fund to invest in a Ramas fund.

18. When funding for the Ramas Energy Opportunities Fund's $200 million investment in SPAC 1's PIPE offering came due several months later, the fund failed to fulfill its commitment. As a result, the surviving company of the business combination between SPAC 1 and Target was left with significantly less funding than it had been expecting, causing it to scale back growth plans.

19. Betanabhatla knew, or was severely reckless in not knowing, that his statements described in Section A above were untrue and misleading, and that his actions described in Section A above were fraudulent and deceptive.

B. The Second Securities Offering

20. In April 2021, a different SPAC ("SPAC 2") announced that it had entered into two business combination agreements and that it had commitments from certain investors to invest $300 million in a PIPE offering set to close concurrent with the closing of the business combinations.

21. Ahead of SPAC 2's announcement, Betanabhatla signed a subscription agreement on behalf of the Ramas Energy Opportunities Fund "irrevocably subscrib[ing] for and agree[ing] to purchase" $25 million worth of SPAC 2's stock in the PIPE offering. At the time, neither Ramas, nor any fund managed by Ramas, had $25 million to invest, and Betanabhatla had no reasonable basis to believe that he could raise the money by the time it was due. Although Betanabhatla claims to have believed that he could obtain the money from the Sovereign Wealth

Fund, he had no reasonable basis to support this purported belief. As described above, Betanabhatla had never had contact with anyone at the Sovereign Wealth Fund and had not obtained a commitment from the Sovereign Wealth Fund to invest in a Ramas fund.

22. Several months later, when the $25 million became due, the Ramas Energy Opportunities Fund defaulted on its commitment.

23. Betanabhatla knew, or was severely reckless in not knowing, that his statements described in Section B above were misleading.

C. The Third Securities Offering

24. In May 2021, a privately held technology company ("Company 1") was seeking to raise money in a private placement. Through an acquaintance of Consultant 1, Betanabhatla was introduced to Company 1's CEO and expressed an interest in investing in Company 1's private placement on behalf of a Ramas-managed fund. Company 1's CEO wanted to ensure that the source of the investment was not connected to a country subject to U.S. sanctions, so he questioned Betanabhatla about the Ramas fund's limited partner. In response, Betanabhatla told Company 1's CEO that the limited partner was the sovereign wealth fund of a U.S. ally, which satisfied the CEO's concern.

25. In July 2021, Consultant 1, with Betanabhatla's authorization, signed a term sheet with Company 1 contemplating a $50 million investment by Ramas in Company 1's private placement.

26. The private placement had two components, a primary offering (which was to close within 30 days of the signing of the term sheet) and a secondary offering to take place after the close of the primary. In August 2021, the allocations among the investors in Company 1's

primary and secondary offerings were determined, with a Ramas allocation of $38.5 million in the primary and $11.5 million in the secondary.

27. On August 9, 2021, Betanabhatla executed a subscription agreement on behalf of Ramas Energy Capital II, L.P. (the "Ramas II Fund") agreeing to purchase $38.5 million worth of Company 1's stock in the primary offering, which represented 75 percent of the capital committed by investors in the primary offering. Although the Ramas II Fund was an entity formed in Delaware, it never did any business and never raised any money. Furthermore, the $38.5 million was to be paid to Company 1 immediately, and neither Ramas, nor any fund managed by Ramas, had the money.

28. Later that day, Betanabhatla emailed Company 1's counsel falsely stating that he had an appointment at his bank that day to initiate the wire transfers for the investment. Betanabhatla never had such an appointment and never initiated the wire transfers. Instead, over the next three weeks, Betanabhatla emailed Company 1's CEO and its counsel a variety of false excuses as to why Company 1 had not received the $38.5 million from Ramas, including that the compliance team at the bank where the Ramas II Fund maintained its bank account was performing anti-money laundering steps before the bank would release the money. In addition, Betanabhatla sent two emails to Company 1's CEO and its counsel, purportedly from two different banks, providing wire-transfer confirmation numbers. In fact, the emails were fake, the wire transfer confirmation numbers were phony, and Betanabhatla never wired the money to Company 1.

29. Betanabhatla knew, or was severely reckless in not knowing, that his statements described in Section C above were untrue and misleading, and that his actions described in Section C above were fraudulent and deceptive.

30. In a telephone call in late August 2021, Company 1's CEO and its counsel confronted Betanabhatla, who then admitted on the call that there was no money to invest. Company 1 subsequently cancelled its private placement and returned the money it had received from other investors. It later raised money in another private placement, but on less favorable terms.

D. Betanabhatla's Confession to Consultant 1

31. Shortly before the telephone call in late August 2021 in which Betanabhatla admitted to Company 1's CEO and its counsel that there was no money to invest in Company 1's private placement, Betanabhatla spoke with Consultant 1 by telephone and admitted this fact to Consultant 1.

32. The next day, Betanabhatla drafted and signed a letter addressed to the Consultants outlining the transactions with SPAC 1, SPAC 2, and Company 1 described above; acknowledging that Ramas never received any money from the Sovereign Wealth Fund; confirming that the Consultants did not know this before the previous day; and admitting that Betanabhatla had made misstatements to Company 1's representatives. The letter also acknowledged that the SPAC 1 and SPAC 2 transactions were in connection with SPACs, and that "the significant size of the $200mm Ramas PIPE investment in [SPAC 1] . . . was material to the closing of [SPAC 1's] overall transaction."

CLAIM FOR RELIEF

Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

33. The Commission realleges and incorporates by reference paragraphs 1 through 32, as though fully set forth herein.

34. By engaging in the conduct described above, the Defendant, in connection with the purchase or sale of securities, directly or indirectly, by the use of the means or instrumentalities of interstate commerce, or of the mails, or of the facilities of a national securities exchange, with scienter:

(a) employed devices, schemes, or artifices to defraud;

(b) 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 were made, not misleading; and/or

(c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons, including purchasers and sellers of securities.

35. By engaging in the foregoing conduct, the Defendant violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

PRAYER FOR RELIEF

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

I.

Finding that the Defendant committed the violations alleged herein;

II.

Permanently enjoining the Defendant from directly or indirectly violating 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.

Ordering the Defendant to pay civil penalties pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)];

IV.

Barring the Defendant, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78*l*] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)];

V.

Retaining jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court; and

VI.

Granting such other and further relief as this Court may deem just, equitable, and necessary.

JURY DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the Commission hereby requests a trial by jury and that the trial of this matter take place in Omaha, Nebraska.

Dated: May 22, 2024

Respectfully submitted,

s/ Robert J. Durham
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