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8 **UNITED STATES DISTRICT COURT**  
9 **WESTERN DISTRICT OF WASHINGTON**  
10 **SEATTLE DIVISION**

11 SECURITIES AND EXCHANGE  
12 COMMISSION,

13 Plaintiff,

14 v.

15 JENNI YOON JEONG LEE (a/k/a JENNI  
16 LEE OR YOON JEONG LEE) and  
17 EVERGREEN PROPERTY  
18 DEVELOPMENTS LLC

19 Defendants.

Case No. 2:25-cv-00793

**COMPLAINT**

**(JURY DEMAND)**

20 Plaintiff Securities and Exchange Commission (the “SEC” or the “Commission”) alleges:  
21

**SUMMARY OF THE ACTION**

1  
2 1. From at least May 2015 through March 2024, Jenni Yoon Jeong Lee a/k/a Jenni  
3 Lee or Yoon Jeong Lee (“Lee”) ran a fraudulent scheme through Evergreen Property  
4 Developments LLC (“Evergreen”) (collectively “Defendants”), an entity owned and controlled  
5 by Lee, and other sham entities, through which she misappropriated funds from advisory clients  
6 and investors. Lee, through Evergreen and other entities, solicited approximately \$2.7 million  
7 from more than 33 clients through fraudulent investment agreements and unauthorized  
8 promissory notes.

9 2. Lee largely targeted elderly members of the Korean-American community in  
10 Washington State and used her family relationships and affiliation as a member of that  
11 community to gain the trust of her victims.

12 3. Lee falsely held herself out as a bona fide investment adviser and, among other  
13 misrepresentations, told her clients that she would invest their money either through or in  
14 legitimate companies capable of providing returns. In reality, she steered investments to  
15 Evergreen and other entities she created—which were or are shell companies that Lee created as  
16 part of her scheme.

17 4. Lee made corporate filings with the Washington Secretary of State (“WA SOS”) in  
18 which she misrepresented that Evergreen and her other sham entities—Puget Sound Financial  
19 LLC (“Puget LLC”), Global Atlantic Financial LLC (“Global Atlantic”), and Puget Sound  
20 Financial Group, Inc. (“Puget Group”) (collectively, with Evergreen, the “Lee Entities”)—  
21 provided management, consulting, and other services. Those misrepresentations masked the  
22 reality that Evergreen and the other entities were mere alter egos of Lee, had no genuine business  
23 operations, and lacked any capacity to generate returns on the funds Lee raised from her clients.  
24 By directing her clients’ funds to Evergreen and her other sham entities, Lee breached the  
25 fiduciary duties she owed to her advisory clients.

26 5. Acting as an investment adviser, Lee also fraudulently offered and sold her clients  
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1 direct investments in Evergreen and certain other Lee Entities. Lee recommended and assisted  
2 certain of her clients in opening self-directed individual retirement accounts (“SDIRAs”), all at  
3 the same custodian (the “SDIRA Custodian”). While assisting her clients with opening SDIRAs,  
4 Lee also obtained access to their accounts, including through fraudulent or deceptive means. Lee  
5 then used her clients’ funds to purchase investments in Evergreen, Puget LLC, and Global  
6 Atlantic in the form of unsecured promissory notes (the “Promissory Notes”), which contained  
7 various false representations, including promises to make yearly interest payments ranging from  
8 1% to 7% and to return the investor’s principal upon maturity. Lee purchased many, if not all, of  
9 the Promissory Notes without her clients’ knowledge or consent, allowing Lee to conceal her  
10 ownership and control of the entities issuing the Promissory Notes.

11 6. None of the funds Lee solicited from her clients to invest with or in Evergreen  
12 and the other Lee Entities were used for legitimate investment purposes. After funneling clients’  
13 funds to the Lee Entities, and in violation of her fiduciary duties, Lee misappropriated her  
14 clients’ money, either by making Ponzi-like payments to earlier clients or by paying for personal  
15 expenses, including her habitual gambling.

16 7. While Lee spent hundreds of thousands of dollars of the client funds on making  
17 Ponzi-like payments to repay other clients, she misappropriated the remainder of her clients’  
18 funds on her personal expenses, including spending hundreds of thousands of dollars to repay  
19 personal loans, at casinos, in cash withdrawals, and in transfers to her and her parents’ accounts.

20 8. By engaging in the conduct set forth in this Complaint, Defendants violated  
21 Section 10(b) of the Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-  
22 5 [17 C.F.R. § 240.10b-5] thereunder, and Section 17(a) of the Securities Act of 1933  
23 (“Securities Act”) [15 U.S.C. § 77q(a)]. Lee further violated Sections 206(1) and 206(2) of the  
24 Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§ 80b-6(1) and (2)]. Unless  
25 restrained and enjoined, Defendants will continue to violate these provisions and are likely to  
26 engage in future violations of the federal securities laws.

1 9. The SEC seeks: (a) permanent injunctions against Defendants from future  
2 violations of the federal securities laws; (b) conduct-based injunctions against Defendant Lee; (c)  
3 a judgment ordering the Defendants to pay disgorgement, prejudgment interest, and civil  
4 penalties, and (d) such other relief that the Court may deem appropriate.

5 **JURISDICTION AND VENUE**

6 10. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d), and  
7 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d), and 77v(a)], Sections 21(d), 21(e), and  
8 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa], and Sections 209 and 214 of the  
9 Advisers Act [15 U.S.C. §§ 80b-9 and 80b-14].

10 11. Defendants, directly or indirectly, made use of the means or instrumentalities of  
11 interstate commerce and the mails in connection with the acts, transactions, practices, and  
12 courses of business alleged in this Complaint. Among other things, as alleged below,  
13 Defendants have used phones, email, the Internet, and bank wires to perpetrate their scheme.

14 12. Venue is proper pursuant to Section 22(a) of the Securities Act [15 U.S.C. §  
15 78v(a)], Section 27 of the Exchange Act [15 U.S.C. § 77aa], and Section 214 of the Advisers Act  
16 [15 U.S.C. § 80b-14] because the acts, practices, transactions, and courses of business that give  
17 rise to claims alleged in this Complaint occurred in this District. For example, Lee resides in this  
18 District, as do several of the victims of Defendants' fraudulent scheme. The Lee Entities all  
19 were incorporated in, and have or had, their principal places of business within this District.

20 **DEFENDANTS**

21 13. Lee, age 53, is a resident of Federal Way, Washington. In furtherance of the  
22 fraudulent scheme, she held herself out as an investment professional, adviser, and fiduciary.  
23 Lee is the founder and a governor and member of Evergreen. Lee was previously associated as a  
24 registered representative with several registered broker-dealers from March 2001 to September  
25 2006, July 2008 to November 2008, and November 2010 to January 2011. At times during the  
26 fraudulent scheme, she was employed as a contractor for an affiliate of a registered investment  
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1 adviser; however, Lee was not authorized to provide advice regarding securities investments on  
2 behalf of the registered firm or its affiliate. She is licensed as an insurance producer with the  
3 Washington State Office of the Insurance Commissioner.

4 14. **Evergreen** is a Washington LLC with its principal place of business in Seattle.  
5 Lee formed Evergreen on July 5, 2018 by filing a certificate of formation and initial report with  
6 the WA SOS. Lee identified the nature of Evergreen’s business as “[m]anagement.” Evergreen  
7 was administratively dissolved twice by the WA SOS, in 2019 and 2023, for failure to file its  
8 required annual reports. In both instances, Evergreen was reinstated after Lee filed reinstatement  
9 paperwork and updated annual reports. “Yoon Lee” and “Jenni Lee”—two iterations of Lee’s  
10 name—are listed as two of Evergreen’s governors.

#### 11 RELATED ENTITIES

12 15. **Puget LLC** was a Washington LLC with its principal place of business in Federal  
13 Way, Washington. Lee formed Puget LLC on May 19, 2015 by filing a certificate of formation  
14 and initial report with the WA SOS. Lee identified Puget LLC’s business as an “[a]dvisory  
15 business.” Puget LLC was administratively dissolved by the WA SOS on October 3, 2020, for  
16 failure to file its required annual report. Puget LLC was reinstated on September 10, 2021, after  
17 Lee filed reinstatement paperwork and an updated annual report, in which she described the  
18 business as “[c]onsulting, [m]anagement.” Puget LLC was administratively dissolved again on  
19 October 3, 2023. Lee was its sole governor as well as its registered agent.

20 16. **Global Atlantic** was a Washington LLC with its principal place of business in  
21 Federal Way, Washington, which Lee formed on May 10, 2017, by filing a certificate of  
22 formation and initial report with the WA SOS. Lee identified Global Atlantic’s business as  
23 “[f]inancial [s]ervice.” Global Atlantic was administratively dissolved three times by the WA  
24 SOS, in 2019, 2021, and 2023, for failure to file its required annual reports. In each instance, it  
25 was reinstated after Lee filed reinstatement paperwork and updated annual reports, in which Lee  
26 described the business as “[m]anagement” and/or “[c]onsulting.” Global Atlantic was

1 administratively dissolved a fourth time on October 3, 2024. Lee was its sole governor as well  
2 as its registered agent.

3 17. **Puget Group** was a Washington corporation with its principal place of business  
4 in Federal Way, Washington. Lee formed Puget Group on December 3, 2021, by filing articles  
5 of incorporation and an initial report with the WA SOS. Lee identified Puget Group’s business  
6 as “[c]onsulting.” Puget Group was administratively dissolved by the WA SOS in 2023 for  
7 failure to file its required annual report. Lee was its sole governor as well as its registered agent.

8 **FACTS**

9 **A. Lee’s Scheme to Defraud Investment Advisory Clients**

10 18. Lee’s fraudulent scheme was straightforward. She held herself out as an  
11 investment adviser, developed trust with her clients, used misrepresentations and other deceptive  
12 conduct to steer investments to Evergreen and her other entities, and then misappropriated her  
13 clients’ funds for her personal use and to make Ponzi-like payments to other victims. Through  
14 this scheme, Lee solicited approximately 33 clients to invest approximately \$2.7 million in funds  
15 with her.

16 19. Lee began by building trust with her victims, several of whom have known her for  
17 many years. Lee’s relatives were among her initial victims. Lee also targeted other members of  
18 the Korean-American community based upon their shared language and heritage. Lee presented  
19 herself to the community as a churchgoer and faithful daughter—Lee’s parents, for whom Lee  
20 cares, are small business owners that are well-respected within the community. Lee developed a  
21 particularly close relationship with at least one victim by frequently borrowing money and  
22 repaying it with interest—a common practice in Korean culture.

23 20. Lee portrayed herself as a bona fide investment adviser with extensive experience  
24 in the financial services industry who could be trusted to advise individuals on their investment  
25 decisions. Before making recommendations on securities investments, Lee assisted some clients  
26 with selecting insurance products and obtaining Medicare benefits. When Lee began making  
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1 investment recommendations, she led clients to believe she was acting as their financial adviser,  
2 in part, by telling them that she would increase the value of their investments or provide other  
3 promised benefits.

4 21. In anticipation of soliciting investments and in furtherance of the fraudulent  
5 scheme, Lee created Evergreen and the other Lee Entities. The Lee Entities did not exist prior to  
6 the scheme, and Lee used them as vehicles for soliciting and misappropriating client funds.

7 22. Lee formed the first of the Lee Entities, Puget LLC, on May 19, 2015, and two  
8 days later, on May 21, 2015, Lee opened a bank account for Puget LLC for which she was the  
9 sole signatory. Immediately thereafter, Lee solicited client funds and deposited them into Puget  
10 LLC's bank account, including \$30,000 in client funds Lee deposited on May 21, 2015, the same  
11 day she opened the account. Lee quickly misappropriated those client funds—between June 15  
12 and July 22, 2015, she wired over \$28,500 from the Puget LLC account to three local casinos to  
13 support her gambling habit.

14 23. As the fraudulent scheme grew, Lee created additional entities through which she  
15 solicited and misappropriated client funds. Lee formed Global Atlantic, Evergreen, and Puget  
16 Group in 2017, 2018, and 2021, respectively. Lee designated herself the sole governor and  
17 managing member of Global Atlantic and Puget Group and designated herself and an iteration of  
18 her name—"Yoon Lee"—as two of Evergreen's governors. None of the Lee Entities has ever  
19 conducted any revenue-generating business.

20 24. Further evidencing her fraudulent intent, Lee chose the name Global Atlantic  
21 Financial LLC to mimic The Global Atlantic Financial Group LLC ("the Registrant Global  
22 Atlantic Financial Group"), a large and well-known retirement and life insurance company with  
23 registered investment adviser and broker-dealer affiliates. Lee told certain clients that they  
24 would be investing with a large company and successfully misled multiple clients to believe they  
25 were investing in or through the Registrant Global Atlantic Financial Group.

26 25. While Lee formed each of the Lee Entities separately, she used them  
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1 interchangeably to perpetrate a single, overarching scheme. Lee routinely transferred client  
2 funds between and among the Lee Entities’ bank accounts and routinely used funds from a bank  
3 account associated with one Lee Entity to make Ponzi-like payments in connection with an  
4 investment with or in a different Lee Entity.

5 26. With trust established and vehicles created to execute her scheme, Lee solicited  
6 clients to invest with her through Evergreen and the other Lee Entities using various false  
7 narratives regarding the use of funds and promised returns.

8 27. In some instances, Lee provided her clients with written investment agreements,  
9 portraying herself as an agent of legitimate companies through which she would invest their  
10 funds and provide returns on those investments.

11 28. For example, Lee induced Clients 1 and 2—who are married, retired, and  
12 elderly—to invest at least \$90,000 with Puget LLC between April 2016 and January 2018. Lee  
13 began assisting Client 2 with selecting insurance products and applying for Medicare benefits in  
14 or around 2013. Over time, Lee developed a family-like relationship with Client 2. Once their  
15 relationship was established, Lee provided at least two investment agreements to Client 2, in  
16 which she represented that Puget LLC was a legitimate investment firm that would invest Client  
17 2’s funds and provide her with a substantial return. Client 2 executed the two agreements with  
18 Puget LLC, which Lee executed as Puget LLC’s “Agent.” Client 2, however, was unaware that  
19 Lee owned and controlled Puget LLC, as Lee never disclosed her relationship to the entity.  
20 Instead, one contract falsely represented that Puget LLC was an “Individual Private Equity  
21 Services” company located in New York City’s Financial District. The agreements each  
22 represented that in exchange for a \$50,000 investment with Puget LLC, Client 2 would receive  
23 8% and 10% returns, respectively, and guaranteed return of principal upon maturity.

24 29. Based on Lee’s recommendations, Clients 1 and 2 invested at least \$90,000  
25 directly into Puget LLC via three personal checks signed by Client 2: a \$50,000 check dated  
26 October 26, 2016 with “Private Equity Investment” noted in the memo line; a \$20,000 check  
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1 dated March 7, 2017; and a \$20,000 check dated January 16, 2018. The checks were made out to  
2 “Puget Sound Financial.” Lee deposited each of these checks into a Puget LLC bank account for  
3 which Lee was the sole signatory. To date, Clients 1 and 2 have received some interest  
4 payments in connection with their investments with Puget LLC, but have not received any return  
5 of their principal, despite the agreements indicating that their investments would mature in 2019  
6 and 2021.

7 30. In other instances, Lee made oral promises and misrepresentations regarding—  
8 and engaged in other deceptive conduct related to—her investment advisory business to induce  
9 clients to invest with her.

10 31. For example, Lee made multiple oral promises and misrepresentations to one set  
11 of clients—Clients 3 and 4—regarding her investment advisory business. Clients 3 and 4 are  
12 married, in their sixties, and are Lee’s aunt and uncle. Clients 3 and 4 began investing with Lee  
13 in 2021 after Lee told them that investing with her would help her earn a commission and keep  
14 her job, which Lee stated was in jeopardy due to losing clients during the COVID-19 pandemic.

15 32. Lee advised Clients 3 and 4 to invest \$400,000 directly with Global Atlantic,  
16 which Lee intimated was the Registrant Global Atlantic Financial Group. Lee emailed  
17 information regarding fixed annuity products offered by the Registrant Global Atlantic Financial  
18 Group to Client 3 a few weeks before Clients 3 and 4 made the first of two investments in  
19 Defendant Global Atlantic. Lee never provided Clients 3 and 4 with written investment or  
20 advisory agreements and likewise failed to disclose that she owned and controlled Global  
21 Atlantic.

22 33. Lee’s clients relied on her verbal assurances that she would invest their funds with  
23 a legitimate company that could generate financial returns. Client 3 researched Global Atlantic  
24 Group online and was reassured to learn that it was a legitimate and reputable company. Clients  
25 3 and 4 invested in Global Atlantic via two checks, one for \$250,000 in May 2021 and another  
26 for \$150,000 in July 2021. Both checks were made out to “Global Atlantic Financial,” and the  
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1 funds from both checks were deposited in a Global Atlantic bank account for which Lee was the  
2 sole signatory. To date, Clients 3 and 4 have not received any interest payments nor a return of  
3 their principal.

4 **B. Lee Breached her Fiduciary Duties as an Investment Adviser**

5 34. As part of the scheme, Lee held herself out as an investment adviser and made  
6 securities investment recommendations to her clients, in exchange for what they believed were  
7 commissions. Lee took compensation from clients by misappropriating the funds raised. As an  
8 investment adviser, she owed her clients fiduciary duties of care and loyalty.

9 35. Lee repeatedly breached those fiduciary duties by, among other things:  
10 misleading and making misrepresentations to her clients that their funds would be invested with  
11 or in legitimate companies capable of generating investment returns, when, in reality, they were  
12 invested with or in Evergreen or the other Lee Entities; failing to disclose her personal ownership  
13 of, control over, and interest in Evergreen and the other Lee Entities; and misappropriating her  
14 clients' funds for personal expenses and to make Ponzi-like payments.

15 36. For example, Lee represented that clients' funds would be invested through  
16 legitimate businesses that would generate investment returns. These representations were false.  
17 Based on the bank records, it appears that neither Evergreen nor the other Lee Entities conducted  
18 any legitimate business or investment operations capable of generating such returns.

19 37. None of the money Lee received from her clients was used for legitimate  
20 investment purposes, nor was it invested in entities or financial instruments capable of generating  
21 legitimate investment returns. Instead, Lee misappropriated her clients' funds.

22 38. Additionally, in soliciting clients to invest with Global Atlantic, Lee led certain  
23 clients to believe that they were investing through the well-known Registrant Global Atlantic  
24 Financial Group, including by emailing Clients 3 and 4 materials related to the Registrant Global  
25 Atlantic Financial Group's products a few weeks before the clients made their first investment  
26 with Global Atlantic. Client 3 indicated that, based on Lee's representations and misleading  
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1 conduct, he researched the Registrant Global Atlantic Financial Group online and was reassured  
2 to learn that it was a legitimate and reputable company.

3 39. Further, in advising certain clients, including Clients 1 and 2, to invest through  
4 Puget LLC, Lee recommended that the clients execute investment agreements, which were  
5 signed by Lee as an agent of the company, that falsely stated that Puget LLC was an “Individual  
6 Private Equity Services” provider with an office located at 99 Wall Street in New York’s  
7 Financial District. These misrepresentations not only hid Lee’s ownership of Puget LLC—but  
8 suggested that Puget LLC was a legitimate company with an office on Wall Street when, in fact,  
9 Puget LLC’s real address was an address in Washington associated with Lee herself.

10 40. The agreements also falsely promised to repay the principal and “interest on these  
11 funds at the rate and times stated here.” This promise was false, as the bank records not only  
12 demonstrate that Puget LLC had no legitimate business or investment operations to fund interest  
13 payments or principal repayment, but also that Lee had been misappropriating funds deposited  
14 into Puget LLC’s accounts for personal expenses and Ponzi-like payments prior to the execution  
15 of the agreements.

16 41. Lee also continued to breach her fiduciary duties by lying to certain clients about  
17 the state of their purported investments. For example, shortly after investing \$250,000 in Global  
18 Atlantic in May 2021, Clients 3 and 4 changed their minds and requested that Lee return their  
19 investment. In response, Lee falsely claimed to Client 3 that canceling the investment would  
20 require Lee to pay fees or penalties. Instead, Lee convinced Clients 3 and 4 that by investing an  
21 additional \$150,000 into Global Atlantic through her, they would receive their \$400,000  
22 principal back in four months. Based on Lee’s lies, Clients 3 and 4 invested an additional  
23 \$150,000 in Global Atlantic in July 2021.

24 42. When Client 3 requested the return of the money from Lee in March 2022, Lee  
25 falsely represented to Client 3 that she had closed his investment account, and that the funds  
26 were forthcoming. Lee provided Client 3 with a withdrawal form from Registrant Global  
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1 Atlantic Financial Group that Lee filled out and falsely claimed to have submitted to Registrant  
2 Global Atlantic Financial Group on the client's behalf. Client 3 called Registrant Global  
3 Atlantic Financial Group to inquire about the status of the funds and was informed that there  
4 were no records of any account in his name.

5 43. When Client 3 confronted Lee via email about the status of the funds, Lee  
6 admitted to lying about the timeline for returning his funds but continued to lie—telling Client 3  
7 that she could not return his funds at that time because doing so would cause her insurance  
8 producer license to be terminated and requested more time to return his money. Lee has yet to  
9 repay these funds.

### 10 **C. Lee's and Evergreen's Fraudulent Offering of Securities**

11 44. Acting as an investment adviser, Lee also fraudulently steered client funds  
12 directly into Evergreen and certain of the other Lee Entities. Lee recommended and assisted  
13 certain of her clients in opening self-directed individual retirement accounts ("SDIRAs"), all at  
14 the same custodian (the "SDIRA Custodian"). Lee often gave herself access to her clients'  
15 accounts by, among other means, naming herself as an interested party on their account  
16 applications or listing her email address on the application.

17 45. Lee then offered and sold these clients investments in Evergreen, Puget LLC, and  
18 Global Atlantic via the Promissory Notes, which contained various false representations,  
19 including promises to make yearly interest payments ranging from 1% to 7% and to return the  
20 investor's principal upon maturity. Lee often used her account access to purchase the  
21 Promissory Notes without her clients' knowledge or consent. Lee, acting individually and  
22 through Evergreen, Puget LLC, and Global Atlantic, raised approximately \$1.1 million from the  
23 sale of the Promissory Notes to approximately 18 investors.

24 46. For example, Lee advised Client 2 to open and invest via an SDIRA. Lee advised  
25 Client 2 to liquidate an annuity purchased from a subsidiary of Registrant Global Atlantic  
26 Financial Group and transfer the funds to an SDIRA at the SDIRA Custodian. Based on Lee's  
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1 advice, on March 1, 2017, Client 2 liquidated her annuity and transferred \$24,164 in funds to an  
2 SDIRA. On May 18, 2017, Lee used Client 2's SDIRA funds to purchase a \$23,000 unsecured  
3 promissory note issued by Defendant Global Atlantic without Client 2's knowledge or consent.

4 47. The note stated that Client 2 would receive a 3% annual interest payment along  
5 with the return of her principal upon maturity. The funds used to purchase the note were wired  
6 from Client 2's SDIRA to a Global Atlantic bank account for which Lee was the sole signatory,  
7 pursuant to the SDIRA Custodian's "Direction of Investment" form that Lee filled out and Client  
8 2 signed at Lee's direction but without an understanding of the contents of the form. Client 2 has  
9 not received any interest or repayment of principal in connection with the unsecured promissory  
10 note.

11 48. In yet another example, Lee solicited Clients 5 and 6 to invest in or through the  
12 Lee Entities. Clients 5 and 6 are married, retired, and in their seventies. Lee first approached  
13 Clients 5 and 6 about investing with her in or around 2014, telling them that she had a personal  
14 investment business and they could invest money with her. Client 6 told Lee that she and Client  
15 5 were only interested in investing in low-risk assets; Lee stated that she would comply with that  
16 instruction.

17 49. Lee raised \$67,500 from Clients 5 and 6 by using funds held in their SDIRAs to  
18 purchase unsecured promissory notes issued by Puget LLC. First, Lee recommended that Clients  
19 5 and 6 open SDIRAs, touting the accounts' tax benefits. With Lee's assistance, Clients 5 and 6  
20 each opened an SDIRA at the SDIRA Custodian in April 2016 and funded the accounts with  
21 \$13,000 from their checking account and more than \$56,000 from the liquidation of their  
22 existing IRAs held at a well-known brokerage firm.

23 50. Lee led Clients 5 and 6 to believe that their existing IRA portfolios, which  
24 consisted of low-risk mutual funds, would remain intact upon transfer to their new SDIRAs. In  
25 reality, Lee, who filled out the transfer instructions on behalf of Clients 5 and 6, instructed the  
26 broker to initiate a "[f]ull [t]ransfer" and "[l]iquidate all assets [from Client 5's and 6's IRAs]  
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1 and transfer [the funds] as cash.”

2 51. Lee used the funds in Clients 5’s and 6’s SDIRAs to purchase three unsecured  
3 promissory notes issued by Puget LLC: a \$6,000 note purchased on April 26, 2016, using funds  
4 held in Client 5’s SDIRA; a \$28,000 note purchased on May 20, 2016, using funds held in Client  
5 5’s SDIRA; and a \$33,500 note purchased on July 15, 2016, using funds held in Client 6’s  
6 SDIRA. Lee did not tell Client 5 or 6 that she was investing their funds in unsecured promissory  
7 notes, let alone that she owned and controlled the company issuing the notes.

8 52. The notes, maturing in 2022 and 2027, stated that Clients 5 and 6 would receive a  
9 5% annual interest payment along with the return of their principal upon maturity. The funds  
10 used to purchase the notes were wired from Clients 5’s and 6’s SDIRAs to a Puget LLC bank  
11 account for which Lee was the sole signatory, pursuant to the SDIRA Custodian’s “Direction of  
12 Investment” form that Lee filled out and that Clients 5 and 6 signed at Lee’s direction but  
13 without an understanding of the contents of the form. Neither Client 5 nor 6 has received any  
14 interest or repayment of principal in connection with the unsecured promissory notes.

15 **D. Lee’s and Evergreen’s Material Misstatements and Lee’s Other Deceptive Conduct**

16 53. Lee and Evergreen made multiple misrepresentations regarding the purported  
17 securities being offered and sold, including the promised returns.

18 54. First, the Promissory Notes issued by Evergreen, through Lee, represented that  
19 Evergreen would pay the investor “the principal sum . . . with INTEREST on the terms and  
20 conditions set forth [in the note].” The notes stated that Evergreen would provide a specific  
21 “yearly interest payment” (ranging from 2% to 3%) and specified a maturity date on which the  
22 principal would be repaid. However, at the time of the offer and sale, Lee and Evergreen,  
23 through Lee, knew or were reckless in not knowing that these promises were false, as the bank  
24 records show that Evergreen had no operations to support the promised returns. In fact, Lee  
25 opened Evergreen’s first bank account less than a month before it received its first Promissory  
26 Note investment, and the only deposit into the account prior to the sale of the Promissory Note  
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1 was a \$100 cash deposit. Also, Lee had already been misappropriating investor funds received  
2 through the sale of Promissory Notes in Puget LLC and Global Atlantic.

3 55. Second, Lee also made oral misstatements to certain clients regarding the nature  
4 of the investments being offered and sold to clients in exchange for funds from their SDIRAs.  
5 Lee told one set of investors that their funds would be invested in a company that could provide a  
6 7% return on their investment. She told Clients 5 and 6 that she would only invest their funds in  
7 low-risk securities, like the mutual funds in which their previous adviser had invested them.  
8 Finally, Lee advised Client 2 to liquidate an annuity purchased from a subsidiary of the  
9 legitimate Registrant Global Atlantic Financial Group and transfer the funds to an SDIRA, which  
10 Client 2 understood would be guaranteed by Lee. These statements were false, as the Lee  
11 Entities had no legitimate business or investment operations through which to generate returns;  
12 the investments in the Promissory Notes were risky given that they were not collateralized; and  
13 neither Lee nor her entities actually guaranteed the return of funds.

14 56. Third, Lee represented to many clients, including Clients 5 and 6, that opening  
15 SDIRAs would provide tax benefits. This was false. In reality, Lee's unauthorized use of her  
16 clients' SDIRA funds to purchase the Promissory Notes ultimately led these investors to incur  
17 significant tax bills. After the Promissory Notes matured, the SDIRA Custodian distributed them  
18 out of the SDIRAs to the account holders—i.e., Lee's clients—personally. As a result, Lee's  
19 clients realized taxable income, despite most never having received the promised returns for their  
20 notes.

21 57. Lee engaged in additional deceptive conduct in furtherance of Defendants'  
22 fraudulent scheme and in an attempt to prevent her victims from discovering the scheme. For  
23 example, as noted above, Lee obtained access to her clients' SDIRAs through both authorized  
24 and unauthorized means. Certain clients gave Lee their credentials to login to their accounts,  
25 while, for others, Lee listed her email or otherwise designated herself as an interested party on  
26 their account opening documents. Lee then misused her access to her clients' SDIRAs to  
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1 electronically execute, via DocuSign or their online account portal, certain SDIRA Custodian  
2 forms related to investments in the Promissory Notes, while posing as the account holders.  
3 These account holders did not know what DocuSign was and had never used it. Many of the  
4 account holders likewise indicated that they had never electronically executed any documents  
5 related to their SDIRAs.

6 58. When Lee's clients became suspicious of her and confronted Lee regarding the  
7 status of their funds, Lee lied to cover up her fraud. For example, in late 2022, the SDIRA  
8 Custodian informed one set of clients that they owed taxes in connection with the maturation of  
9 the unsecured Puget LLC promissory notes and that there was insufficient cash in their accounts  
10 to cover the taxes. When the client confronted Lee about the whereabouts of their funds, Lee  
11 falsely blamed the SDIRA Custodian. After the client persisted, in June 2023, Lee provided the  
12 clients with a \$5,000 personal check to cover their tax bill.

13 **E. Lee's Misappropriations of Client Funds**

14 59. Contrary to Lee's representations that she would invest in businesses that would  
15 generate investment returns, none of the \$2.7 million solicited from clients was directed to  
16 legitimate uses. Instead, Lee misappropriated all the funds either to make Ponzi-like payments to  
17 earlier clients or to pay for her personal expenses, including to support her gambling habit. Lee,  
18 using both client funds and funds from other sources, repaid investors approximately \$700,000.

19 60. For example, Lee opened a Global Atlantic checking account on August 8, 2017.  
20 Lee deposited a \$25,000 check from a client into that account on the same day, and ten days  
21 later, on August 18, 2017, Lee deposited a second check from the same client for \$10,162. Lee  
22 made no other deposits into the account prior to its forced closure in February 2018. From  
23 August 14 to October 31, 2017, Lee used the client's \$35,162 to fund the transfer of  
24 approximately \$26,179 to a casino in Washington state and approximately \$8,315 in cash  
25 withdrawals.

26 61. Similarly, on November 23, 2020, Lee opened another account in the name of  
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1 Global Atlantic and deposited into the account a \$200,000 check written to Global Atlantic  
2 Financial by a set of clients. From November 23, 2020 to February 26, 2021, the only other  
3 deposits into the account totaled \$200. During that same period, instead of using the clients’  
4 funds for any apparent business or investment purposes, Lee repaid approximately \$140,333 in  
5 personal loans, withdrew approximately \$16,000 in cash, transferred approximately \$10,000 to a  
6 personal bank account, and made a Ponzi-like payment to Clients 1 and 2 of approximately  
7 \$3,187. Further, on December 28, 2020, Lee transferred \$25,000 to a Puget LLC account, which  
8 was then used to make a \$25,000 Ponzi-like payment to another client.

9 62. In yet another example, from July 1 to March 3, 2020, Lee deposited three  
10 checks—which were all written by one client to “Evergreen Property Management”—totaling  
11 \$200,000 into an Evergreen bank account. Prior to the first deposit, the Evergreen account had a  
12 negative balance of about -\$710, and the only other deposit during that period was \$25 in cash.  
13 Rather than using the funds for any apparent business or investment purposes, from July 1 to  
14 March 3, 2020, Lee misappropriated approximately \$104,000 of the client’s funds on cash  
15 withdrawals, repaying personal loans, and transfers to her and her parents’ bank accounts. Lee  
16 also used the client’s funds to make approximately \$5,849 in Ponzi-like payments to Clients 1, 2,  
17 and 5. Lastly, Lee transferred \$50,500 to a Puget LLC account, over \$25,000 to a casino in  
18 Washington state, and \$4,000 to a Global Atlantic account.

19 63. In total, Lee misappropriated all of the \$2.7 million in client funds raised. While  
20 Lee spent hundreds of thousands of dollars of client funds to make Ponzi-like payments to other  
21 clients, she spent the rest of her clients’ funds on personal expenses, including hundreds of  
22 thousands of dollars spent to repay personal loans, at casinos, in cash withdrawals, and in  
23 transfers to her own and her parents’ accounts.

1 **FIRST CLAIM FOR RELIEF**  
2 **Violations of Section 10(b) of the Exchange Act and**  
3 **Rule 10b-5 Thereunder**  
4 **(All Defendants)**

5 64. The Commission re-alleges and incorporates by reference paragraphs 1 through  
6 63 above.

7 65. Each Defendant, by engaging in the conduct described above, directly or  
8 indirectly, in connection with the purchase or sale of securities, and by the use of means or  
9 instruments of interstate commerce or by use of the mails or of the facilities of a national  
10 securities exchange, with scienter:

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

12 (b) made untrue statements of a material fact or omitted to state a material fact  
13 necessary in order to make the statements made, in the light of the circumstances  
14 under which they were made, not misleading; and

15 (c) engaged in acts, practices, or courses of business which operated or would  
16 operate as a fraud or deceit upon other persons.

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

20 **SECOND CLAIM FOR RELIEF**  
21 **Violations of Section 17(a) of the Securities Act**  
22 **(All Defendants)**

23 67. The Commission realleges and incorporates by reference paragraphs 1 through 63  
24 above.

25 68. Each Defendant, by engaging in the conduct described above, directly or indirectly,  
26 in the offer or sale of securities, by the use of means or instruments of transportation or  
27 communication in interstate commerce or by use of the mails:

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

1 (b) obtained money or property by means of untrue statements of a material fact or  
2 by omitting to state a material fact necessary in order to make the statements made,  
3 in light of the circumstances under which they were made, not misleading; and  
4 (c) engaged in transactions, practices, or courses of business which operated or  
5 would operate as a fraud or deceit upon the purchaser.

6 69. By reason of the foregoing, each of the Defendants violated, and unless restrained  
7 and enjoined will continue to violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

8 **THIRD CLAIM FOR RELIEF**  
9 **Violations of Advisers Act Sections 206(1) and (2)**  
10 **(Defendant Lee)**

11 70. The Commission realleges and incorporates by reference paragraphs 1 through 63  
12 above.

13 71. Lee is an investment adviser as defined by Section 202(a)(11) of the Advisers Act  
14 [15 U.S.C. § 80b-2(a)(11)].

15 72. By engaging in the conduct described above, Lee, while acting as an investment  
16 adviser, by use of the mails or any means or instrumentality of interstate commerce, directly or  
17 indirectly has: (1) knowingly or recklessly employed one or more devices, schemes, or artifices  
18 to defraud any client or prospective client, and/or (2) knowingly, recklessly, or negligently  
19 engaged in one or more transactions, practices, and courses of business which operated or would  
20 operate as a fraud or deceit upon any client or prospective client.

21 73. By reason of the foregoing, Lee, directly or indirectly, singly or in concert,  
22 violated and, unless enjoined, will continue to violate Advisers Act Sections 206(1) and (2) [15  
23 U.S.C. §§ 80b-6(1) and (2)].  
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**PRAYER FOR RELIEF**

WHEREFORE, the Commission respectfully requests that the Court:

**I.**

Issue findings of fact and conclusions of law that Defendants committed the alleged violations.

**II.**

Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently restraining and enjoining Defendants from directly or indirectly engaging in conduct in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder and Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], and permanently restraining and enjoining Defendant Lee from directly or indirectly engaging in conduct in violation of Sections 206(1) and (2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and (2)].

**III.**

Enter an order permanently restraining and enjoining Defendant Lee, pursuant to Sections 21(d)(1) and (5) of the Exchange Act [15 U.S.C. §§ 78u(d)(1) and (5)] and Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)], from directly or indirectly, including, but not limited to, through any entity owned or controlled by her, participating in the issuance, purchase, offer, or sale of any security, provided however, that such injunction shall not prevent her from purchasing or selling securities from her own personal accounts.

**IV.**

Enter an order permanently restraining and enjoining Defendant Lee, pursuant to Sections 21(d)(1) and (5) of the Exchange Act [15 U.S.C. §§ 78u(d)(1) and (5)], Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)], and/or Section 209(d) of the Advisers Act [15 U.S.C. § 80b-9(d)], from, directly or indirectly, acting as or being associated with any investment adviser. This

1 injunction shall not prevent Defendant Lee from being a client of an investment adviser. For  
2 purposes of this paragraph, a person is associated with an investment adviser if such person is a  
3 partner, officer, or director of such investment adviser (or performs similar functions), or directly or  
4 indirectly controls or is controlled by such investment adviser, including any employee of such  
5 investment adviser.

6 **V.**

7 Issue an order requiring each Defendant to disgorge all ill-gotten gains received as a result  
8 of the unlawful conduct alleged in this Complaint and pay prejudgment interest thereon pursuant to  
9 Sections 21(d)(3), (5), and (7) of the Exchange Act [15 U.S.C. §§ 78u(d)(3), (5), (7)].

10 **VI.**

11 Issue an order requiring each Defendant to pay a civil monetary penalty pursuant to Section  
12 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], Section 20(d) of the Securities Act [15  
13 U.S.C. § 77t(d)], and/or Advisers Act Section 209(e) [15 U.S.C. § 80b-9(e)].

14 **VII.**

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

19 **VIII.**

20 Grant such other and further relief as this Court may determine to be just, equitable, and  
21 necessary.  
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**JURY DEMAND**

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

Dated: April 30, 2025

*s/ James M. Carlson*

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Securities and Exchange Commission

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