

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**TIFFANY KELLY AND CURASTORY INC.,**

**Defendants.**

**No. 25-cv-6876**

**COMPLAINT**

**JURY TRIAL DEMANDED**

Plaintiff Securities and Exchange Commission (“SEC” or “Commission”), for its Complaint against Tiffany Kelly (“Kelly”) and Curastory Inc. (“Curastory”) (collectively, “Defendants”), alleges as follows:

**SUMMARY**

1. From at least December 2020 through February 2024 (the “Relevant Period”), Defendants raised approximately \$2.8 million from over 1,000 investors nationwide by making materially false and misleading statements about the financial performance and committed investments of Curastory, a social media company which purported to match advertisers with content creators to embed advertisements in their social media content. Defendants also engaged in other deceptive conduct, including using an investor term sheet in which Kelly had forged the signature of a prospective investor, as part of a fraudulent scheme to depict Curastory as something it was not – a successful and profitable company.

2. During the Relevant Period, Kelly, who controlled Curastory as its founder and CEO, repeatedly misled investors about Curastory’s revenue and projected financial performance, often telling investors that the company had earned hundreds of thousands, if not

millions, of dollars in revenue. Kelly also told investors that Curastory had secured or lined-up million-dollar investments from other investors and that a growing base of advertisers used Curastory's platform.

3. In reality – as Kelly knew – none of this was true. Curastory generated little revenue during the Relevant Period – far less than the amounts Defendants described to investors. Likewise, Curastory also did not obtain the seven-figure investments it touted to investors. Nor did Curastory actually have as customers the advertisers it claimed. Instead, Kelly relied on false and misleading information, including using the forged term sheet described above, to solicit investors and perpetuate Defendants' fraudulent scheme.

4. By committing the acts alleged in this Complaint, Defendants violated the antifraud provisions of the federal securities laws, specifically Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)] and 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].

5. The Commission seeks entry of a final judgment, permanently enjoining Defendants from engaging in the transactions, acts, practices, and courses of business alleged in this Complaint; a conduct-based injunction against Kelly, pursuant to Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Sections 21(d)(1) and 21(d)(5) of the Exchange Act [15 U.S.C. §§ 78u(d)(1) and 78u(d)(5)]; an officer or director bar against Kelly, pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)]; and a civil penalty against Kelly pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

### **JURISDICTION AND VENUE**

6. This Court has jurisdiction over this action pursuant to Sections 20 and 22 of the Securities Act [15 U.S.C. §§ 77t and 77v] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

7. Venue is proper in this Court pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 77v(a)]. Certain of the acts, practices, transactions and courses of business alleged in this Complaint occurred within this District, and were effected, directly or indirectly, by making use of means or instrumentalities of transportation or communication in interstate commerce, or the mails. Both Defendants reside in this District.

### **DEFENDANTS**

8. **Tiffany Kelly**, age 31, resides in Brooklyn, New York. Kelly is the founder and CEO of Curastory. During the Relevant Period, Kelly controlled the company's financial accounts and held ultimate authority over the statements made by Curastory. She was also Curastory's majority shareholder and received a salary.

9. **Curastory Inc.** is a Delaware corporation headquartered in Brooklyn, New York. Curastory first registered with the state of Delaware on August 23, 2019.

### **OTHER RELEVANT ENTITIES**

10. **Investor A** is a global startup accelerator and venture capital firm. Investor A invested approximately \$270,000 between May 2021 and March 2023 in Curastory.

11. **Investor B** is an investment firm that targets early-stage sports technology businesses. On or about September 29, 2021, Investor B invested approximately \$420,000 in Curastory.

12. **Investor C** is a global investment platform, focusing on sports startups. On or about August 30, 2022, Investor C invested approximately \$425,000 in Curastory.

13. **Investor D** is a venture capital firm, targeting investments in women's health, diverse communities and sustainability. On or about April 7, 2023, Investor D invested approximately \$250,000 in Curastory.

14. **Investor E** is a venture capital firm investing in early to late-stage companies in the software, healthcare, and IT sectors. Investor E signed a term sheet with Curastory on March 7, 2023 for a \$3 million investment. Ultimately, Investor E did not invest in Curastory.

15. **Investor F** is a global talent, sports, entertainment, and advisory company. From approximately November 2022 through January 2023, Kelly solicited Investor F for an investment in Curastory. Ultimately, Investor F did not invest in Curastory.

## **FACTS**

### **I. Background.**

16. Kelly launched Curastory's online platform in February 2021, which Defendants marketed to investors as an "all-in-one platform[]" where content creators could "easily make, edit, monetize and share their videos to all of their video channels." Through its platform, Curastory sought to match advertisers with content creators who could be hired to embed advertisements within videos they published to social media.

17. Once an advertiser created an account on Curastory, the advertiser could bid to be matched with content creators who would then embed advertisements in their social media videos. If an advertiser was successful in its bid and ultimately matched with a content creator who embedded the advertisement and published a video, Curastory would charge the advertiser a set fee rate depending on the number of views the video received. Alternatively, an advertiser

could enter into an agreement with Curastory whereby the advertiser would not owe Curastory a fee until their advertisement hit a threshold “return on ad spend” – meaning the amount of revenue the advertiser earned for every dollar spent.

18. During the Relevant Period, Curastory’s only source of revenue was advertisers. Advertisers paid Curastory through the company’s payment processor (“Payment Processor”) account, which Kelly controlled and regularly accessed.

19. From at least July 2022 through February 2024, Curastory received approximately \$35,800 from approximately 20 advertisers. And Curastory was only entitled to retain a portion of these fees – the majority of the fees paid to Curastory by advertisers were owed to content creators.

## **II. Defendants’ Fundraising Efforts.**

20. During the Relevant Period, Defendants conducted multiple offerings to raise capital for Curastory, primarily through crowdfunding websites and direct investor solicitations. Kelly was the only Curastory employee whose primary job was to attract investors.

21. Curastory conducted two crowdfunding offerings, filing with the SEC an offering statement, called “Form C,” 17 C.F.R. § 227.203, that disclosed certain information about Curastory and the crowdfunding offerings.

22. For Curastory’s first crowdfunding offering, conducted in February 2020 through a crowdfunding investment platform (“Crowdfunder 1”), Curastory raised approximately \$150,000 from roughly 400 investors. Curastory then conducted a second crowdfunding offering in August 2021 with a different crowdfunding investment platform (“Crowdfunder 2”), in which Curastory raised approximately \$545,000 from roughly 996 investors.

23. In addition to its crowdfunding efforts, Curastory also raised funds by communicating directly with investors, including by contacting investors by email and through marketing its investment rounds on social media sites. For example, on January 17, 2023, Kelly emailed numerous prospective investors an update on Curastory's performance, including the company's 2022 "Highlights," and provided details regarding different investment opportunities with Curastory.

24. Through both its crowdfunding offerings and direct investor solicitations, Curastory offered and sold securities to investors. During the Relevant Period, Curastory offered preferred stock and sold investors warrants to purchase shares and convertible securities, including convertible equity agreements, convertible notes, and Simple Agreements for Future Equity ("SAFEs").

25. When soliciting investors, Kelly, on behalf of Curastory, emailed prospective investors marketing materials, including, for example, an investor pitchbook, profit and loss ("P&L") statement, and information concerning Curastory's customer base. Curastory also published various marketing materials on the company's public filings with the Commission, through the crowdfunding websites, news publications, and on social media. Kelly determined the content of, and had ultimate authority over, Curastory's statements in its marketing materials.

26. As detailed below, Defendants knowingly or recklessly made numerous materially false and misleading statements to solicit potential investors in these marketing materials and in direct communications with investors. For example, Defendants grossly inflated and fabricated Curastory's financial performance, including its revenue figures. Defendants also misrepresented investor commitments in Curastory, claiming other investors had agreed to provide capital to Curastory when no such agreements existed. Indeed, as described in further detail

below, Kelly went so far as to forge a prospective investor's signature and provide the forged term sheet to another potential investor to secure a follow-on investment. Defendants further defrauded investors by falsely portraying Curastory as a successful business with incoming revenue and a growing base of advertisers using Curastory's platform.

27. Through these efforts, Defendants raised approximately \$2.8 million during the Relevant Period from over 1,000 investors across the United States.

### **III. Defendants Made Materially False and Misleading Statements to Investors.**

28. In its crowdfunding campaigns and direct investor solicitations, Defendants made materially false and misleading statements to investors regarding Curastory's revenue figures, revenue projections, and the status of other Curastory investors.

#### **A. False and Misleading Statements about Curastory's Revenue and Revenue Projections**

29. To raise funds from investors, Defendants falsely depicted and misrepresented Curastory's revenue and projected revenue, grossly inflating the numbers shared with investors.

30. For example, on August 18, 2021, Kelly filed a Form C with the Commission to solicit crowdfunding investments through Crowdfunder 2. That public filing included express details regarding Curastory's revenue, noting that Curastory's model was "returning \$5,000 per video on average" and that the company had "\$85k in gross revenue over 3 months as \$1.02M run rate." Kelly understood that "run rate" meant the projected revenue for the next 12 months based on the most recent month of actual sales. Defendants made similar false statements about Curastory's gross revenue and "\$1.02M run rate (Feb~May 2021)" through Crowdfunder 2's public-facing site. As Defendants knew or were reckless in not knowing, these statements were

false. Curastory generated no revenue as of August 2021. In fact, Curastory did not receive its first advertiser payment until July 2022 – roughly 11 months after the date of this Form C.

31. Kelly made additional false and misleading statements regarding Curastory’s revenue in her correspondence with investors.

32. For example, in an email dated December 15, 2020, Kelly told Investor A that Curastory was “getting revenue now and launching with all pro leagues[.]” Investor A subsequently invested in Curastory between late May and early June 2021 for approximately \$120,000 and again in March 2023 for approximately \$150,000. As Defendants knew or were reckless in not knowing, the statements to Investor A were false. Curastory was not generating revenue in December 2020, nor did Curastory “launch” with any “pro leagues.”

33. On August 25, 2021, Kelly communicated with Investor B and responded to a series of questions regarding Curastory. In her written responses, Kelly confirmed the accuracy of the statement that “\$1m in combined campaign spend [was] signed for Q4 [2021], which would translate to ca. \$300,000 revenues for Curastory.” She also described a deal with a major sports network as in its “final stages.” Investor B subsequently invested approximately \$420,000 in Curastory on or about September 29, 2021. In fact, as Defendants knew or were reckless in not knowing, these statements were false. Again, Curastory would not generate its first sale until July 2022. Indeed, total sales for 2022 were only approximately \$3,572. Nor was Curastory in its “final stages” of entering into a deal with the major sports network referenced.

34. On August 13, 2022, Kelly emailed Investor C, describing Curastory’s “run rate to date” as “\$2.6M,” which implied that Curastory’s actual monthly revenues were more than \$200,000. Investor C invested in Curastory on or about August 30, 2022 for approximately

\$425,000. As Defendants knew or were reckless in not knowing, this statement was false. As of August 2022, Curastory had generated only approximately \$734 in sales.

35. On January 27, 2023, Kelly misrepresented Curastory's revenue to Investor E. Specifically, in response to a question from Investor E about the amount debited to advertisers, Kelly confirmed that "as of 1/25 11:59pm ET Timestamp [Curastory was] at \$289k in [Curastory's Payment Processor account]." She wrote to Investor E again on March 1, 2023, confirming total sales for February 2023: "At \$387,250 in [Curastory's Payment Processor account] at the close of today." On March 7, 2023, Investor E executed a term sheet with Curastory for \$3 million. As Defendants knew or were reckless in not knowing, these statements were false. As of March 1, 2023, Curastory's total sales from inception only amounted to approximately \$9,453. Moreover, Curastory made no sales in February 2023 and would not generate its first sale in 2023 until October of that year.

36. On or about March 17, 2023, Kelly provided Investor D with a P&L spreadsheet that purported to show Curastory's revenue from sales of approximately \$1.5 million from between September 2022 through January 2023. This P&L (depicted, in part, below) was exported from Curastory's accounting software account and revised by Kelly. Shortly thereafter, on March 27, 2023, Investor D requested Kelly provide Curastory's "actual[]" financials for 2022 and 2023 year-to-date since "[i]t appear[ed] the financials . . . provided were projections (P&L forecasts)." That same day and in response to Investor D, Kelly noted that the revenue figures provided were actuals: "No, the projections are greyed out over the month in row 2. ***But everything up until Jan 2023 are actuals.*** We merged actuals + projections in the same doc" (emphasis added). On or about April 7, 2023, days after receiving Kelly's assurances about Curastory's 2022 and 2023 revenues, Investor D invested \$250,000. As Defendants knew or

were reckless in not knowing, this statement was false. Curastory generated no sales before July 2022. And between July 2022 and January 2023, the company generated only approximately \$3,572 – less than one percent of the approximately \$1.5 million touted to Investor D.

	A	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT
1	<b>Profit &amp; Loss</b>	Revenue Generating/Operational Loss				Profit						
2	<b>Main Forecast - Curastory Inc</b>	<b>May-22</b>	<b>Jun-22</b>	<b>Jul-22</b>	<b>Aug-22</b>	<b>Sep-22</b>	<b>Oct-22</b>	<b>Nov-22</b>	<b>Dec-22</b>	<b>Jan-23</b>	<b>Feb-23</b>	<b>Mar-23</b>
3	<b>Revenue</b>											
4	Other Taxable Income	\$0	\$0	\$0	\$100,000	\$0	\$0	\$250	\$0	\$0	\$0	\$0
5	Sales	\$28,365	\$39,235	\$56,210	\$72,326	\$432,627	\$412,879	\$258,430	\$108,372	\$289,070	\$515,114	\$592,382
6	Sales of Product Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	<b>Total Revenue</b>	<b>\$28,365</b>	<b>\$39,235</b>	<b>\$56,210</b>	<b>\$172,326</b>	<b>\$432,627</b>	<b>\$412,879</b>	<b>\$258,680</b>	<b>\$108,372</b>	<b>\$289,070</b>	<b>\$515,114</b>	<b>\$592,382</b>
8	<b>Cost of Sales</b>											
9	Cost of Goods Sold	\$1,809	\$1,925	\$2,118	\$1,846	\$2,334	\$2,226	\$2,734	\$2,749	\$3,064	\$4,126	\$4,539
10	Creator Contractor Fees	\$0	\$0	\$0	\$0	\$0	\$1,556	\$0	\$369	\$0	\$0	\$0
11	<b>Total Cost of Goods Sold</b>	<b>\$1,809</b>	<b>\$1,925</b>	<b>\$2,118</b>	<b>\$1,846</b>	<b>\$2,334</b>	<b>\$3,783</b>	<b>\$2,734</b>	<b>\$3,119</b>	<b>\$3,064</b>	<b>\$4,126</b>	<b>\$4,539</b>
12	<b>Gross Profit</b>	<b>\$28,365</b>	<b>\$39,235</b>	<b>\$56,210</b>	<b>\$172,326</b>	<b>\$432,627</b>	<b>\$411,323</b>	<b>\$258,680</b>	<b>\$105,253</b>	<b>\$286,006</b>	<b>\$510,987</b>	<b>\$587,843</b>

37. In February 2024, Kelly emailed various investors about Curastory's Series A funding round. In one email to a prospective investor, dated February 28, 2024, Kelly included a slide describing Curastory's run rate total revenue of \$540,000. As Defendants knew or were reckless in not knowing, this statement was false. In February 2024, Curastory generated only approximately \$3,000 in sales.

38. Additionally, to convince investors that Curastory was earning sizeable revenues, Defendants also falsely and misleadingly claimed, including in Curastory's August 18, 2021 Form C referenced above, that various brands were paying customers. As Defendants knew or were reckless in not knowing, these statements concerning purported Curastory customers were false. No such brands had ever paid Curastory for advertisements.

39. Similarly, in multiple investor emails in 2023 requesting additional investments, Kelly also regularly touted a partnership she claimed to have made with a collegiate athletic conference for the 2023 football season. In these communications, Kelly described various deals she had closed or was closing in connection with this collegiate conference. On June 26, 2023, for example, Kelly emailed investors an update, describing approximately \$7 million in sales:

“We have closed and closing \$7.2m from [a list of brands] for our [collegiate] football partnership this fall. \$2-3m of this is our marketplace rate.” In this same email, Kelly requested additional investments: “We have ~\$45K left open until we hit our needed allocation . . . [p]lease invest what you can here[.]” As Defendants knew or were reckless in not knowing, these statements were false. According to Curastory’s financial records, only one of the named companies ever paid Curastory for its services, and that company paid only approximately \$2,400 – a far cry from the millions of dollars of sales falsely touted to investors by Defendants.

40. In summary, all of these statements Kelly made to investors were false. As detailed above, Curastory’s first sale did not occur until July 2022. And the company’s total sales for 2022 and 2023 were approximately \$3,572 and \$16,834, respectively. In fact, during the Relevant Period, Curastory generated approximately \$35,800 from advertisers – only a portion of which Curastory was entitled to retain due to payments owed to content creators.

41. Kelly knew or was reckless in not knowing, including from her access to Curastory’s bank accounts and Payment Processor transaction data, that her reported revenue figures as described above were false. At no point during the Relevant Period did Curastory receive (nor was guaranteed) the amount of revenue Defendants misrepresented to investors.

42. As the founder, majority owner, and CEO of the company, who acted on behalf of the company with respect to the conduct alleged, Kelly’s scienter is imputed to Curastory.

43. Defendants’ statements regarding Curastory’s revenue and advertisers were material to a reasonable investor. Investors relied on Defendants’ representations when evaluating whether to invest in Curastory. A reasonable investor would consider it important to know that Defendants had significantly inflated Curastory’s revenue and revenue projections,

particularly as Defendants' statements concerning revenue were key components of Defendants' pitch to investors.

**B. False and Misleading Statements about Other Investor Commitments**

44. When soliciting investors, Defendants also made various false and misleading claims about funds purportedly provided by other investors, including falsely claiming that investors had already invested or would be investing in Curastory.

45. For example, on January 22, 2023, Kelly told Investor E that she wanted to leave \$1 million open on the current SAFE investment round for Investor F – an investor Kelly described as “[e]xtremely strategic for the overall business on the creator side[.]” Shortly thereafter, on January 25, 2023, Kelly told Investor E that she received a \$1 million term sheet offer from Investor F.

46. On or around January 25, 2023, Kelly learned that Investor F had decided not to invest in Curastory. Nevertheless, between January 31, 2023 and March 17, 2023, Kelly falsely communicated to Investor E that Investor F planned to invest in Curastory.

47. On February 1, 2023, for example, Investor E emailed Kelly, requesting an update on Investor F: “Also, is there an update on the \$1mm from [Investor F] (has this been wired / funded)?” In response, Kelly stated: “Yes on [Investor F], not wired yet.”

48. Additionally, on March 3, 2023, Kelly told Investor E that Investor F would invest in Curastory but that Investor F needed a signed term sheet from Investor E: “I do want to note there are some funds that require our signed term sheet to close + wire on the SAFE, like [Investor F] for example. Policy since they are follow on.”

49. Investor E would not learn of Investor F's decision not to invest until March 22, 2023, after Investor E had already signed a term sheet with Curastory. Ultimately, Investor E

notified Kelly on or around April 6, 2023 that it was reducing its valuation of Curastory by approximately 50%, in part due to Investor F not investing. Kelly disagreed with the valuation, and the deal fell apart by April 21, 2023, with Investor E never investing in Curastory.

50. Moreover, while Kelly was still negotiating with Investor E, she simultaneously solicited other investors to make “follow on” investments by misstating the status of Investor E’s investment.

51. For example, in March 2023, Kelly solicited and secured a \$150,000 follow-on investment from Investor A. On February 8, 2023, Investor A inquired about Investor E’s investment, requesting Kelly send a signed term sheet for Investor E. Shortly thereafter, on February 21, 2023, Kelly provided Investor A with what she alleged to be Investor E’s “final signed term sheet.” After receiving the purported term sheet, Investor A wired \$150,000 a few days later on March 1, 2023. In reality, Kelly forged the term sheet by signing on behalf of both Curastory and Investor E. Specifically, Kelly electronically signed the term sheet on behalf of Curastory on February 21, 2023 at 9:10 AM EST. One minute later, at 9:11 AM EST, Kelly, purporting to be Investor E’s General Partner, electronically signed the term sheet for Investor E, using her personal email address and the same internet protocol address she used 1 minute prior. At no time did Investor E or its General Partner authorize Kelly to sign the term sheet on his behalf.

52. Additionally, on April 9, 2023 – while still negotiating with Investor E and only two days after Investor E informed Kelly that it was reducing Curastory’s valuation – Kelly falsely told another prospective investor that Curastory had “closed” \$4.25 million in its capital raise, noting that Investor E was the company’s “lead investor” with \$3 million.

53. In each of these false communications concerning other investors, Kelly acted with an intent to defraud. She forged the signature of a prospective investor on a term sheet she shared with Investor A to secure an investment from the firm. She knew or was reckless in not knowing that her statements concerning Investors E and F were false or misleading because those investors had either told her that they were no longer investing or were still negotiating term sheets.

54. As the founder, majority owner, and CEO of the company, who acted on behalf of the company with respect to the conduct alleged, Kelly's scienter is imputed to Curastory.

55. Defendants' representations about other investor commitments were material to investors in making their investment decisions. A reasonable investor would have considered the existence of a significant investment commitment by another investor as a signal that other investors had positively evaluated Curastory's fundraising pitch. Moreover, that certain of the purportedly committed investors – including an investor Kelly described as “[e]xtremely strategic for the overall business” – had not actually invested or committed to invest would be important to an investor in evaluating Curastory's business, its cashflows, and its likelihood of bringing high-profile content creators onto its platform. Investors again relied on the accuracy of Defendants' representations when determining whether to invest in Curastory.

#### **IV. Defendants Engaged in Additional Misconduct to Perpetuate the Fraudulent Scheme.**

56. In addition to making the materially false and misleading statements identified above, Defendants engaged in other deceptive acts in furtherance of their scheme to defraud investors.

57. For example, as described above, on February 21, 2023, Kelly forged the signature of Investor E on a term sheet by electrically signing the agreement using her personal

email address. At no time did Investor E authorize Kelly to take this action. Kelly then provided the term sheet to Investor A that same day to secure its \$150,000 follow-on investment.

58. Kelly also used the same forged term sheet with Curastory's bank and credit card companies to make necessary payments to maintain business operations around the time when investors were conducting pre-investment due diligence, including, for example, Investor E who had emailed Kelly on January 16, 2023, requesting to speak to other Curastory personnel.

59. More specifically, in February 2023, Kelly did not have the money to make payroll and requested Curastory's bank allow the company to overdraw its account by falsely claiming that investments were "coming." On February 21, 2023, Kelly emailed the bank's representative the forged term sheet. In this email, Kelly noted that funding from Investor E under the term sheet had "to be wired no later than April 12th."

60. On February 21, 2023, Kelly also emailed the same forged term sheet to Curastory's credit card company in an effort to get their permission to make only a partial payment on the company's balance, which was in excess of \$70,000.

61. By deceiving Curastory's bank and credit card provider, Kelly was able to retain access and use of these accounts, enabling her to continue Curastory's business operations, including making employee payroll payments, around the time investors were evaluating a Curastory investment. Given this, Kelly was able to continue to fund her scheme and falsely portray Curastory to investors as a successful business.

**V. Defendants' Profited from Their Fraudulent Conduct and Caused Investor Harm.**

62. Defendants profited from their fraudulent conduct – Curastory received the funds invested in it, and Kelly received investor funds as salary, which would not have been possible but for Defendants' misconduct.

63. By contrast, Curastory investors suffered substantial harm as a result of Defendants' fraudulent conduct. Investors were misled into believing Curastory was a growing and successful business that was on track to make millions and had secured additional investments from large private equity firms. In reality, Curastory generated little revenue during the Relevant Period from only approximately 20 advertisers. As of January 2024, Curastory also owed approximately \$930,000 to its vendors, and Kelly had exhausted all funds raised from investors during the Relevant Period. To-date, investors have received nothing in return for their investment.

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

64. Paragraphs 1 through 63 are realleged and incorporated by reference as if fully set forth herein.

65. Defendants, by engaging in the conduct described above, directly or indirectly, in the offer or sale of securities, by use of means or instruments of transportation or communication in interstate commerce or by use of the mails:

- a. employed devices, schemes, or artifices to defraud;
- b. obtained money or property by means of untrue statements of material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and
- c. engaged in transactions, practices, or courses of business which operated or would

operate as a fraud or deceit upon purchasers.

66. With regard to their violations of Section 17(a)(1), Defendants engaged in the conduct knowingly or recklessly. With regard to their violations of Sections 17(a)(2) and 17(a)(3), Defendants acted knowingly, recklessly, or negligently.

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

**SECOND CLAIM FOR RELIEF**  
**Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder**

68. Paragraphs 1 through 63 are realleged and incorporated by reference as if fully set forth herein.

69. Defendants, by engaging in the conduct described above, directly or indirectly, in connection with the purchase or sale of securities, by use of means or instrumentalities of interstate commerce, or of the mails, knowingly or recklessly:

- a. Employed devices, schemes, or artifices to defraud;
- b. Made untrue statements of material facts 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
- c. Engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons, including purchasers of securities.

70. By reason of the foregoing, Defendants 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 Securities and Exchange Commission respectfully requests that this Court enter a Final Judgment:

**I.**

In a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently restraining and enjoining Defendants, 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 Section 17(a) [15 U.S.C. § 77q(a)], and Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10(b)-5].

**II.**

Permanently enjoining Kelly, pursuant to Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Sections 21(d)(1) and 21(d)(5) of the Exchange Act [15 U.S.C. §§ 78u(d)(1) and 78u(d)(5)], 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 for her own personal accounts.

**III.**

Ordering that Kelly be barred from serving as an officer or director of a public issuer pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)].

**IV.**

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

V.

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

**JURY TRIAL DEMAND**

The Commission demands a jury in this matter for all claims so triable.

Dated: December 15, 2025

Washington, D.C.

Respectfully submitted,

/s/ Daniel J. Ball

Daniel J. Ball (*pending admission pro hac vice*)

Katherine Stella

Securities and Exchange Commission

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