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10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**

12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 vs.

16 ARTUR KHACHATRYAN,

17 Defendant.
18
19
20

Case No. 25-cv-11863

COMPLAINT

Jury Trial Demanded

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

22 **SUMMARY**

23 1. Between January 2022 and January 2024 (the “relevant period”),
24 Defendant Artur Khachatryan (“Khachatryan” or “Defendant”) engaged in a
25 manipulative stock trading scheme known as spoofing. He placed non-bona fide
26 “spoof” orders that he did not intend to execute for the purpose of manipulating stock
27 prices, and also placed bona fide orders that he did execute at the resulting
28 manipulated prices for a profit. By repeating this pattern in his own accounts and in

1 the accounts of friends and relatives, Khachatryan generated approximately \$373,885
2 in ill-gotten gains.

3 2. Khachatryan's scheme involved trading outside of regular market hours
4 when the market was very thinly traded. This made it easier to artificially move the
5 prices of securities in a direction of his choosing by rapidly placing non-bona fide
6 "spoof" orders on one side of the market, then executing bona fide orders on the
7 opposite side of the market at prices that benefitted from the artificial price
8 movement he had created. After his bona fide orders were executed, he would
9 quickly cancel his non-bona fide spoof orders. The practice of spoofing is recognized
10 as an illegal, fraudulent scheme and a form of market manipulation.

11 3. Khachatryan's scheme also involved using accounts in the names of
12 other people because his manipulative trading triggered account restrictions and/or
13 closings at the broker-dealers he used. To continue his trading, Khachatryan opened
14 accounts at multiple broker-dealers in the names of other people and used the existing
15 accounts of friends and family. In some instances, he filled out and electronically
16 signed all of the account opening documentation for accounts in the names of others,
17 misrepresenting to broker-dealers that the named individuals would be trading when,
18 in fact, he knew that he would be the only person trading in those accounts.

19 4. Khachatryan knew or was reckless in not knowing that his spoofing was
20 illegal. Prior to the relevant period, he confirmed in an email to a broker-dealer that
21 he understood that placing orders with the intent to cancel could be considered
22 manipulation. He also continued to use spoofing even after a broker-dealer
23 specifically told him in late 2022 that it was restricting his account because the series
24 of orders he had placed had "achieved a guaranteed profit quote manipulation" and
25 that the firm "never allows this kind of manipulating [sic] activities."

26 5. Khachatryan also knew or was reckless in not knowing that he was
27 making material misrepresentations to broker-dealers when he filled out and
28 electronically signed account opening paperwork pretending to be someone else and

1 obscuring the fact that he would be trading in the accounts.

2 6. By engaging in the conduct alleged in this complaint, Defendant violated
3 Sections 17(a)(1), (2), and (3) of the Securities Act of 1933 (“Securities Act”) [15
4 U.S.C. §§ 77q(a)(1), (2), and (3)], and Sections 9(a)(2) and 10(b) of the Securities
5 Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78i(a)(2) and 78j(b)], and
6 Rules 10b-5(a), (b), and (c) thereunder [17 C.F.R. §§ 240.10b-5(a), (b), and (c)]. The
7 SEC seeks a permanent injunction, a conduct-based injunction, disgorgement of ill-
8 gotten gains plus prejudgment interest, and a civil penalty against Khachatryan.

9 JURISDICTION AND VENUE

10 7. The Court has jurisdiction over this action pursuant to Sections 20(b),
11 20(d), and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d), and 77v(a)], and
12 Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and
13 78aa].

14 8. Defendant, directly or indirectly, made use of the means or
15 instrumentalities of interstate commerce, of the mails, or of the facilities of a national
16 securities exchange in connection with the transactions, acts, practices, and courses of
17 business alleged in this complaint.

18 9. Venue is proper in this district pursuant to Section 22(a) of the Securities
19 Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa],
20 because certain of the transactions, acts, practices, and courses of conduct
21 constituting violations of the federal securities laws occurred within this district. In
22 addition, venue is proper in this district because Khachatryan resides in this district.

23 THE DEFENDANT

24 10. **Artur Khachatryan**, age 41, resides in Tujunga, California.
25 Khachatryan received an MD from the University of Nevada in spring 2023. He
26 holds an active Physician Training License in Colorado and worked as a medical
27 resident in Denver until January 2024, when he moved to the Los Angeles area.
28

TERMS USED IN THIS COMPLAINT

11. *Spoofing* refers to a type of market manipulation scheme where a trader enters non-bona fide orders to create a false appearance of new or increased trading interest in the security. Spoofers induce others to place orders priced at or better than the spoofer's non-bona fide orders. Spoofing creates artificial market conditions that benefit the spoofer's interests while harming other market participants.

12. *Regular market hours* refers to the period of time when the U.S. markets are open: Monday through Friday, from 9:30 a.m. to 4:00 p.m. Eastern Standard Time, with the exception of certain holidays. The U.S. markets also allow for *extended hours trading*, the periods directly before the stock markets open and right after they close and which hours vary per market.

13. *National Best Bid* is the highest reported price a buyer is willing to pay to buy a security.

14. *National Best Offer* is the lowest reported price that a seller is willing to accept to sell a security.

15. *NBBO*. The spread between the National Best Bid and the National Best Offer is referred to as the "NBBO." The NBBO is publicly reported to the market and represents the tightest bid-ask spread for a particular security.

16. *Midpoint*. The midpoint price of a security is defined as the average of the NBB and the NBO.

17. *Thinly traded securities* are securities that have low trading volume. As compared to more actively traded securities with a greater trading volume, thinly traded securities often have fewer interested buyers and sellers and larger NBBO spreads. Thus, a small number of orders or trades can significantly impact the market price of thinly traded securities, rendering them more susceptible to manipulation than securities that are more actively traded.

18. *Limit orders* are orders to buy or sell a security at a specified price or better and can only be executed if the market price reaches the limit price. A buy

1 limit order can only be executed at the limit price or lower, and a sell limit order can
2 only be executed at the limit price or higher. While limit orders do not guarantee
3 execution, they help ensure that an investor does not pay more than or sell for less
4 than a pre-determined price.

5 **THE ALLEGATIONS**

6 **A. Background**

7 19. In or around summer 2021, Khachatryan was using an account he had at
8 a registered broker-dealer, “BD 1,” and started using a strategy he referred to as “fast
9 trading.” His fast trading involved buying and selling stock quickly enough to take
10 advantage of small market movements.

11 20. Initially, Khachatryan did his fast trading during regular market hours,
12 but because he was busy with medical school, he tried trading before and after regular
13 market hours. He realized that trading outside of regular market hours was more
14 profitable.

15 21. By July 2021, he was fast trading mainly outside of regular market
16 hours. He also increased the number of orders he was entering on a daily basis,
17 sometimes entering as many as 3,000 orders per day.

18 22. In late July 2021, BD 1 began sending him warnings about potentially
19 manipulative trading. Khachatryan continued trading and had multiple phone calls
20 with BD 1 representatives.

21 23. On August 24, 2021, BD 1 restricted Khachatryan’s account and a
22 representative told him the firm had made the decision to close his account.

23 24. On September 2, 2021, Khachatryan wrote an email to BD 1 asking the
24 firm to let him continue trading. The email stated in part, “...I have read and
25 understand the SEC rules regarding order cancellations (ie [sic], putting on orders
26 with intent to cancel without getting filled) and how this is considered market
27 manipulation.” It also stated, “I am now fully aware that this type of trading is not
28 allowed and will refrain from it.”

1 25. BD 1 did not allow Khachatryan to continue trading and closed his
2 account.

3 **B. Khachatryan's Spoofing Scheme**

4 26. After BD 1 closed Khachatryan's account, he began using an existing
5 account he had another registered broker-dealer, "BD 2."

6 27. During fall 2021, Khachatryan became familiar with BD 2's trading
7 platform, and had multiple phone calls with the firm's customer service
8 representatives to learn the attributes of its trading system and to ensure that he had
9 access to current market data.

10 **1. Khachatryan's Manipulative Trading**

11 28. In January 2022, Khachatryan began his manipulative spoofing scheme,
12 which involved trading in high-priced stocks and worked as follows.

13 29. First, he traded almost exclusively outside of regular market hours.
14 Even stocks that are heavily traded during regular market hours are often thinly
15 traded outside of those hours. This results in a larger NBBO – the difference between
16 the National Best Offer and the National Best Bid. Fewer market participants and a
17 wider NBBO provide more opportunity to artificially move stock prices.

18 30. Second, Khachatryan rapidly placed a series of visible limit orders for a
19 particular stock on one side of the market within the NBBO that he did not intend to
20 execute. These non-bona fide "spoof" orders were layered and incrementally
21 narrowed the NBBO in a direction of his choosing, creating a false appearance of
22 new or increased trading interest in the stock.

23 31. Third, he placed aggressively priced bona fide orders on the opposite
24 side of the market within the new, narrower NBBO and slightly away from his non-
25 bona fide "spoof" orders. Unlike his visible non-bona fide limit orders,
26 Khachatryan's bona fide orders did not impact the National Best Bid or the National
27 Best Offer because they were typically executed instantaneously and not posted on a
28 market data feed.

1 32. Fourth, once he received the desired executions, he quickly canceled his
2 non-bona fide spoof orders – often with a hotkey that canceled all outstanding orders
3 at the same time. This usually triggered an immediate return to the wider, true
4 market NBBO that had existed prior to Khachatryan placing non-bona fide “spoof”
5 orders.

6 33. Khachatryan then repeated the same spoofing scheme on the other side
7 of the market to lock in his profits.

8 34. Khachatryan’s manipulative trading scheme allowed him, for example,
9 to buy at a low price and quickly sell at a high price; then short-sell at a high price
10 and quickly buy at a low price to cover his short position. He would repeat this
11 pattern for many cycles, continuing to profit as a result of his stock price
12 manipulation.

13 35. Here is one specific example of how Khachatryan’s scheme worked. On
14 January 6, 2022, the common stock of a U.S.-listed company “Company A,” did not
15 experience an NBBO spread larger than \$1.25 during regular market hours, and its
16 average NBBO spread was \$0.17. But that night, at about 3:30 a.m. Pacific Time
17 (“PT”) when Khachatryan began trading this stock, the NBBO was approximately
18 \$24 per share.

19 36. At 3:32 a.m. PT, the National Best Bid for Company A stock was
20 \$198.99 per share and the National Best Offer was \$223.02 per share.

21 37. At 3:33 a.m. PT, Khachatryan began placing non-bona fide “spoof”
22 orders to buy Company A stock at prices increasing from \$204.66 to \$214.69. This
23 effectively pushed up the midpoint price for Company A from \$211.01 to \$218.89.
24 It also moved the National Best Bid from \$198.99 to \$208.20 per share.

25 38. Then he began entering bona fide short-sell orders around the artificial
26 NBB price he had just established. These short-sell orders were quickly executed at
27 prices between about \$208 and \$215 per share.
28

1 39. Just before 3:35 a.m. PT, Khachatryan canceled his non-bona fide buy
2 orders.

3 40. In order to profit, Khachatryan had to cover the shares he had sold short
4 for prices below \$208 to \$215, so he started the spoofing process on the opposite side
5 of the market to depress the price.

6 41. A little after 3:35 a.m. PT, he began entering non-bona fide spoof orders
7 to sell Company A stock at prices decreasing from about \$214 to \$205. This
8 effectively pushed down the NBO, and he executed buy orders between about \$205
9 and \$208 per share, which he used to cover his short sales at a profit.

10 42. In January 2022, Khachatryan repeated this pattern over and over again,
11 resulting in an average of 3,456 orders per day in his BD 2 account, almost all of
12 which were outside of regular market hours. That month, he made average trading
13 profits of about \$16,000 per day in the same account.

14 **2. Khachatryan Trades in the Accounts of Others**

15 43. In early January 2022, Khachatryan suggested to his friend, Person A,
16 that he also open an account at BD 2. Person A began the account opening process,
17 and his account was able to trade by mid-January.

18 44. Person A also spoke with his friend, Person B, who wanted to make an
19 investment. Person A suggested that Person B allow Khachatryan to trade in Person
20 B's account to generate trading profits. Person B went on to tell two of his friends
21 the same thing.

22 45. Between January and March 2022, Person B and his two friends opened
23 accounts at BD 2.

24 46. After Khachatryan engaged in his spoofing scheme for about six weeks,
25 BD 2 restricted his account on February 14, 2022. By that time, Persons A and B had
26 active accounts, and Khachatryan used them to continue trading.

27 47. In February and March, Person B's two friends activated their own BD 2
28 accounts that Khachatryan also used to trade.

1 48. One by one, each of the accounts listed above was restricted by BD 2
2 due to Khachatryan's trading.

3 49. By May 2022, all of the accounts had been restricted, but Khachatryan
4 had generated \$268,674 in illegal profits from his manipulative trading.

5 **3. Khachatryan Opens and Trades in Accounts in the Name of a Close**
6 **Relative**

7 50. In October 2022, Khachatryan opened accounts at BD 1 and BD 2 in the
8 name of a close relative ("Relative One"), and with her permission. Khachatryan
9 opened the accounts in Relative One's name because his own accounts had been
10 closed at these firms and he did not think they would allow him to open other
11 accounts in his own name.

12 51. In early November 2022, Khachatryan began simultaneously trading in
13 both of Relative One's accounts using the same manipulative spoofing scheme he had
14 used earlier that year. His manipulative trading generated \$57,764 in profits.

15 52. Despite the representation he had made to BD 1 in summer 2021 that he
16 understood "... the SEC rules regarding order cancellations (ie [sic], putting on
17 orders with intent to cancel without getting filled) and how this is considered market
18 manipulation," the trading in Relative One's account involved placing non-bona fide
19 spoof orders that he canceled as soon as his bona fide orders were filled.

20 53. Within a few weeks, BD 1 and BD 2 had each restricted or closed the
21 accounts Khachatryan opened in Relative One's name.

22 **4. Khachatryan Moves His Trading to a New Broker-Dealer**

23 54. About two days after Relative One's accounts had been shut down,
24 Khachatryan began trading in an account he had in his own name at a third registered
25 broker-dealer, "BD 3."

26 55. Around the same time, he opened a BD 3 account in another family
27 member's name ("Relative Two"), with her permission.

28 56. Between November 30 and December 6, 2022, Khachatryan made

1 \$15,496 in his own BD 3 account as a result of his manipulative spoofing scheme.

2 57. BD 3 quickly restricted Khachatryan's account and sent him the
3 following message on December 15, 2022:

4 Your account is currently restricted due to potential quote manipulation
5 activities in the past 2 weeks. The series of orders that you placed to
6 buy/sell, as well as cancellations between these orders are pushing the
7 quote up and down and have achieved a guaranteed profit quote
8 manipulation. Please be aware that our platform never allows this kind
9 of manipulating activities. If you have any questions about it, please
contact us and explain your trading strategy. [sic]

10 58. Despite BD 3's specific admonition to Khachatryan, he used the same
11 manipulative spoofing scheme in the BD 3 account he opened in Relative Two's
12 name, making \$31,951 in profits between November 24, 2023 and February 2, 2024.

13 **C. Khachatryan's Misrepresentations to Broker-Dealers**

14 59. In addition to engaging in a manipulative trading scheme, Khachatryan
15 provided materially false information on account opening forms he submitted to
16 multiple broker-dealers. He opened accounts in the names of Relative One and
17 Relative Two indicating that the accounts would be under their control and for their
18 exclusive use, but Khachatryan knew that he would be the person controlling and
19 trading in the accounts.

20 60. Khachatryan's own accounts had been restricted or closed at BD 1, BD
21 2, and BD 3, and he opened accounts in the names of Relative One and Relative Two
22 because he knew it was unlikely the firms would allow him to trade again.

23 61. On October 30, 2022, Khachatryan submitted account opening forms in
24 the name of Relative One to BD 1.

25 62. On October 31, 2022, Khachatryan submitted account opening forms in
26 the name of Relative One to BD 2.

27 63. During the online account opening process for these accounts,
28

1 Khachatryan presented himself as Relative One by entering her personal information
2 and electronically signing her name. He also failed to identify himself as someone
3 who would be trading in the account or even as an authorized user.

4 64. On BD 2's required account opening form entitled, "Certification
5 Regarding Trading Control and Ownership of Account," BD 2 asked for a specific
6 representation that the person signing the form was the only person who would be
7 trading in the account. Khachatryan electronically signed Relative One's name even
8 though he knew he would be the only person trading in the account.

9 65. On December 8, 2022, Khachatryan submitted account opening forms in
10 the name of Relative Two to BD 3. During the account opening process, he
11 presented himself to the firm as though he was Relative Two, by filling out the online
12 application with her information, electronically signing her name, and failing to
13 identify himself as an authorized user or as someone associated with the account even
14 though he knew he would control and trade in the account.

15 **FIRST CLAIM FOR RELIEF**

16 **Fraud in Connection with the Purchase or Sale of Securities**

17 **Violations of Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c)**

18 66. The SEC realleges and incorporates by reference paragraphs 1 through
19 65 above.

20 67. As set forth above, Defendant Khachatryan perpetrated a scheme to
21 fraudulently manipulate the prices of securities and conducted his spoofing scheme
22 outside of regular market hours when the securities were thinly traded and more
23 susceptible to manipulation. He placed multiple non-bona fide spoof orders on one
24 side of the market to move the prices of securities in a direction that benefitted him,
25 then executed bona fide orders on the other side of the market to profit from the price
26 movement and canceled his spoof orders. He knew, or was reckless in not knowing,
27 that this type of trading was illegal because, among other things, he began his
28 manipulative spoofing scheme after acknowledging to BD 1 that he understood that

1 placing orders with the intent to cancel was considered market manipulation.
 2 Khachatryan also acted with scienter because when accounts in his own name were
 3 restricted or closed, he continued his fraudulent trading using accounts in the names
 4 of others.

5 68. By virtue of the foregoing, Khachatryan directly or indirectly, by the use
 6 of means or instruments of interstate commerce, or of the mails or of a facility of a
 7 national securities exchange, in connection with the purchase or sale of a security:

8 (a) Employed one or more devices, schemes or artifices to defraud;

9 and

10 (b) Engaged in acts, practices, or courses of business which operated
 11 or would operate as a fraud or deceit upon others.

12 69. By virtue of the foregoing, Khachatryan violated and, unless restrained
 13 and enjoined, will again violate, Section 10(b) of the Exchange Act [15 U.S.C. §
 14 78j(b)] and Rules 10b-5(a) and (c) [17 C.F.R. §§ 240.10b-5(a), (c)] thereunder.

15 **SECOND CLAIM FOR RELIEF**

16 **Fraud in Connection with the Purchase or Sale of Securities**

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

18 70. The SEC realleges and incorporates by reference paragraphs 1 through
 19 65 above.

20 71. As set forth above, Defendant Khachatryan made material
 21 misrepresentations to broker-dealers when he filled out and signed account opening
 22 paperwork, falsely representing himself as Relative One and Relative Two. The
 23 misrepresentations were material because the broker-dealers would have wanted to
 24 know that the person using the account was Khachatryan – an individual whose
 25 accounts they had restricted or closed. Khachatryan made the misrepresentations
 26 with scienter because he opened the accounts in the names of others to deceive
 27 broker-dealers that would not let him open another account in his own name. The
 28 misrepresentations were in connection with the purchase or sale of securities because

1 Khachatryan used the accounts he opened to purchase and sell securities.

2 72. By virtue of the foregoing, Khachatryan directly or indirectly, by the use
3 of means or instruments of interstate commerce, or of the mails or of a facility of a
4 national securities exchange, in connection with the purchase or sale of a security,
5 made untrue statements of a material fact or omitted to state a material fact necessary
6 in order to make the statements made, in light of the circumstances under which they
7 were made, not misleading.

8 73. By virtue of the foregoing, Khachatryan violated and, unless restrained
9 and enjoined, will again violate, Section 10(b) of the Exchange Act [15 U.S.C. §
10 78j(b)] and Rule 10b-5(b) [17 C.F.R. §§ 240.10b-5(b)] thereunder.

11 **THIRD CLAIM FOR RELIEF**

12 **Manipulation of Security Prices**

13 **Violation of Section 9(a)(2) of the Exchange Act**

14 74. The SEC realleges and incorporates by reference paragraphs 1 through
15 65 above.

16 75. As set forth above, Defendant Khachatryan perpetrated a scheme to
17 fraudulently manipulate the prices of securities and conducted his spoofing scheme
18 outside of regular market hours when the securities were thinly traded and more
19 susceptible to manipulation. He placed multiple non-bona fide spoof orders on one
20 side of the market to move the prices of securities in a direction that benefitted him,
21 then executed bona fide orders on the other side of the market to profit from the price
22 movement and canceled his spoof orders. He knew, or was reckless in not knowing,
23 that this type of trading was illegal because, among other things, he began his
24 manipulative spoofing scheme after acknowledging to BD 1 that he understood that
25 placing orders with the intent to cancel was considered market manipulation.
26 Khachatryan also acted with scienter because when accounts in his own name were
27 restricted or closed, he continued his fraudulent trading using accounts in the names
28 of others.

1 76. By virtue of the foregoing, Khachatryan, directly or indirectly, by the
2 use of the mails or any means or instrumentality of interstate commerce, or of any
3 facility of any national securities exchange, or for any member of a national securities
4 exchange, effected, alone or with one or more other persons, a series of transactions
5 in a security creating actual or apparent active trading in such security, or raising or
6 depressing the price of such security, for the purpose of inducing the purchase or sale
7 of such security by others.

8 77. By virtue of the foregoing, Khachatryan violated and, unless enjoined,
9 will again violate Exchange Act Section 9(a)(2) [15 U.S.C. § 78i(a)(2)].

10 **FOURTH CLAIM FOR RELIEF**

11 **Fraud in the Offer or Sale of Securities**

12 **Violations of Sections 17(a)(1) and 17(a)(3) of the Securities Act**

13 78. The SEC realleges and incorporates by reference paragraphs 1 through
14 65 above.

15 79. As set forth above, Defendant Khachatryan perpetrated a scheme to
16 fraudulently manipulate the prices of securities and conducted his spoofing scheme
17 outside of regular market hours when the securities were thinly traded and more
18 susceptible to manipulation. He placed multiple non-bona fide spoof orders on one
19 side of the market to move the prices of securities in a direction that benefitted him,
20 then executed bona fide orders on the other side of the market to profit from the price
21 movement and canceled his spoof orders. He knew, or was reckless in not knowing,
22 that this type of trading was illegal because, among other things, he began his
23 manipulative spoofing scheme after acknowledging to BD 1 that he understood that
24 placing orders with the intent to cancel was considered market manipulation.
25 Khachatryan also acted with scienter because when accounts in his own name were
26 restricted or closed, he continued his fraudulent trading using accounts in the names
27 of others.

28 80. By virtue of the foregoing, Khachatryan, directly or indirectly, in the

offer or sale of securities, and by the use of means or instruments of transportation or communication in interstate commerce or by use of the mails:

(a) Employed one or more devices, schemes or artifices to defraud;

and

(b) Engaged in one or more transactions, practices or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

81. By virtue of the foregoing, Khachatryan violated and, unless restrained and enjoined, will again violate, Sections 17(a)(1) and (3) of the Securities Act [15 U.S.C. §§ 77q(a)(1) and (3)].

FIFTH CLAIM FOR RELIEF

Fraud in Offer or Sale of Securities

Violations of Section 17(a)(2) of the Securities Act

82. The SEC realleges and incorporates by reference paragraphs 1 through 65 above.

83. As set forth above, Defendant Khachatryan made untrue statements of material fact to broker-dealers when he filled out and signed account opening paperwork, falsely representing himself as Relative One and Relative Two. His statements were material because the broker-dealers would have wanted to know that the person using the account was Khachatryan – an individual whose account they had restricted or closed. Khachatryan made the misrepresentations with scienter or at least negligence because he opened the accounts in the names of others to deceive the broker dealers or at least understanding that they would not let him open another account in his own name. The untrue statements were also in the offer or sale of securities because Khachatryan used the accounts to offer and sell securities, and he obtained money or property by means of his untrue statements because the accounts allowed him to generate trading profits.

84. By virtue of the foregoing, Khachatryan, directly or indirectly, in the

1 offer or sale of securities, and by the use of means or instruments of transportation or
2 communication in interstate commerce or by use of the mails, obtained money or
3 property by means of untrue statements of a material fact or by omitting to state a
4 material fact necessary in order to make the statements made, in light of the
5 circumstances under which they were made, not misleading.

6 85. By virtue of the foregoing, Khachatryan violated and, unless restrained
7 and enjoined, will again violate, Section 17(a)(2) of the Securities Act [15 U.S.C. §
8 77q(a)(2)].

9 **PRAYER FOR RELIEF**

10 WHEREFORE, the SEC respectfully requests that the Court:

11 **I.**

12 Issue a judgment, in a form consistent with Rule 65(d) of the Federal Rules of
13 Civil Procedure permanently enjoining Defendant Khachatryan and his officers,
14 agents, servants, employees and attorneys, and those persons in active concert or
15 participation with any of them, who receive actual notice of the judgment by personal
16 service or otherwise, and each of them, from violating Section 17(a) of the Securities
17 Act [15 U.S.C. § 77q(a)]; and Sections 9(a)(2) and 10(b) of the Exchange Act [15
18 U.S.C. §§ 78i(a)(2) and 78j(b)] and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

19 **II.**

20 Order Defendant Khachatryan to disgorge all funds received from his illegal
21 conduct, together with prejudgment interest thereon pursuant to Exchange Act
22 Sections 21(d)(5) and 21(d)(7) [15 U.S.C. §§ 78u(d)(5), 78u(d)(7)].

23 **III.**

24 Order Defendant Khachatryan to pay a civil penalty under Section 20(d) of the
25 Securities Act [15 U.S.C. § 77t(d)]; and Section 21(d)(3) of the of the Exchange Act
26 [15 U.S.C. § 78u(d)(3)].

27 **IV.**

28 Enter an order against Defendant Khachatryan pursuant to Section 20(b) of the

1 Securities Act [15 U.S.C. § 77t(b)] and Section 21(d)(5) of the Exchange Act [15
2 U.S.C. §§ 78u(d)(5)], prohibiting him, for a period of four years, from, directly or
3 indirectly, opening, maintaining or trading in any brokerage account(s) in his name,
4 the names of any immediate family members, the name of any company over which
5 he has any control or the name(s) of any third party individuals, without providing the
6 relevant broker-dealer(s) a copy of the final judgment entered against him in this
7 action.

8 **V.**

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

13 **VI.**

14 Grant such other and further relief as this Court may determine to be just and
15 necessary.

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17 Dated: December 16, 2025

18 /s/ Sara D. Kalin

19 Sara D. Kalin

20 Attorneys for Plaintiff

21 Securities and Exchange Commission
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