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

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

-against-

**CHRISTOPHER KENJI DINELLI
a/k/a KENJI DINELLI and
JACOB DAVID FRANKEL
a/k/a KOBI FRANKEL,**

Defendants.

COMPLAINT

26 Civ. 8564

JURY TRIAL DEMANDED

Plaintiff Securities and Exchange Commission (“Commission”), for its Complaint against Defendants Christopher Kenji Dinelli a/k/a Kenji Dinelli (“Dinelli”) and Jacob David Frankel a/k/a Kobi Frankel (“Frankel”) (collectively, “Defendants”), alleges as follows:

SUMMARY

1. Between approximately April 2024 and February 2026 (the “Relevant Period”), Dinelli and Frankel, through their company, Beyond Alpha Ventures LLC (“BAV”), raised over \$8.7 million from 35 investors through their offer and sale of interests in a fund (the “Trading Fund”) and interests in pre-initial public offering (“pre-IPO”) shares in private companies,

including through two special purpose vehicles (“SPVs”), while making material misrepresentations to investors about the nature of the investments and the use of investor funds.

2. Dinelli, a former naval officer, solicited other Navy veterans and medical professionals affiliated with the U.S. Department of Veterans Affairs Clinic in Pensacola, Florida (“VA Clinic”)—where he was a patient, and a member of his family was employed—to invest with BAV.

3. While soliciting investors for the Trading Fund, Defendants repeatedly made material misrepresentations concerning, among other things, the past performance of the Trading Fund and BAV’s client base.

4. For example, despite consistent past losses in the Trading Fund, Defendants touted its purportedly wildly successful past returns and a sprawling client base. A BAV marketing document titled “Trading Fund Overview 2024” (the “Trading Fund Overview”) that Frankel distributed to prospective investors falsely claimed that the Trading Fund had enjoyed a “153% Net Return on Investment” over the past 4 years and served over 1,340 clients from over 17 countries.

5. In fact, the Trading Fund had fewer than 40 investors, nearly all of whom were from the United States, and during its 13 months of trading from 2024 to 2025, the Trading Fund consistently lost value. As of December 2025, the Trading Fund had net investment losses of over 200%.¹

6. As losses in the Trading Fund mounted, Defendants tried to hide their fraud by providing investors false account statements that showed positive investment returns when, in

¹ Net investment losses refers to the cumulative losses of all net deposits into multiple BAV brokerage accounts.

reality, their investments were losing value, or their invested money had been diverted elsewhere, including to purchase interest in pre-IPO shares or for the defendants' personal use.

7. Defendants further misled investors seeking to invest in pre-IPO securities ("Pre-IPO Investors") regarding the manner in which their funds would be invested.

8. Of the \$8.7 million Defendants raised from investors, they took in nearly \$6 million by promising that it would be invested in pre-IPO securities, that Defendants would purchase shares on behalf of the Pre-IPO Investors, and/or that the pre-IPO securities would be purchased through two SPVs administered by a third party. Contrary to these promises, Defendants directed most Pre-IPO Investors to send their money not to third party administrators but, rather, to bank accounts that Defendants controlled and used to commingle Pre-IPO Investor funds with Trading Fund investor funds. Furthermore, Defendants ultimately invested less than half of the nearly \$6 million they collected from Pre-IPO Investors into pre-IPO securities.

9. In addition, to the extent Frankel used Pre-IPO Investor funds to invest in pre-IPO securities, he did so on behalf of BAV, not the SPVs or the Pre-IPO Investors, thus potentially diluting any Pre-IPO Investors' interest in the pre-IPO shares by risking division of that interest with other BAV investors. Further, Frankel did not purchase shares on behalf of Pre-IPO Investors, as promised to certain Pre-IPO Investors.

10. Moreover, unbeknownst to the Pre-IPO Investors, Defendants diverted money provided by Pre-IPO Investors to the Trading Fund's brokerage accounts, where the Defendants lost the vast majority of those funds due to failed options trades in BAV brokerage accounts that Frankel controlled.

11. In addition to diverting investor funds to investments the investors did not intend, Dinelli and Frankel each used investor funds for personal expenses. Specifically, Dinelli spent at

least \$1 million of investor funds on personal expenses, such as a personal investment in a documentary film, while Frankel spent at least \$340,000 of investor funds on personal expenses, including personal trading and criminal attorney fees.

VIOLATIONS

12. By virtue of the foregoing conduct and as alleged further herein, Defendant Dinelli violated 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].

13. By virtue of the foregoing conduct and as alleged further herein, Defendant Frankel violated Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8].

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

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

15. The Commission brings this action pursuant to the authority conferred upon it by Securities Act Sections 20(b) and 20(d) [15 U.S.C. §§ 77t(b) and 77t(d)], Exchange Act Section 21(d) [15 U.S.C. § 78u(d)], and Advisers Act Sections 209(d) and 209(e) [15 U.S.C. §§ 80b-9(d) and 80b-9(e)].

16. The Commission seeks a final judgment: (a) permanently enjoining Defendants from violating the federal securities laws and rules this Complaint alleges they have violated; (b) permanently enjoining Defendants from, directly or indirectly, including, but not limited to, through any entity owned or controlled by Defendants, participating in the issuance, purchase, offer, or sale of any security, provided, however, that such injunction shall not prevent Defendants from purchasing or selling securities for their own personal accounts; (c) permanently enjoining Defendants from, directly or indirectly, acting as or being associated with any investment adviser, broker or dealer; (d) ordering Defendants to disgorge all ill-gotten gains they received as a result of the violations alleged here and to pay prejudgment interest thereon, pursuant to Exchange Act Sections 21(d)(3), 21(d)(5), and 21(d)(7) [15 U.S.C. §§ 78u(d)(3), 78u(d)(5), and 78u(d)(7)]; (e) ordering Defendants to pay civil money penalties pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)], Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)], and Advisers Act Section 209(e) [15 U.S.C. § 80b-9(e)]; and (f) ordering any other and further relief the Court may deem just and proper.

JURISDICTION AND VENUE

17. This Court has jurisdiction over this action pursuant to Securities Act Section 22(a) [15 U.S.C. § 77v(a)], Exchange Act Section 27 [15 U.S.C. § 78aa], Advisers Act Section 214 [15 U.S.C. § 80b-14], and 28 U.S.C. § 1331.

18. Defendants, directly and indirectly, have made use of the means or instrumentalities of interstate commerce or of the mails in connection with the transactions, acts, practices, and courses of business alleged herein.

19. Venue lies in this District under Securities Act Section 22(a) [15 U.S.C. § 77v(a)], Exchange Act Section 27 [15 U.S.C. § 78aa], and Advisers Act Section 214 [15 U.S.C. § 80b-

14]. Defendants may be found in or transact business in the Southern District of New York. The entities through which Defendants offered and sold securities, collected investor funds, and provided advisory services, BAV, Beyond Alpha Capital Management LLC (“BACM”), and Beyond Equity LLC (“Beyond Equity”), all maintain a principal place of business or address in this District. Also, certain of the acts, practices, transactions, and courses of business alleged in this Complaint occurred within this District, including offers and sale of securities to certain investors. In addition, during the Relevant Period, at least four BAV investors resided within this District. Also, Frankel was a resident of this District at times during the Relevant Period.

DEFENDANTS

20. Dinelli, age 34, is a resident of Frederick, Maryland. Dinelli is owner, CEO and Chairman of BACM and, until July 2025, was BAV’s Chairman. Prior to joining BAV, Dinelli served with the United States Navy from 2014 to 2023.

21. Frankel, age 32, is a resident of Kinnelon, New Jersey. Frankel is the founder, owner and Chief Executive Officer (“CEO”) of BAV. From approximately 2016 through 2023, Frankel was associated with several broker-dealers as a registered representative and held Series 7 and 63 securities licenses.

OTHER RELEVANT INDIVIDUALS AND ENTITIES

22. BACM, formed in October 2024, is a New York limited liability company, with its principal place of business in New York, New York. According to its registered agent of record, BACM is owned by Dinelli and another Navy veteran who is also a BAV investor.

23. BAV, formed in June 2023, is a Wyoming limited liability company. According to filings with the Wyoming Secretary of State, BAV’s principal place of business is Kinnelon, New Jersey. However, BAV’s website, May 2024 Form D filing, marketing materials provided

to investors, Private Placement Memoranda, and subscription agreements list New York, New York as the company's business address. Frankel is BAV's founder, and was, at all relevant times, its owner and CEO, and Frankel was listed as an account holder on BAV bank and brokerage accounts. Dinelli was BAV's Chairman at all relevant times until July 2025 and was listed as an owner and/or account holder on BAV brokerage accounts. BAV has never been registered with the Commission in any capacity.

24. Beyond Equity, formed in November 2024, is a Delaware limited liability company, with its principal place of business in New York, New York. According to corporate filings with Delaware, Frankel is Beyond Equity's sole owner and CEO. Beyond Equity has reported to the state of New York as an exempt reporting adviser since May 2025. Beyond Equity's June 2026 Form ADV (a form used by investment advisers to register with both the Commission and state securities regulators) lists the same principal place of business address as the business address listed on BAV's website. Beyond Equity has served as investment adviser to BAV, its only advisory client, and reported in its June 2026 Form ADV that BAV's asset value is \$1 million.

25. Beyond Alpha Capital Partners LLC ("BACP"), formed in September 2024, is a Delaware limited liability company, with an address of Kinnelon, New Jersey. Frankel is the sole member listed on BACP bank accounts.

FACTS

I. Background

26. In June 2023, Frankel formed BAV and, during the Relevant Period, Frankel remained the owner of BAV, was named CEO and, in that capacity, primarily managed BAV's investment strategy.

27. In early 2024, after serving in the Navy, Dinelli began working with Frankel at BAV.

28. As BAV's Chairman, Dinelli was involved in soliciting investors and overseeing BAV's administrative and back-office functions.

29. As early as May 2024, BAV's subscription agreement identified Beyond Equity as BAV's manager, but Frankel officially formed Beyond Equity in November 2024.

30. Beginning in or around April 2024, Frankel and Dinelli solicited investors for BAV's Trading Fund and pre-IPO investments.

31. Dinelli often connected with prospective Trading Fund and pre-IPO investors through his affiliation with the Navy and ties to the VA Clinic, where he was a patient and one of his family members is on staff.

32. Through oral and written statements, Frankel and Dinelli promised prospective investors that their funds would be used for one or more of the following:

- (i) Direct investment in BAV's Trading Fund;
- (ii) A pre-IPO investment in SB Technology, Inc. (d/b/a SandboxAQ) ("SandboxAQ"), including through an SPV; and
- (iii) A pre-IPO investment in Payward, Inc. (d/b/a Kraken) ("Kraken"), including through an SPV.

33. Regardless of the investment purchased, upon receipt of an investor's funds, Dinelli and Frankel pooled each investor's funds with those of other investors by depositing them into BAV's, BACM's and BACP's bank accounts, and BAV's brokerage accounts.

34. BAV's offering documents, including its private placement memoranda ("PPMs") and subscription agreements—which Frankel and Dinelli provided to certain investors—stated

that BAV or Beyond Equity would charge a fee ranging from 2-7% of the amount invested, along with (in some cases) a 20% performance fee.

35. Between approximately April 2024 and February 2026, Dinelli and Frankel collectively raised a total of over \$8.7 million from 35 investors in exchange for membership interests in BAV's Trading Fund and investment in pre-IPO shares.

II. The BAV Trading Fund

A. Trading Fund Structure

36. Frankel and Dinelli provided prospective Trading Fund investors with BAV offering documents, including a PPM and subscription agreements.

37. A BAV PPM that Frankel provided to at least one investor in or around September 2024 (the "Sept. 2024 PPM"), described BAV as a "private investment fund" and its business as "buying and selling securities . . . including stocks, warrants, rights and options of U.S. and non-U.S. entities."

38. According to a BAV subscription agreement attached to the Sept. 2024 PPM, investors could "subscribe for a membership interest in and become a member of BAV."

39. To secure membership in BAV, the Sept. 2024 PPM instructed investors to wire their investment funds to a BAV bank account ending in 6592 ("BAV Bank Account 1"), which Frankel controlled.

40. The Sept. 2024 PPM further stated that:

- BAV was "helmed by [Frankel];"
- "Profits generated by the Fund would be distributed to investors on a pro-rata basis;"
- the "Members will be relying on the expertise of the principals of the manager"

of [BAV] and/or [Beyond Equity's] affiliate(s) in identifying, acquiring, administering and disposing of [BAV]'s investment;" and

- there was a 2% annual management fee.

41. A BAV PPM dated in November 2024 (the "Nov. 2024 PPM"), which was also provided to certain investors, stated that BAV would offer "Class B Membership Unit Interests" to new investors.

42. BAV investors who received Class B Membership Unit Interests did not participate in the management of BAV.

43. As to BAV's management and fees, the Nov. 2024 PPM stated as follows:

- BAV will pay a 2% management fee; and
- **"Members Have No Right to Participate in the Management of [BAV]."**

As a Member, you should be aware that you will have no right to participate in the management of [BAV], and you will have no opportunity to select or evaluate any of the [BAV]'s investments or strategies. Accordingly, you should not invest in [BAV] unless you are willing to entrust all aspects of the management of [BAV] and its investments to the discretion of the [Beyond Equity], the Investment Advisor and the Sub-advisor."

44. According to the Nov. 2024 PPM, BAV's investment objectives remained "buying and selling securities, including . . . stocks, options, warrants, and rights of U.S. and non-U.S. entities."

45. A third version of BAV's PPM, dated March 1, 2025 (the "March 2025 PPM"), that was provided to investors, included similar terms, including a 2% annual fee, with slight variations:

- it offered "Class B Fund Limited Liability Company Unit Interests" in BAV;
- it stated that the "business of the Fund is buying and selling of securities, including, without limitation, stocks, options, warrants, and rights of U.S. and non-U.S. entities;" and

- it further stated that “[m]embers do not have any right to participate in the management of the fund and have limited voting rights.”

46. BAV’s Trading Fund Overview marketing document, which was provided to prospective investors, referred to BAV’s Trading Fund as its “hedge fund arm” and described its investment strategy as “leverag[ing] cutting-edge technology, AI algorithms and sophisticated options strategies to generate lucrative returns.”

47. Between approximately April 2024 and April 2025, Dinelli and Frankel collectively raised approximately \$1.9 million from seven investors in exchange for membership interests in BAV’s Trading Fund.

48. From June 2024 through July 2025, Frankel transferred a net \$1.3 million from BAV Bank Account 1 and BACP bank account ending in 9511 (“BACP Bank Account 1”) to the BAV brokerage accounts.

49. Frankel was signatory for both BAV Bank Account 1 and BACP Bank Account 1.

B. Trading Fund Losses

50. Between June 2024 and July 2025, Frankel traded on margin in BAV’s four brokerage accounts, resulting in month-end losses for 13 out of those 14 months.

51. In December 2024, for example, Frankel’s margin trading in one of BAV’s brokerage accounts led to a \$1.9 million loss on a single options trade, which turned into debt for BAV due to its failure to meet the account’s margin calls. As of December 31, 2025, this debt, which continued to accrue interest, had grown to over \$2 million.

52. On June 23, 2025, Dinelli sent Frankel and another BAV employee a WhatsApp message concerning the Trading Fund: “Before we lose any more money trading, we should safeguard it

. . . . That's our fiduciary duty to our investors.”

53. As of July 31, 2025, total trading losses across BAV's four brokerage accounts was over \$2.8 million—which, due to failure to meet margin calls, were greater than the amount Frankel had deposited into these accounts.

54. During the Relevant Period, all four brokerage firms that BAV had brokerage accounts with restricted BAV's trading privileges in the BAV brokerage accounts.

55. Because Frankel's trading privileges in the BAV brokerage accounts were restricted, BAV was unable to execute any trading strategy at various times during the Relevant Period and became completely unable to do so as of July 15, 2025.

C. Frankel and Dinelli Made Material Misrepresentations to Investors Regarding the Trading Fund

56. Throughout the Relevant Period, Dinelli and Frankel made material misrepresentations to prospective investors about BAV's past performance, client base and investment holdings.

57. Frankel was one of the people responsible for the content on BAV's website.

58. At times during the Relevant Period, BAV's website,² which listed Frankel as CEO and co-founder, contained several material misrepresentations, including that BAV had:

- a 144% year-to-date rate of return;
- over \$475 million in capital raised from more than 1,800 clients; and
- current investments in pre-IPO companies, such as SpaceX and xAI.

59. All of these statements were false.

60. BAV's Trading Fund lost money most months of its existence and as of

² See www.beyondalphaventures.com

December 2025 had net investment losses of over 200%, inclusive of losses incurred when trading on margin; BAV's Trading Fund and SandboxAQ and Kraken investors numbered fewer than 40, and BAV did not have investments in SpaceX and xAI.

61. During the Relevant Period, Frankel sent prospective investors marketing materials that contained material misrepresentations about BAV.

62. For example, in or around February and March 2025, Frankel emailed at least two potential investors marketing materials, including the Trading Fund Overview, that falsely claimed that the BAV Trading Fund had a 153% net average return on investment for the past 4 years.

63. In fact, BAV was only formed in 2023, and, by February 2025, the BAV Trading Fund had lost 225% of net deposited funds.

64. Between April 2024 and April 2025, as BAV's brokerage accounts lost money month after month, Dinelli and Frankel materially overstated the Trading Fund's performance to prospective investors.

65. Both Frankel and Dinelli were listed as owners and account holders on BAV's brokerage accounts.

66. For a BAV brokerage account opened in June 2024 ("Brokerage Account 1"), both Frankel and Dinelli are listed joint owners and the account application lists separate email addresses for both Frankel and Dinelli for access to their accounts online.

67. By the end of August 2024, Brokerage Account 1 had lost over \$33,000 of the \$55,170 net amount deposited into the account from BAV Bank Account 1.

68. Despite these losses, in or around September 2024, Dinelli told a prospective investor, with whom Dinelli had served in the Navy, that another Trading Fund investor had

achieved a 100% return.

69. Additionally, during the Relevant Period, Frankel sent multiple prospective investors a copy of the Trading Fund Overview, which falsely claimed that the BAV Trading Fund had achieved a “153% Net Average Return on Investment (ROI) YTD over past 4 years” and had “1340+ Clients onboarded from over 17 countries across the world.” In fact, BAV was formed only a year prior to the creation of the Trading Fund Overview and, by the end of January 2025, its net investment losses were more than 800%. BAV’s Trading Fund also had fewer than 40 investors, nearly all of whom resided in the United States.

70. To hide the Trading Fund’s losses from investors, Dinelli and Frankel sent fictitious account statements to investors that falsely portrayed positive performance for their Trading Fund investments.

71. For example, in May 2025, Dinelli hand-delivered an altered April 2025 BAV brokerage account statement to the home of a married couple who were Navy veterans and joint investors in the Trading Fund (collectively, “Investor A”). The altered account statement created the appearance that Investor A held a separate brokerage account managed by BAV and that their \$750,000 investment in the Trading Fund had grown to \$4.1 million.

72. In fact, Investor A had no such separate brokerage account; rather, their funds were pooled with other investors in bank and brokerage accounts.

73. Also contrary to Investor A’s April 2025 brokerage account statement, the Trading Fund had not grown. At the end of April 2025, after Frankel transferred more investor money into BAV’s brokerage accounts, the Trading Fund’s cumulative losses stood at approximately 166%.

74. Frankel also sent at least one investor (“Investor B”), a California doctor, a July

12, 2025 statement falsely stating that his \$500,000 Trading Fund investment had increased by 49.6% in a little over four months and was valued at \$747,980.

75. During the month before, on or about June 9, 2025, Frankel and Dinelli discussed Investor B's Trading Fund investment over WhatsApp:

- (i) Frankel: "CALL ME IMMEDIATELY . . . ON WITH [INVESTOR B] . . . HOW MUCH DID YOU TELL HIM HE WAS up? He said you told him he was up \$1,750,000 in the TF?! Call me asap please I have to call him back and I wasn't sure what you have told him please call me now."
- (ii) Dinelli: "They said you sent them screenshots and I just agreed with whatever you told them . . . Why don't you tell them you blew up their account."
- (iii) Frankel: "YOU EXPLIICTY TOLD [INVESTOR B] THAT THEY ARE UP \$1.75 M bro."

76. In fact, Investor B's funds were not held in an account separate from other investors, and by the end of June 2025, the Trading Fund's brokerage account balance was down approximately 286%, inclusive of losses from trading on margin.

III. THE PRE-IPO INVESTMENTS

A. The SandboxAQ SPV Fraud

77. Between August 2024 and February 2026, Dinelli and Frankel raised over \$4.2 million from 26 investors after misrepresenting to many of them that their funds would be invested in a particular security, SandboxAQ, and/or that their funds would be invested through an SPV administered by a third party (the "SPV Administrator").

78. In or around August 2024, through BAV, Frankel arranged for the creation of a

third-party administered SPV, which would allow investment in SandboxAQ pre-IPO shares indirectly through the SPV.

79. By December 2025, at least eight investors had signed subscription agreements through the SPV Administrator to invest in SandboxAQ through the SPV.

80. Rather than direct these Pre-IPO Investor funds to the SPV Administrator, however, Dinelli and Frankel directed most SandboxAQ Pre-IPO Investors to wire their money to BAV Bank Account 1, where it was commingled with funds from other BAV investors, and to BACM's bank account ending in 9149 ("BACM Bank Account 1").

81. For example, in or around October 2024, Dinelli told a SandboxAQ pre-IPO investor to send money to BACM Bank Account 1, falsely claiming that the investor's money would be sent to BAV. In fact, Dinelli transferred less than a quarter of that investor's money to BAV.

82. Additionally, Frankel routinely gave prospective SandboxAQ Pre-IPO Investors SandboxAQ SPV and/or BAV subscription agreements that differed from the subscription agreements provided by the SPV Administrator and directed the investors to send their contributions to BAV Bank Account 1 as opposed to the SPV Administrator.

83. The vast majority of the SandboxAQ Pre-IPO Investors sent their investment funds to BAV Bank Account 1 or BACM Bank Account 1.

84. Frankel and Dinelli did not forward these funds to the SPV Administrator for investment in SandboxAQ.

85. In total, only two SandboxAQ Pre-IPO Investors sent their investment funds to the SPV Administrator, and as of February 2026, these funds were refunded to the two investors. One of these SandboxAQ Pre-IPO Investors later sent \$50,000 in investment funds—which had

been returned to him by the SPV Administrator—to BAV Bank Account 1.

86. Despite representing to the SandboxAQ Pre-IPO Investors that their funds would be invested in SandboxAQ, Defendants invested only \$1 million of the \$4.2 million of these investors' funds in SandboxAQ through an investment in a third-party private fund that owned SandboxAQ shares.

87. Furthermore, to the extent Frankel purchased interests in SandboxAQ pre-IPO shares, he did so on behalf of BAV, not for the SandboxAQ SPV or in the name of SandboxAQ Pre-IPO Investors, potentially diluting any SandboxAQ Pre-IPO Investors' interest in those pre-IPO shares by risking division of that interest with other BAV investors.

88. At the request of certain SandboxAQ Pre-IPO Investors, Defendants and the SPV Administrator returned to those investors a total of \$880,400.

89. Defendants also diverted portions of the SandboxAQ Pre-IPO Investors' funds to BAV's Trading Fund brokerage accounts, which continued to suffer losses and were often subject to margin calls, and Frankel used portions of the funds commingled in BAV Bank Account 1 to purchase Kraken pre-IPO shares.

B. The Kraken SPV Fraud

90. On or about March 8, 2025, through BAV, Frankel arranged for the creation of an SPV, to be administered by the SPV Administrator, that would facilitate investment in Kraken pre-IPO shares held by the SPV (the "Kraken SPV").

91. Between March 2025 and February 2026, Frankel and Dinelli raised \$2.5 million from 16 investors after misrepresenting to them that their funds would be invested in a particular security, Kraken, and/or the funds would be invested through an SPV administered by a third party.

92. In or around March 2025, Frankel arranged for BAV (not the Kraken SPV or Kraken Pre-IPO Investors) to purchase 80,000 shares of Kraken stock for \$2 million from Kraken’s founder through a pre-IPO secondary trading platform.

93. Prior to BAV Bank Account 1’s receiving any funds from Kraken Pre-IPO Investors, Frankel used at least \$800,000 from BAV Bank Account 1—which contained commingled funds from the Trading Fund investors and some of the SandboxAQ Pre-IPO Investors—to buy Kraken shares.

94. By December 2025, approximately eleven investors signed subscription agreements through the SPV Administrator to invest in the Kraken SPV.

95. The Kraken SPV subscription agreements stated that capital contributions “shall be made by means of a wire . . . to an account designated by the [SPV] Administrator.”

96. Frankel, however, directed most Kraken Pre-IPO Investors to deposit their investment funds, totaling approximately \$2 million, into BAV Bank Account 1, which thus was commingled with funds of other BAV investors.

97. For example, on or about March 25, 2025, a BAV employee sent an investor (“Investor C”) an email (the “March 25 Email”), copying Frankel, with the subject line “Kraken Subscription Agreement & Wire Instructions | Beyond Alpha Ventures.”

98. The March 25 Email stated that the investor “should have received a Kraken [SPV Administrator] link for [her] investment” but nonetheless provided “wiring instructions . . . to complete the transfer” that listed account information for BAV Bank Account 1.

99. Attached to the March 25 Email was an additional document containing the same wire instructions for BAV Bank Account 1 (along with another subscription agreement with a BAV logo), referencing Kraken as the “SPV,” and signed by the investor and Frankel.

100. On or about March 26, 2025, Investor C sent \$25,000 to BAV Bank Account 1 for investment in the Kraken SPV.

101. Only two Kraken Pre-IPO Investors sent their money to the SPV Administrator and, as of February 2026, those funds were refunded to the two investors and ultimately, deposited in BAV Bank Account 1.

102. Of the \$2.5 million collected from Kraken Pre-IPO Investors, Frankel used just \$1.2 million to purchase interest in Kraken shares, in addition to the \$800,000 already invested, for a total \$2,000,000 investment in Kraken on behalf of BAV.

103. Ultimately, Frankel used BAV Trading Fund investor money, SandboxAQ Pre-IPO Investor money, and Kraken Pre-IPO Investor money to purchase Kraken shares only in the name of BAV, not the separate Kraken SPV through the SPV Administrator, and not in the names of Kraken Pre-IPO Investors, potentially diluting the interests of Kraken Pre-IPO Investors in the Kraken shares they were promised by risking division of that interest with other BAV investors.

104. On or about December 16, 2025, the Director of Deal Operations for the SPV Administrator sent an email to Frankel (the “December 16 Email”) stating the SPV Administrator would be refunding money to the few investors that had sent money to the SPV Administrator for investment in the SandboxAQ SPV and Kraken SPV; and that several other investors, “have not been admitted as members of the SPVs because, at your direction, they wired money directly to your fund and the SPV never closed on their capital.”

105. The December 16 Email further identified one investor who sent money to the SPV Administrator for investment in the SandboxAQ SPV and seven others who signed SandboxAQ SPV subscription agreements through the SPV Administrator but appeared to have

sent money instead to BAV.

106. The SPV Administrator's December 16 Email further informed Frankel that the SPV Administrator would be refunding money to the two investors who had sent it money for investment in the Kraken SPV and identified nine other investors who had signed Kraken SPV subscription agreements through the SPV Administrator but who appeared to have sent their money instead to BAV.

C. Frankel Made Additional Material Misrepresentations to Investors Regarding the Pre-IPO Investments.

107. In or around February and March 2025, Frankel emailed at least two potential investors marketing materials, including a document titled, "Venture Fund Overview 2024" (the "Venture Fund Overview"), that focused on BAV's pre-IPO securities investments.

108. The Venture Fund Overview falsely listed SpaceX, xAI, Oxos and Streamex as BAV's "Current Investments."

109. BAV did not have positions in SpaceX, xAI, Oxos and Streamex during the Relevant Period.

110. Additionally, the Venture Fund Overview falsely claimed that BAV held \$50 million in assets under management and \$475 million in capital raised; and that it had over 400 "PRE-IPO deals completed." Since BAV's formation in June 2023, BAV has invested in only two pre-IPO investments, neither of which has reached the IPO stage.

111. In fact, BAV never had assets under management, capital raised or completed pre-IPO deals at the levels represented in the Venture Fund Overview. Since its formation in June 2023, BAV has raised less than \$9 million from investors.

IV. DEFENDANTS' MISREPRESENTATIONS TO INVESTORS ABOUT THE TRADING FUND AND THE PRE-IPO INVESTMENTS

112. Paragraphs 113 to 207 below are examples of misrepresentations that Dinelli and Frankel made to individual investors to induce investments in BAV's Trading Fund and/or the pre-IPO investments.

A. Investor D

(i) Investor D's Investment in the Trading Fund

113. Dinelli met Investor D while they were both on active duty with the U.S. Navy.

114. On or about September 8, 2024, Dinelli sent Investor D a social media message stating that Dinelli had "just started [his] own hedge fund/family office on wall street. It's approved by the SEC with an office in NYC."

115. Contrary to Dinelli's September 8, 2024 message, BAV was never approved by or registered with the Commission.

116. In another September 2024 message, Dinelli told Investor D that BAV's "current clients are up 140%."

117. Prior to September 2024, the Trading Fund's brokerage accounts had a cumulative net investment loss of 60%.

118. In yet another September 2024 message, Dinelli falsely told Investor D that another Trading Fund investor had achieved a 100% return within three months of his \$100,000 investment.

119. Dinelli's statements to Investor D about individual returns were false because, at the time Dinelli sent those messages to Investor D, none of the Trading Fund investors had doubled their \$100,000 investments.

120. Prior to Investor D's investment in the Trading Fund, on or about September 17,

2024, Frankel sent Investor D the Sept. 2024 PPM for the Trading Fund, along with a subscription agreement and instructions to wire his investment funds to BAV Bank Account 1.

121. Ultimately, on or about September 18, 2024, Investor D wired \$35,000 to BAV Bank Account 1, in exchange for membership interests in the Trading Fund.

(ii) Investor D's Investment in SandboxAQ

122. Investor D also invested in SandboxAQ, receiving offering materials that repeatedly referred to an investment in an SPV separate from his previous investment in the Trading Fund.

123. On or about September 9, 2024, Frankel sent an email to Investor D, copying Dinelli and the email address admin@beyondalphaventures.com, and the following subject line: [SandboxAQ Series-E Class-A Common Stock] – Last Round Before IPO Listing – (\$25.20/Per Share).

124. Frankel attached marketing material for SandboxAQ to the September 9, 2024 email.

125. On or about November 6, 2024, Investor D sent Frankel a text message stating that he was “targeting 2000 shares . . . I think that would be \$50,400.”

126. On or about November 7, 2024, Frankel replied to Investor D via text message and said that Frankel would have “[BAV’s Chief of Staff] Sen [sic] over the DocuSign now along with wire instructions.”

127. In that same text message, Frankel sent Investor D a screenshot of trading data and stated, “FYI, here is a screenshot of your holdings. As you will see and as I alluded to last night your portfolio is around \$44,000 at current NAV,” which indicated an increase in Investor D’s initial Trading Fund investment. However, Investor D’s money invested in the trading fund

was not held in a separate account but was commingled with that of other BAV investors and, at the end of October 2024, the Trading Fund had a net income loss of approximately 35%.

128. Also on November 7, 2024, a BAV employee who identified herself as BAV's Chief of Staff, sent an email to Investor D, copying Frankel, with the subject line, "Beyond Alpha Ventures: SandboxAQ Investment Documents – Follow-up & Next Steps."

129. The body of the November 7, 2024 email stated, "Pursuant to your conversation regarding SandboxAQ, you should have just received a DocuSign via email for your \$50,400 investment."

130. Among the documents attached to the November 7, 2024 email was a "SandboxAQ – Subscriber Information Form," that described SandboxAQ as the "SPV."

131. Also attached to the November 7, 2024 email were wire instructions to send funds to BAV Bank Account 1.

132. On or about November 8, 2024, pursuant to the wire instructions, Investor D sent \$50,400 to BAV Bank Account 1 for investment in SandboxAQ.

133. On or about November 8, 2024, BAV's Chief of Staff emailed Investor D, copying Frankel, attaching Investor D's "signed documents for [his] SandboxAQ investment."

134. The November 8, 2024 email referenced access to the SPV Administrator's online portal and directed, "[w]hen you login, please disregard their request for you to send funds through the platform – I am confirming your account has already been funded."

135. The documents attached to the November 8, 2024 email included a BAV subscription agreement and SandboxAQ subscriber information form – both signed by Frankel and Investor D, and both containing instructions to wire the \$50,400 funds for investment in SandboxAQ to BAV Bank Account 1 as opposed to the SPV administrator.

136. In addition to the above-referenced forms, on November 7, 2024, Investor D also executed a SandboxAQ subscription agreement through the SPV Administrator for a \$50,400 investment in SandboxAQ.

137. However, Investor D's investment was never funded with the SPV Administrator because, at Frankel's direction, Investor D sent \$50,400 to BAV Bank Account 1, instead of the SPV Administrator.

138. Frankel used less than half of the money he collected from SandboxAQ Pre-IPO Investors, including Investor D, to purchase interest in SandboxAQ pre-IPO shares.

139. To the extent Frankel purchased interest in SandboxAQ pre-IPO shares, he did so on behalf of BAV, not the SandboxAQ SPV nor SandboxAQ investors, like Investor D, potentially diluting SandboxAQ Pre-IPO Investors' interest in those shares. Further, Frankel did not purchase SandboxAQ pre-IPO shares on behalf of Investor D, as promised.

140. On or about August 11, 2025 a BAV employee using the admin@beyondalphaventures.com email address, sent an email to Investor D, copying Frankel, and attached a Scheule K-1 tax form for 2024 (the "Schedule K-1"), purportedly "reflecting [Investor D's] share of the Fund's income, gains, losses, deductions, and credits."

141. The Schedule K-1 stated that Investor D's Sandbox AQ capital contribution was \$50,400 (the amount of Investor D's SandboxAQ pre-IPO investment) and that Investor D's "ending capital account" amount was \$49,392.

142. On or about September 25, 2025, the BAV compliance department emailed Investor D, copying Frankel, attaching the Schedule K-1, but this time purportedly "related to [Investor D's] investment(s) in . . . SandboxAQ SPV, a Series of CGF2021 LLC."

143. In fact, as Frankel knew or recklessly disregarded, Investor D had not funded the

SandboxAQ SPV (CGF2021 LLC); instead, Investor D had sent \$50,400 to the Frankel-controlled BAV Bank Account 1, as instructed.

(iii) Investor D's Investment in Kraken

144. In addition to the Trading Fund and SandboxAQ investments, Investor D also invested in Kraken. As part of Frankel's solicitation of Investor D for investment in Kraken, on March 10, 2025, he sent Investor D an email with attachments, including the Trading Fund Overview and the Venture Fund Overview.

145. The Venture Fund Overview, which highlighted BAV's pre-IPO securities investments, falsely listed SpaceX, xAI, Oxos, and Streamex as current BAV investments, which they were not; falsely stated that BAV had completed over 400 pre-IPO deals—when it had invested in only two, neither of which reached IPO stage; and falsely claimed that BAV had raised \$475 million in capital, when in reality, BAV had raised less than \$9 million.

146. On or about March 25, 2025, in response to Investor D expressing interest in Kraken, Frankel sent Investor D a text message instructing Investor D to “let me know what size you want so I can make sure we reserve it for you.”

147. On or about March 27, 2025, Investor D told Frankel that he was “looking to get in on 500 shares of Kraken.”

148. In response, Frankel sent a text message and stated that he would have the information sent over and that Investor D “should have a [SPV Administrator] link as well.”

149. Soon after, on or about March 28, 2025, Investor D sent another \$27,500 to BAV Bank Account 1 for investment in the Kraken pre-IPO shares.

150. Also on March 28, 2025, Investor D signed a Kraken subscriber information form, which defined Kraken as the “SPV” and BAV as the “manager.”

151. Wire instructions attached to Investor D's Kraken subscriber information form, which Frankel also signed as BAV CEO, instructed Investor D to send funds to BAV Bank Account 1, as opposed to the SPV Administrator.

152. Also on March 28, 2025, a BAV employee sent Investor D an email, copying Frankel, that confirmed "the successful completion of [Investor D's] wire transfer for [Investor D's] investment in Kraken" for the amount of \$27,500.

153. Within BAV Bank Account 1, Investor D's funds were then commingled with those of other BAV investors.

154. Despite Frankel's representations, he purchased Kraken pre-IPO shares on behalf of BAV, not the Kraken SPV through the SPV Administrator nor Kraken investors, like Investor D, potentially diluting Kraken Pre-IPO Investors' interest in those shares. Further, Frankel did not purchase Kraken pre-IPO shares on behalf of Investor D, as represented.

155. After investing, Investor D repeatedly asked Frankel for tax documents reflecting his investments with BAV and updates on their value.

156. Frankel often replied to Investor D with false or misleading excuses. For example, in a March 18, 2026, text to Investor D, in response to Investor D's request for an update on K-1 documents, Frankel blamed the delay in providing the tax documents on his "compliance department now waiting on final approval from accountants."

157. On April 3, 2026, Investor D received an email from admin@beyondalphaventures.com, with Frankel and the BAV compliance department copied, that attached purported "investor statements."

158. The statements attached to the April 3, 2026 email had BAV headings and were titled, "Investor Capital Statement."

159. One statement purported to reflect that Investor D's initial SandboxAQ investment of \$50,400 had an estimated fair value of \$57,955. The statement also reflected a deduction of \$3,024 for management fees, or 2% annually over three years.

160. This statement was false. Frankel had invested less than half of the SandboxAQ Pre-IPO Investors' funds in interest in SandboxAQ shares, commingled their funds with other BAV investors' funds, and purchased interest in SandboxAQ shares in the name of BAV. Thus, not only did BAV hold less interest in SandboxAQ pre-IPO shares than investors paid the Defendants for, but SandboxAQ Pre-IPO Investors' interest in any such shares was potentially diluted by the risk of division with other BAV investors.

161. The second statement attached to the April 3, 2026 email purported to reflect Investor D's Kraken investment of \$27,500. The statement also reflected a deduction of \$1,100 for management fees, or 2% annually over two years.

162. This statement was misleading. Frankel had commingled Kraken Pre-IPO Investors' funds and purchased interest in Kraken shares in the name of BAV. Thus, Kraken investors' interest in any such shares was potentially diluted by the risk of division with other BAV investors.

B. Investor E

163. During the Relevant Period, a Navy veteran who treated Dinelli at the VA Clinic ("Investor E"), invested a total of \$1.3 million (in eight installments) across Frankel and Dinelli's three investment options.

164. Prior to Investor E's initial investment in the Trading Fund in June 2024, Dinelli falsely told Investor E that he and Frankel were generating positive returns through the BAV Trading Fund.

165. Additionally, prior to his initial investments in SandboxAQ and Kraken, Dinelli represented to Investor E that he would receive pre-IPO shares in exchange for his investment and assured Investor E a return of 36 times the amount of his investment in SandboxAQ.

166. In or around October 2024, Dinelli falsely told Investor E that Dinelli would personally invest \$750,000 in SandboxAQ so that Investor E could meet the \$1 million minimum investment required by BAV.

167. During the Relevant Period, Dinelli did not personally invest money in SandboxAQ through BAV.

168. In fact, after Investor E sent money to BACM for investment, Dinelli transferred a portion of Investor E's funds to another of Dinelli's companies, where it was then transferred to BAV for investment in SandboxAQ on behalf of Dinelli's other company.

169. Contrary to Dinelli's statement to Investor E, BAV permitted investors to invest far less than \$1 million in SandboxAQ.

170. Between June and October 2024, Investor E wired a total of \$300,000 to BAV Bank Account 1, in exchange for membership interests in the Trading Fund and investment in SandboxAQ.

171. Subsequently, between October 2024 and January 2025, Investor E wired an additional total of \$1 million to BACM Bank Account 1 for investment in the BAV Trading Fund, SandboxAQ, and Kraken.

172. In response to Investor E's questioning why he had to send his funds to BACM Bank Account 1, Dinelli falsely told Investor E that he would send Investor E's money from BACM to BAV. However, Investor E's money had been commingled with that of other investors and Dinelli only sent \$245,000 of that commingled amount to BAV.

173. In an October 28, 2024 email that Dinelli sent to Investor E, Dinelli falsely represented to Investor E that BAV “SELF report[s]” and has an “SEC compliance license and registration”; and that, because the company had been accepting investor funds, “the government already knows what’s going on,” including through his “regular Monday sessions” with the government.

174. Dinelli’s statements to Investor E regarding SEC compliance were false. BAV was not registered with the Commission.

175. On April 3, 2026, Investor E received an email from a “BAV Admin” email address, copying Frankel, that attached a purported account statement on BAV letterhead (“April 3 Statement”).

176. The April 3 Statement claimed that, as of March 2026, Investor E’s \$300,000 SandboxAQ investment had lost only management fees, and that his balance was \$282,000—down approximately 6% from his initial investment.

177. Defendants, however, had commingled Investor E’s funds with that of other investors and invested less than half of the money they received from SandboxAQ Pre-IPO Investors in SandboxAQ.

178. Thus, the collective \$4.2 million in SandboxAQ capital contributions from SandboxAQ investors had been reduced by more than the 6% reflected on Investor E’s April 3 Statement.

179. On or about April 22, 2025, Investor E executed a Kraken Subscriber Information Form, which referred to Kraken as the “SPV” and BAV as the “Manager,” and listed a \$250,000 capital contribution.

180. Frankel signed Investor E’s Kraken subscription agreement as BAV’s CEO.

181. Despite the Kraken subscription agreement, by the time Frankel began purchasing interest in Kraken shares on behalf of BAV in March 2025, Dinelli had diverted for other purposes the money that Investor E had sent to BACM Bank Account 1 for other purposes, including to pay Dinelli's personal expenses.

182. Despite Dinelli's representation to Investor E that his money would be used to purchase pre-IPO shares on his behalf, the Defendants did not purchase pre-IPO SandboxAQ shares or pre-IPO Kraken shares on Investor E's behalf.

C. Investor B

183. In a February 18, 2025 email from Dinelli to Investor B, Dinelli introduced him to Frankel and told Investor B that Frankel would send him "information on [their] trading fund and Pre Ipo offerings."

184. Also on February 18, 2025, Frankel emailed Investor B to invite him to "explore an exclusive investment opportunity" with the Trading Fund (the "Feb. 18 Trading Fund Email").

185. In the Feb. 18 Trading Fund Email, Frankel touted "key features and strategies" of the Trading Fund, which he described as:

- "24/7 online access" to one's investment portfolio, allowing investors to "track performance, review transactions, and stay informed about your investments at any time;" and
- "Regulatory Compliance," including that "[BAV] is SEC registered and adheres to stringent regulatory standards," and undergoes "quarterly audits and compliance reviews."

186. All of the statements in paragraph 185 above were false or misleading. Trading Fund investors were not provided with any transparency or regular access to their investment portfolios and were unable to track performance or review transactions. In addition, BAV has

never been registered with the SEC; nor has it conducted quarterly audits or compliance reviews.

187. To the Feb. 18 Trading Fund Email, Frankel attached the Trading Fund Overview, which falsely claimed that the BAV Trading Fund had a 153% yearly net average return on investment for the past 4 years, and over 1,340 clients from over 17 countries.

188. In reality, the Trading Fund had fewer than 40 investors, nearly all of whom were from the United States, and by February 2025, had accumulated over \$2 million in losses.

189. The Feb. 18 Trading Fund Email also included a copy of the Venture Fund Overview, which falsely listed SpaceX, xAI, Oxos, and Streamex as BAV's "Current Investments."

190. Additionally, the Venture Fund Overview falsely claimed that BAV held \$50 million in assets under management and \$475 million in capital raised; and that it had over 400 "PRE-IPO deals completed."

191. These statements were false or misleading because BAV never had assets under management, capital raised, or completed pre-IPO deals at the levels represented in the Venture Fund Overview. Since its formation in June 2023, BAV has raised less than \$9 million from investors. Additionally, since BAV's formation in June 2023, BAV has invested in only two pre-IPO investments, neither of which has reached the IPO stage.

192. Also on February 18, 2025, Frankel sent Investor B a second email, copying Dinelli, this time providing information about SandboxAQ, including a research report, marketing notes, and a pitchbook (the "Feb. 18 SandboxAQ Email").

193. In the Feb. 18 SandboxAQ Email, Frankel claimed there was a "limited window of opportunity, and we're offering priority consideration to select investors."

194. Frankel's signature block in his Feb. 18 SandboxAQ email to Investor B

identified him as BAV's Founder and CEO and gave a New York, New York address for BAV.

195. In or around February 2025 and prior to making his initial investment with the Trading Fund, Dinelli and Frankel each told Investor B that the Trading Fund's returns would be "375%" per year.

196. As of February 2025, BAV's brokerage accounts had never achieved anything close to a 375% investment return; to the contrary, BAV's brokerage accounts had suffered month-end losses in seven of the eight prior months for which it had engaged in trading activity (June 2024 to January 2025).

197. Between February and March 2025, Investor B invested a total of \$1 million in the Trading Fund and SandboxAQ SPV.

198. On or about February 20, 2025, in connection with his investment in the SandboxAQ SPV, Investor B signed a SandboxAQ subscriber information form and a BAV subscription agreement, both of which Frankel also signed.

199. Investor B's SandboxAQ SPV subscriber information form:

- listed SandboxAQ as the "SPV" and BAV as the "Manager;"
- referenced "subscribing for interest in the SPV;" and
- referenced Investor B's \$500,000 capital contribution.

200. The BAV subscription agreement:

- referred to BAV as both the "Fund" and the "Manager;" and referred to Beyond Equity as the "Manager;"
- referenced subscription for "membership interest in and [to] become a member of BAV;"
- referenced Investor B's \$500,000 capital contribution;
- instructed Investor B to wire investment funds to BAV Bank Account 1; and

- directed Investor B to deliver copies of Investor B's subscription documents to the SPV Administrator.

201. On or about February 21, 2025, Investor B wired an initial \$500,000 to BAV Bank Account 1, as instructed, with a wire memo that included reference to SandboxAQ.

202. Instead of investing in SandboxAQ through the SandboxAQ SPV, Frankel commingled Investor B's funds with those of other BAV investors in BAV Bank Account 1, where Frankel used those funds for other investments and purchases, including the BAV Trading Fund and Frankel's purchase of Kraken shares on behalf of BAV.

203. On or about March 4, 2025, Investor B sent Frankel another \$500,000 to BACP Bank Account 1, in exchange for membership interests in the Trading Fund.

204. In connection with his March 4, 2025 investment, Investor B received a March 1, 2025 version of BAV's PPM, which offered "Class B Fund Limited Liability Company Unit Interests" in BAV.

205. On or about July 11, 2025, Frankel emailed Investor B a BAV account statement (the "Investor B Account Statement") with the following false information about Investor B's two investments:

- the \$500,000 investment in the Trading Fund had increased by 49.6% in a little over four months and was, at that time, valued at \$747,980; and
- the \$500,000 investment in SandboxAQ was intact and held the same value.

206. In fact, between March 4, 2025, when Investor B invested in the Trading Fund, and July 2025, the BAV brokerage account into which Investor B's funds were transferred, had consistently suffered losses.

207. The SPV Administrator, which was listed in the subscription agreement Investor B signed, was not an administrator for Investor B's investments in the Trading Fund or

SandboxAQ.

V. MISAPPROPRIATION OF INVESTORS' FUNDS

208. Defendants misappropriated at least \$1.3 million from the \$8.7 million that they raised from BAV investors.

A. Dinelli's Misappropriation of Investor Funds

209. In or around October 2024, Dinelli created BACM and opened a bank account in its name, for which Dinelli was the account administrator.

210. Between October 2024 and April 2025, at Dinelli's direction, individuals seeking to invest in BAV sent a total of approximately \$2.3 million to BACM Bank Account 1.

211. In or about October 2024, after Investor E asked Dinelli why he had instructed him to send his money to BACM instead of BAV, Dinelli falsely told Investor E that he would send Investor E's money to BAV. In fact, Dinelli sent less than a quarter of it to BAV.

212. Between October 2024 and January 2025, Investor E sent a total of approximately \$1 million to BACM Bank Account 1, in exchange for membership interests in BAV's Trading Fund and investments in SandboxAQ and Kraken.

213. In BACM Bank Account 1, Dinelli commingled Investor E's funds with those of other investors and, between December 3, 2024 and February 27, 2025, Dinelli sent \$245,000 to BAV Bank Account 1.

214. Between approximately October 2024 and July 2025, Dinelli misappropriated at least \$1.08 million of the \$2.3 million that investors deposited into BACM Bank Account 1.

215. Of the \$1.08 million that Dinelli misappropriated, he used \$250,000 for his personal investment in a documentary film; and he transferred \$800,000 to his personal accounts and the accounts of other companies under Dinelli's control, including \$300,000 that Dinelli

transferred to accounts overseas.

B. Frankel's Misappropriation of Investor Funds

216. In addition to investing less than half of the funds SandboxAQ investors gave him for investment in SandboxAQ shares, Frankel misappropriated BAV investor funds, including by taking fees that exceeded those that BAV investors had agreed to pay for the Trading Fund, and SandboxAQ and Kraken pre-IPO investments.

217. Pursuant to BAV's PPMs and subscription agreements, investors were to pay, at most, an upfront 7% fee and a 20% performance fee.

218. The subscription agreements that some investors signed through the SPV Administrator stated that the management fee of each member will be "multiplied by 10, which is the number of years the Applicable Management Fee shall accrue and be held back at closing." However, this clause was inconsistent with the other BAV private placement memoranda and subscription agreements that investors and Frankel signed, which accompanied instructions for investors to wire funds intended for the SPV investments to BAV Bank Account 1 instead of the SPV Administrator.

219. Additionally, even the fake account statement emailed to Investor E, with Frankel copied, that purported to show the status of Investor E's SandboxAQ investment, reflected a purported loss due to management fees that did not exceed 7%, which was consistent with the BAV PPMs and subscription agreements.

220. Based on the approximately \$5.5 million that Frankel collected from investors in BAV Bank Account 1 and BACP Bank Account 1, a 7% fee would have equaled approximately \$385,000.

221. Instead, Frankel withdrew, for his personal use, approximately \$730,000 of

investor funds from BAV Bank Account 1 and BACP Bank Account 1.

222. Between approximately April 2024 and April 2026, Frankel transferred over \$620,000 of those funds to his personal bank and brokerage accounts.

223. Frankel lost over \$300,000 of that \$620,000 through personal trading in a manner similar to that of his trading in the BAV Trading Fund that suffered losses.

224. Additionally, between April 2025 and March 2026, Frankel paid at least \$35,000 to his criminal defense attorney from BAV Bank Account 1.

VI. FRANKEL'S FALSE STATEMENTS ABOUT HIS CRIMINAL AND DISCIPLINARY HISTORY

225. Between approximately May 6, 2025 and June 16, 2026, Frankel signed and filed six Forms ADV (individually, "Form ADV") on behalf of BAV and Beyond Equity.

226. In each Form ADV, Frankel falsely responded "no" to multiple questions about whether BAV and Beyond Equity had any "advisory affiliate" who had been convicted or charged with any felony, or been found by a self-regulatory organization to have made a false statement or omission or been suspended

227. The Form ADV defined "advisory affiliate" as, among other things, "all *persons* directly or indirectly controlling [the adviser]."

228. At the time of the Form ADV filings, Frankel was owner and CEO of BAV and Beyond Equity.

229. Prior to the Forms ADV filings described in paragraphs 225 to 228 above, between approximately 2017 and 2020, Frankel was charged with four felony offenses for drug-related crimes.

230. On March 20, 2026, prior to his filing of the two most recent Forms ADV, Frankel was convicted following a jury trial in New York Supreme Criminal Court of grand

larceny in the third degree and identity theft in the first degree, both felony offenses.

231. Further, in December 2023, before BAV had any investors, Frankel agreed to a regulatory four-month suspension from association with any Financial Industry Regulatory Authority (“FINRA”) member, imposed by FINRA, based on its findings that, among other things, Frankel had failed to disclose his criminal history to his employer.³

FIRST CLAIM FOR RELIEF
Violations of Securities Act Section 17(a)
(Dinelli and Frankel)

232. As to Defendant Dinelli, the Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 12, 14 through 20, and 22 through 215.

233. As to Defendant Frankel, the Commission re-alleges and incorporates by reference here the allegations in paragraphs 1, 3 through 11, 13 through 19, 21 through 208, and 216 through 231.

234. Defendants, directly or indirectly, singly or in concert, in the offer or sale of securities and by the use of the means or instruments of transportation or communication in interstate commerce or the mails, (1) knowingly or recklessly have employed one or more devices, schemes or artifices to defraud, (2) knowingly, recklessly, or negligently have obtained money or property by means of one or more untrue statements of a material fact or omissions of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and/or (3) knowingly, recklessly, or negligently have engaged in one or more transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

235. By reason of the foregoing, Defendants, directly or indirectly, singly or in concert,

³ See https://www.finra.org/sites/default/files/2024-02/Disciplinary_Actions_February_2024.pdf, at 13-14.

have violated and, unless enjoined, will again violate Securities Act Section 17(a) [15 U.S.C. § 77q(a)].

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

236. As to Defendant Dinelli, the Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 12, 14 through 20, and 22 through 215.

237. As to Defendant Frankel, the Commission re-alleges and incorporates by reference here the allegations in paragraphs 1, 3 through 11, 13 through 19, 21 through 208, and 216 through 231.

238. Defendants, directly or indirectly, singly or in concert, in connection with the purchase or sale of securities and by the use of means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange, knowingly or recklessly have (i) employed one or more devices, schemes, or artifices to defraud, (ii) made one or more untrue statements of a material fact or omitted to state one or more material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and/or (iii) engaged in one or more acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

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

THIRD CLAIM FOR RELIEF
Violations of Advisers Act Sections 206(1) and (2)
(Frankel)

240. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 1, 3 through 11, 13 through 19, 21 through 208, and 216 through 231.

241. At all relevant times, Frankel was an investment adviser under Advisers Act Section 202(11) [15 U.S.C. § 80b-2(11)].

242. Frankel, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly have: (i) knowingly or recklessly employed one or more devices, schemes, or artifices to defraud any client or prospective client, and/or (ii) knowingly, recklessly, or negligently engaged in one or more transactions, practices, and courses of business which operated or would operate as a fraud or deceit upon any client or prospective client.

243. By reason of the foregoing, Frankel, directly or indirectly, singly or in concert, have violated and, unless enjoined, will again violate Advisers Act Sections 206(1) and (2) [15 U.S.C. §§ 80b-6(1) and 80b-6(2)].

FOURTH CLAIM FOR RELIEF
Violations of Advisers Act Section 206(4) and Rule 206(4)-8 Thereunder
(Frankel)

244. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 1, 3 through 11, 13 through 19, 21 through 208, and 216 through 231.

245. At all relevant times, Frankel was an investment adviser, under Advisers Act Section 202(11) [15 U.S.C. § 80b-2(11)], to a pooled investment vehicle, as defined in Rule 206(4)-8(b) [17 C.F.R. § 275.206(4)-8(b)].

246. Frankel knowingly, recklessly, or negligently (i) made one or more untrue statements of a material fact or omitted to state one or more material facts necessary in order to

make the statements made, in light of the circumstances under which they were made, not misleading, to any investor or prospective investor in the pooled investment vehicle, and/or (ii) engaged in one or more acts, practices, or courses of business that were fraudulent, deceptive, or manipulative, with respect to any investor or prospective investor in the pooled investment vehicle.

247. By reason of the foregoing, Frankel, directly or indirectly, singly or in concert, have violated and, unless enjoined, will again violate Advisers Act Section 206(4) [15 U.S.C. § 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8].

PRAYER FOR RELIEF

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

I.

Permanently enjoining Frankel and his 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)], Exchange Act Section 10(b) [15 U.S.C. § 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Advisers Act Sections 206(1), 206(2), and 206(4) [15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8].

II.

Permanently enjoining Dinelli and his 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 Rules 10b-5 thereunder [17 C.F.R. § 240.10b-5].

III.

Permanently enjoining Frankel from, directly or indirectly, including, but not limited to, through any entity owned or controlled by Frankel, participating in the issuance, purchase, offer, or sale of any security, provided, however, that such injunction shall not prevent Frankel from purchasing or selling securities for their own personal accounts;

IV.

Permanently enjoining Dinelli from, directly or indirectly, including, but not limited to, through any entity owned or controlled by Dinelli, participating in the issuance, purchase, offer, or sale of any security, provided, however, that such injunction shall not prevent Dinelli from purchasing or selling securities for their own personal accounts;

V.

Permanently enjoining Frankel from, directly or indirectly, acting as or being associated with any investment adviser, broker or dealer. For purposes of this paragraph: (i) a person is associated with an investment adviser if such person is a partner, officer, or director of such investment adviser (or performs similar functions), or, directly or indirectly controls or is controlled by such investment adviser, including any employee of such investment adviser; and (ii) a person is associated with a broker or dealer if such person is a partner, officer, director, or branch manager of such broker or dealer (or occupies a similar status or performs similar functions), directly or indirectly controls, is controlled by, or is under common control with such broker or dealer, or is an employee of such broker or dealer;

VI.

Permanently enjoining Dinelli from, directly or indirectly, acting as or being associated with any investment adviser, broker or dealer. For purposes of this paragraph: (i) a person is

associated with an investment adviser if such person is a partner, officer, or director of such investment adviser (or performs similar functions), or, directly or indirectly controls or is controlled by such investment adviser, including any employee of such investment adviser; and (ii) a person is associated with a broker or dealer if such person is a partner, officer, director, or branch manager of such broker or dealer (or occupies a similar status or performs similar functions), directly or indirectly controls, is controlled by, or is under common control with such broker or dealer, or is an employee of such broker or dealer;

VII.

Ordering Defendants to disgorge all ill-gotten gains they received directly or indirectly, with pre-judgment interest thereon, as a result of the alleged violations, pursuant to Exchange Act Sections 21(d)(3), 21(d)(5), and 21(d)(7) [15 U.S.C. §§ 78u(d)(3), 78u(d)(5), and 78u(d)(7)];

VIII.

Ordering Defendants to pay civil monetary penalties under Securities Act Section 20(d) [15 U.S.C. § 77t(d)], Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)], and Advisers Act Section 209(e) [15 U.S.C. § 80b-9(e)]; and

IX.

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

JURY DEMAND

The Commission demands a trial by jury.

Dated: New York, New York
September 29, 2026

/s/ Chevon Walker
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