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8
9 **UNITED STATES DISTRICT COURT**
10 **SOUTHERN DISTRICT OF CALIFORNIA**

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12
13 **SECURITIES AND EXCHANGE**
14 **COMMISSION,**

15 **Plaintiff,**

16 **vs.**

17 **RYVYL, INC., FREDI NISAN, and**
18 **BENZION ERREZ,**

19 **Defendants.**

Case No. **'26CV2672 WQH MMP**

COMPLAINT

1 Plaintiff Securities and Exchange Commission (“SEC” or “Commission”)
2 alleges:

3 **JURISDICTION AND VENUE**

4 1. The Court has jurisdiction over this action pursuant to Sections 20(b),
5 20(d)(1), and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§
6 77t(b), 77t(d)(1), and 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e), and 27(a) of
7 the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1),
8 78u(d)(3)(A), 78u(e), and 78aa(a).

9 2. The defendants have, directly or indirectly, made use of the means or
10 instrumentalities of interstate commerce, of the mails, or of the facilities of a national
11 securities exchange in connection with the transactions, acts, practices and courses of
12 business alleged in this complaint.

13 3. Venue is proper in this district pursuant to Section 22(a) of the Securities
14 Act, 15 U.S.C. § 77v(a), and Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a),
15 because certain of the transactions, acts, practices and courses of conduct constituting
16 violations of the federal securities laws occurred within this district. In addition,
17 venue is proper in this district because the individual Defendants reside in this
18 district, and Defendant RYVYL, Inc. has its principal place of business in this
19 district.

20 **SUMMARY**

21 4. This matter concerns a multi-year course of fraudulent conduct by which
22 RYVYL Inc. (“RYVYL”), its chief executive officer, Fredi Nisan (“Nisan”) and its
23 chairman of the board, Benzion Errez (“Errez”) defrauded the investing public by
24 falsely depicting RYVYL in its public filings with the Commission as a cutting edge
25 “financial technology company that develops, markets, and sells innovative
26 blockchain-based payment solutions” and that its “proprietary blockchain-based
27 technology serves as the settlement engine for all transactions within [its]
28 ecosystem.”

1 5. RYVYL’s public filings also detailed its use of a digital “token” to
2 facilitate credit card transactions with merchants using its services.

3 6. As Nisan and Errez knew, or were reckless in not knowing, these
4 descriptions of the company’s business were materially false and misleading.
5 RYVYL’s actual business was reselling credit card or ACH processing services of
6 other companies to high-risk merchants, such as cannabis dispensaries. RYVYL
7 never processed any transactions through a blockchain as it claimed in its public
8 filings, nor did it possess any proprietary blockchain technology. Despite specifically
9 describing its use in transactions, RYVYL neither sold nor had a functional digital
10 token.

11 7. Moreover, until its May 20, 2025 quarterly filing, RYVYL never
12 publicly disclosed that a substantial majority of its transactions involved high-risk
13 merchants, such as cannabis dispensaries, which are disfavored customers by most
14 major credit companies due to the questionable legality of their businesses under
15 federal law.

16 8. By engaging in this conduct RYVYL, Nisan, and Errez violated Section
17 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5
18 thereunder. In addition, RYVYL, by filing a materially misleading registration
19 statement, and materially misleading annual, quarterly and current reports with the
20 Commission on Forms S-1, 10-K, 10-Q and 8-K, violated Exchange Act Rules 12b-
21 20, 13a-1, 13a-11, 13a-13, and Nisan and Errez aided and abetted RYVYL’s
22 violations of those rules.

23 9. The SEC requests that the Court impose permanent injunctions against
24 each of the Defendants for their respective violations of the federal securities laws;
25 prohibit Nisan and Errez from acting as an officer or director of any issuer that has a
26 class of securities registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. §
27 78l, or that is required to file reports pursuant to Section 15(d) of the Exchange Act,
28 78 U.S.C. § 78o(d), pursuant to Section 20(e) of the Securities Act and Section

1 21(d)(2) of the Exchange Act; and impose civil money penalties against Nisan and
2 Errez pursuant to Section 21(d)(3) of the Exchange Act and Section 20(d) of the
3 Securities Act.

4 **THE DEFENDANTS**

5 10. **RYVYL Inc.** is a Nevada corporation, with its principal place of
6 business in San Diego, California. The company provided payment processing
7 services and point-of-sale software to its merchant clients. Founded by Nisan and
8 Errez in 2018 as GreenBox POS, LLC (“GreenBox”), the company began trading
9 shares on the OTC markets under the ticker symbol “GBOX” following a reverse
10 merger in April 2018 and was subsequently uplisted to NASDAQ in 2021. In
11 October 2022, the company changed its name to RYVYL and its ticker symbol to
12 “RVYL.” In September 2025, RYVYL entered into an agreement and plan of merger
13 with RTB Digital Inc. (“RTB”), a privately held media technology company, which
14 was approved by a special meeting of RYVYL’s shareholders held on April 1, 2026.
15 Pursuant to the terms of the merger agreement, a wholly-owned subsidiary of
16 RYVYL will merge with and into RTB, with RTB surviving as a wholly-owned
17 subsidiary of RYVYL. After the completion of the planned merger, RYVYL will be
18 renamed RTB Digital, Inc., and expects to trade on NASDAQ under the symbol
19 “RTB.” The company’s common stock is registered pursuant to Section 12(b) of the
20 Exchange Act.

21 11. **Fredi Nisan**, age 44, is a resident of San Diego, California. Nisan is a
22 co-founder of RYVYL and was the company’s chief executive officer from 2017 to
23 October 31, 2025, when he stepped down from the position.

24 12. **Benzion Errez**, age 65, is a resident of Escondido, California. Errez is a
25 co-founder of RYVYL and acted as the chairman of the board and executive vice
26 president of the company from July 2017 to August 2025, when he stepped down
27 from those positions.
28

THE ALLEGATIONS

A. RYVYL Claimed In Its Public Filings That It Owned Proprietary Blockchain Technology That Effectuated Merchant Transactions.

13. In its S-1 registration statement filed with the Commission on October 2, 2020, RYVYL claimed to be “a tech company formed with the intent of developing, marketing and selling innovative blockchain-based payment solutions” and that its “proprietary, blockchain-based systems are designed to facilitate, record and store a virtually limitless volume of tokenized assets, representing cash or data, on a secured, immutable blockchain-based ledger.”

14. RYVYL’s registration statement further claimed that its “proprietary blockchain-based technology serves as the settlement engine for all transactions within the Company’s ecosystem” and that “[u]nlike general blockchain-based systems [RYVYL] uses proprietary, private ledger technology to verify every transaction conducted within the [RYVYL] ecosystem.”

15. RYVYL also claimed that transactions on its ecosystem start with the consumer purchasing tokens issued by the company, which are loaded onto a “virtual wallet” allowing the “transaction experience to seem like any other ordinary credit/debit card transaction to the consumer and the merchant.”

16. From October 2, 2020 to May 10, 2025 (the “Relevant Period”) RYVYL’s description of its business in its annual, quarterly and current reports filed with the Commission remained substantially similar to the description appearing in its October 2, 2020 S-1 registration statement.

17. For example, in Forms 10-K for fiscal years 2020 through 2025, RYVYL stated that it was a “financial technology company that develops, markets, and sells innovative blockchain-based payment solutions;” its “proprietary, blockchain-based systems are designed to facilitate, record and store a virtually limitless volume of tokenized assets, representing cash or data, on a secured, immutable blockchain-based ledger” and “serves as the settlement engine for all

1 transactions within our ecosystem;” and it uses its “proprietary, private ledger
2 technology to verify every transaction conducted within our ecosystem.”

3 18. RYVYL further explained that “[w]hen consumers use credit/debit cards
4 to pay for transactions with merchants who use our ecosystem, the transaction starts
5 with the consumer purchasing tokens from us. The tokens are purchased or granted
6 directly from the merchant’s terminals or mobile app, or from our website and are
7 immediately available for transactions.” RYVYL stated that “[s]ecure tokens are
8 used where users need an immediate transaction, in a safe, private, and secure
9 environment, and where traditional banks may not work effectively, like cross-border
10 transactions or in under-banked verticals.”

11 19. Similarly, RYVYL’s Forms 10-Q repeatedly asserted that RYVYL is a
12 “tech company formed with the intent of developing, marketing and selling
13 innovative blockchain-based payment solutions, which the Company believes will
14 cause favorable disruption in the payment solutions marketplace. The Company’s
15 core focus is to develop and monetize disruptive blockchain-based applications,
16 integrated within an end-to-end suite of financial products, capable of supporting a
17 multitude of industries. The Company’s proprietary, blockchain-based systems are
18 designed to facilitate, record and store a virtually limitless volume of tokenized
19 assets, representing cash or data, on a secured, immutable blockchain-based ledger.”

20 20. Many of RYVYL’s press releases filed on Forms 8-K with the
21 Commission during the Relevant Period also included a description of RYVYL’s
22 business in which it claimed that it leverages proprietary blockchain security and
23 token technology and represented that its applications enable an end-to-end suite of
24 turnkey financial products with enhanced security and data privacy, world-class
25 identify theft protection and repaid speed to settlement thereby improving the
26 efficiency of handling large-scale commercial processing volumes for its merchant
27 clients.

1 **B. The Statements In RYVYL’s Public Filings Were Materially**
2 **Misleading.**

3 21. In repeatedly describing itself in its public filings as a provider of
4 “blockchain-based payment solutions,” RYVYL made a series of materially
5 misleading statements about the nature of its business.

6 **1. RYVYL did not conduct any transactions on a blockchain.**

7 22. Contrary to what it repeatedly stated in its public filings during the
8 Relevant Period, RYVYL did not effectuate any transactions on a blockchain.
9 Rather, RYVYL acted as an independent sales organization providing standard credit
10 card and ACH processing services to merchants through third-party processors, none
11 of whom used blockchain technology to effectuate transactions.

12 23. Similarly, none of the independent sales organizations that RYVYL had
13 acquired had any blockchain component in their processing. Rather, they all
14 employed traditional methods to process credit card transactions, *i.e.*, using a gateway
15 processing agent affiliated with a bank.

16 24. Although one of RYVYL’s products – the QuickCard Payment System,
17 product, which RYVYL described as a comprehensive physical and virtual cash
18 management system – recorded transactions to a private blockchain after a bank or
19 other card processor approved the transaction, RYVYL failed to disclose that the
20 underlying consumer-merchant transactions were conducted outside of RYVYL’s
21 private blockchain, just like any standard credit or debit transaction. In fact, neither
22 the merchant nor the customer had any access to the private blockchain or any
23 interaction with it.

24 25. QuickCard transactions were recorded to both RYVYL’s private
25 blockchain and a standard structured query language (“SQL”) database. It was the
26 SQL database, and not RYVYL’s private blockchain, that was used to support the
27 QuickCard software used by merchants tracking their sales data.
28

1 **2. RYVYL did not own any proprietary blockchain technology.**

2 26. Despite repeated references in its public filings and press releases to
3 “proprietary blockchain security,” RYVYL did not actually own the technology
4 behind the private blockchain that it used to record QuickCard transactions.

5 27. The private blockchain that RYVYL used in connection with QuickCard
6 was developed by a third-party software development company. RYVYL did not
7 even have a license to that technology. Nor did RYVYL employ any software
8 developers with blockchain development experience.

9 **3. RYVYL did not conduct any transactions using a digital**
10 **token.**

11 28. RYVYL’s public filings contained detailed descriptions of how
12 customers purchase digital tokens from RYVYL to conduct credit or debit
13 transactions—a description included in multiple public filings since October 2020.

14 29. However, RYVYL never actually implemented a system that facilitated
15 the use of tokens to conduct credit or debt transactions.

16 **4. RYVYL made materially misleading claims about its diversified**
17 **customer base.**

18 30. In its Form 10-K for fiscal year 2024, RYVYL touted its strategic
19 approach to industry diversification as a core component of its growth and risk
20 management framework. As RYVYL explained, “[b]y targeting a broad spectrum of
21 industries – from traditional sectors like retail and financial services to high-growth
22 areas such as e-commerce, technology and digital marketplaces – we effectively
23 minimize reliance on any single market segment. This diversified focus not only
24 reduces our exposure to sector-specific risk but also positions RYVYL to capitalize
25 on emerging opportunities across the global economy.” RYVYL also claimed that it
26 processed transactions for approximately 1,500 business customers in North America,
27 Europe and Asia, and in over 50 industries.

28 31. RYVYL’s claims about its diversified customer base and reduced

1 exposure to sector-specific risk were materially misleading because it did not disclose
2 that its principal product, QuickCard, was exclusively promoted to, and used by,
3 cannabis dispensaries.

4 32. Relatedly, in its Form 10-K for fiscal year 2023, RYVYL reported that
5 in February 2024 it transitioned its QuickCard product in North America away from
6 terminal-based to app-based processing and further reported that this transition
7 “coincided with a change in our banking partner that was prompted by recent changes
8 in the compliance environment and banking regulations.” RYVYL stated that “the
9 unforeseen abrupt nature of the transition” led to a significant decline in processing
10 volume in North America and that management anticipated consolidated revenue for
11 the first quarter of 2024 to be down sequentially by approximately 30 percent overall.

12 33. These statements were also materially misleading. In reality, the reason
13 RYVYL’s relationships with its banking partners were terminated was RYVYL’s
14 involvement with cannabis merchants, which its banking partners expressly
15 prohibited.

16 34. Due to federal laws against cannabis sales, Visa, Mastercard, and
17 American Express all prohibit the use of their cards for cannabis sales and prohibit
18 associated banks and gateways from processing those transactions.

19 35. RYVYL’s failure to disclose that its primary product, QuickCard, was
20 primarily marketed to and used by cannabis dispensaries made the company’s
21 statements about its diversified payment processing business incomplete and
22 materially misleading.

23 **C. RYVYL’s Misstatements Were Material.**

24 36. Each of the aforementioned misrepresentations would have been
25 material to a reasonable investor in making his or her investment decisions. RYVYL
26 consistently marketed itself to investors as “a tech company formed with the intent of
27 developing, marketing and selling innovative blockchain-based payment solutions.”

28 37. However, it did none of these things. As a result, it would have been

1 important to a reasonable investor to know that RYVYL did not in fact process any
2 transactions on a blockchain, or own proprietary technology to do so.

3 38. Moreover, it would have been important to a reasonable investor to
4 know that QuickCard was primarily used to facilitate cannabis transaction because
5 this was a material risk to the company's revenues.

6 **D. Nisan And Errez Were Both "Makers" Of The Statements In**
7 **RYVYL's Public Filings.**

8 39. During the Relevant Period, due to their roles, both Nisan and Errez had
9 ultimate authority over the content of RYVYL's Forms S-1, 10-K, 10-Q, and 8-K,
10 as well as the decision to file them with Commission.

11 40. Both Nisan and Errez signed RYVYL's Form S-1 filed with the
12 Commission during the Relevant Period.

13 41. Nisan signed RYVYL's annual and quarterly reports filed with the
14 Commission on Forms 10-K and 10-Q during the Relevant Period.

15 42. Errez signed RYVYL's annual reports filed with Commission on Forms
16 10-K during the Relevant Period.

17 43. Nisan and/or Errez also signed RYVYL's Forms 8-K filed with the
18 Commission during the Relevant Period.

19 **E. Nisan And Errez Acted With Scienter, Which Is Imputed To**
20 **RYVYL**

21 44. Both Nisan and Errez knew, or were reckless in not knowing, that
22 RYVYL's description of its business in its public filings for the Relevant Period was
23 materially misleading. Specifically, they each knew, or were reckless in not
24 knowing, that:

- 25 (a) None of RYVYL's payment processing was effectuated on a
26 blockchain;
- 27 (b) RYVYL did not own any proprietary blockchain technology;
- 28 (c) RYVYL never sold digital tokens to customers to facilitate credit

1 card transactions;

2 (d) RYVYL's principal product, QuickCard, was primarily used by
3 cannabis dispensaries;

4 (e) Because of federal laws against cannabis sales, Visa, Mastercard,
5 and American Express all prohibited the use of their cards for
6 cannabis sales and prohibited associated banks and gateways from
7 processing those transactions; and

8 (f) Failing to disclose that RYVYL's primary business product,
9 QuickCard, was mainly marketed to and used by cannabis
10 dispensaries rendered the company's statements about its revenue,
11 diversified customer base, and the need to maintain its banking
12 relationships materially incomplete and misleading.

13 45. By engaging in this conduct, Nisan and Errez acted at least
14 unreasonably, and therefore also acted negligently.

15 46. Because they engaged in their misconduct described herein while acting
16 in their capacities as RYVYL's CEO and chairman of the board, respectively, Nisan
17 and Errez's scienter and/or negligence may be imputed to RYVYL.

18 47. During the Relevant Period, RYVYL obtained money by means of its
19 materially misleading registration statement and annual, quarterly and current reports
20 filed with the Commission, as it periodically sold its stock to the public.

21 48. Through their conduct, and while acting as its agent, Nisan and Errez
22 obtained money and property for RYVYL.

23 49. Nisan and Errez also obtained salaries, bonuses, stock awards, options
24 awards, and other compensation from RYVYL during the Relevant Period.

25 50. In addition to the material misstatements and omissions of material fact
26 necessary to make the statements made not misleading in RYVYL's public filings,
27 both Nisan and Errez engaged in deceptive acts in furtherance of RYVYL's
28 fraudulent scheme.

1 51. In directly managing RYVYL’s operations, Nisan directed QuickCard’s
2 operations, knowing that QuickCard did not offer the “blockchain-based payment
3 solution[.]” represented in the company’s public statements to investors.

4 52. Further, Nisan was directly involved with establishing banking
5 relationships that would allow QuickCard to process major credit cards, without
6 disclosing to Visa, American Express or Mastercard that the underlying sales
7 involved cannabis.

8 53. Likewise, Errez signed merchant processing agreements that
9 misrepresented the nature of the products to be sold through QuickCard.

10 **FIRST CLAIM FOR RELIEF**

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

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

13 **(Against All Defendants)**

14 54. The SEC realleges and incorporates by reference paragraphs 1 through
15 55 above.

16 55. During the Relevant Period, Defendants RYVYL, Nisan and Errez
17 falsely depicted RYVYL in its public filings with the Commission as a cutting-edge
18 technology company selling innovative and proprietary blockchain-based payment
19 solutions to a well-diversified customer base using digital tokens. In fact, none of
20 this was true.

21 56. By engaging in the conduct described above, Defendants RYVYL, Nisan
22 and Errez, and each of them, directly or indirectly, in connection with the purchase or
23 sale of a security, and by the use of means or instrumentalities of interstate
24 commerce, of the mails, or of the facilities of a national securities exchange,
25 knowingly and/or recklessly: (a) employed devices, schemes, or artifices to defraud;
26 (b) made untrue statements of a material fact or omitted to state material facts
27 necessary in order to make the statements made, light of the circumstances under
28 which they were made, not misleading; and (c) engaged in acts, practices, or courses

1 of business which operated or would operate as a fraud or deceit upon another person.

2 57. By engaging in the conduct described above, Defendants RYVYL, Nisan
3 and Errez violated, and unless enjoined will continue to violate, Section 10(b) of the
4 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

5 **SECOND CLAIM FOR RELIEF**

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

7 **Violations of Section 17(a) of the Securities Act**

8 **(Against All Defendants)**

9 58. The SEC realleges and incorporates by reference paragraphs 1 through
10 55 above.

11 59. During the Relevant Period, Defendants RYVYL, Nisan and Errez
12 falsely depicted RYVYL in its public filings with the Commission as a cutting-edge
13 technology company selling innovative and proprietary blockchain-based payment
14 solutions to a well-diversified customer base using digital tokens. In fact, none of
15 this was true.

16 60. By engaging in the conduct described above, Defendants RYVYL, Nisan
17 and Errez, and each of them, directly or indirectly, in the offer or sale of securities,
18 and by the use of means or instrumentalities of interstate commerce or of the mails:
19 (a) knowingly and recklessly employed devices, schemes, or artifices to defraud; (b)
20 knowingly, recklessly and/or negligently obtained money or property by means of
21 untrue statements of material facts and omission to state material facts necessary in
22 order to make the statements made, in light of the circumstances under which they
23 made, not misleading; and (c) knowingly, recklessly and/or negligently engaged in
24 transactions, practices, or courses of business which operated or would operate as a
25 fraud or deceit upon the purchaser.

26 61. By engaging in the conduct described above, Defendants RYVYL, Nisan
27 and Errez violated, and unless enjoined will continue to violate, Section 17(a) of the
28 Securities Act, 15 U.S.C. § 77q(a).

THIRD CLAIM FOR RELIEF

False SEC Filings

**Violations of Section 13(a) of the Exchange Act and
Rules 12b-20, 13a-1, 13a-11 and 13a-13 Thereunder
(against RYVYL)**

62. The SEC realleges and incorporates by reference paragraphs 1 through 55 above.

63. During the Relevant Period, Defendant RYVYL falsely depicted itself in public filings with the Commission as a cutting-edge technology company selling innovative and proprietary blockchain-based payment solutions to a well-diversified customer base and using digital tokens. In fact, none of this was true.

64. During the Relevant Period, and as alleged above, RYVYL was an issuer of securities registered pursuant to Section 12 of the Exchange Act and filed annual Forms 10-K, quarterly Forms 10-Q, and current reports on Form 8-K that made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in violation of Section 13(a) of the Exchange Act and Rules 12b-20,13a-1, 13a-11 and 13a-13.

65. By engaging in the conduct described above, Defendant RYVYL violated, and unless restrained and enjoined will continue to violate, Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1, 13a-11 and 13a-13, 17 C.F.R. §§ 240.12b-20,13a-1, 13a-11 and 13a-13.

FOURTH CLAIM FOR RELIEF

**Aiding and Abetting RYVYL’s Violations of Section 13(a) of the Exchange Act
and Rules 12b-20, 13a-1, 13a-11 and 13a-13 Thereunder
(against Nisan and Errez)**

66. The SEC realleges and incorporates by reference paragraphs 1 through 55 above.

1 67. During the Relevant Period, Defendants Nisan and Errez falsely depicted
2 RYVYL in its public filings with the Commission as a cutting-edge technology
3 company selling innovative and proprietary blockchain-based payment solutions to a
4 well-diversified customer base using digital tokens. In fact, none of this was true.

5 68. As alleged above, Nisan and Errez substantially assisted RYVYL's
6 primary violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1,
7 13a-11 and 13a-13 by reviewing, approving, and/or signing RYVYL's registration
8 statement and its annual, quarterly and current reports filed with the Commission on
9 Forms S-1, 10-K, 10-Q and 8-K during the Relevant Period.

10 69. Nisan and Errez knew or were reckless in not knowing that RYVYL's
11 filings contained material misstatements and omissions when Nisan and Errez
12 reviewed, approved, and/or signed them.

13 70. By engaging in the conduct described above, Defendants Nisan and
14 Errez aided and abetted RYVYL's violations of, and unless restrained and enjoined
15 will continue to aid and abet violations of Section 13(a) of the Exchange Act, 15
16 U.S.C. § 78m(a), and Rules 12b-20, 13a-1, 13a-11, and 13a-13 thereunder, 17 C.F.R.
17 §§ 240.12b-20, 13a-1, 13a-11 and 13a-13.

18 **PRAYER FOR RELIEF**

19 WHEREFORE, the SEC respectfully requests that the Court:

20 **I.**

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

23 **II.**

24 Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of
25 Civil Procedure:

26 (a) permanently enjoining RYVYL, Nisan and Errez and their officers, agents,
27 servants, employees and attorneys, and those persons in active concert or
28 participation with any of them, who receive actual notice of the judgment by personal

1 service or otherwise, and each of them, from violating Section 17(a) of the Securities
2 Act, 15 U.S.C. § 77q(a), and Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b),
3 and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5;

4 (b) permanently enjoining RYVYL and its officers, agents, servants,
5 employees and attorneys, and those persons in active concert or participation with
6 any of them, from violating Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a),
7 and Rules 12b-20, 13a-1, 13a-11 and 13a-13, 17 C.F.R. §§ 240.12b-20,13a-1, 13a-11
8 and 13a-13; and,

9 (c) permanently enjoining Nisan and Errez and their officers, agents, servants,
10 employees and attorneys, and those persons in active concert or participation with
11 any of them, from aiding and abetting violations of Section 13(a) of the Exchange
12 Act, 15 U.S.C. § 78m(a), and Rules 12b-20,13a-1, 13a-11, and 13a-13, 17 C.F.R. §§
13 240.12b-20,13a-1, 13a-11 and 13a-13.

14 **III.**

15 Enter an order against Defendants Nisan and Errez pursuant to Section 20(e) of
16 the Securities Act and Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 77t(e) and
17 15 U.S.C. § 78u(d)(2), prohibiting them from acting as an officer or director of any
18 issuer that has a class of securities registered pursuant to Section 12 of the Exchange
19 Act, 15 U.S.C. § 78l, or that is required to file reports pursuant to Section 15(d) of the
20 Exchange Act, 78 U.S.C. § 78o(d).

21 **IV.**

22 Order Defendants Nisan and Errez to pay civil penalties under Section 20(d) of
23 the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15
24 U.S.C. § 78u(d)(3).

25 **V.**

26 Retain jurisdiction of this action in accordance with the principles of equity and
27 the Federal Rules of Civil Procedure in order to implement and carry out the terms of
28 all orders and decrees that may be entered, or to entertain any suitable application or

1 motion for additional relief within the jurisdiction of this Court.

2 **VI.**

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

5
6
7
8 Dated: April 27, 2026

9 */s/ Donald W. Searles*

10 _____
11 Donald W. Searles
12 Attorney for Plaintiff
13 Securities and Exchange Commission
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CIVIL COVER SHEET

of 2

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

U.S. SECURITIES AND EXCHANGE COMMISSION

(b) County of Residence of First Listed Plaintiff (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) Donald W. Searles; US Securities and Exchange Commission; 444 S. Flower St, Ste 900, Los Angeles, CA 90071: (323) 965-3998

DEFENDANTS

RYVYL, INC., FREDI NISAN, and BENZION ERREZ

County of Residence of First Listed Defendant San Diego (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known) Steven A. Cazares, Foundation Law Group, 4100 W Alameda Ave, 3rd Fl, Burbank, CA 91505; (323)240-5348

26CV2672 WQH MMP

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, PTF DEF, 1 1, 2 2, 3 3, 4 4, 5 5, 6 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: Nature of Suit Code Descriptions.

Table with columns: CONTRACT, REAL PROPERTY, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Includes various legal categories like Insurance, Personal Injury, Real Estate, Labor, etc.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District, 6 Multidistrict Litigation - Transfer, 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): Sections 20(b), 20(d)(1), and 22(a) of the Securities Act of 1933, 15 U.S.C. §§ 77t(b), 77t(d)(1), and 77(a), and Sections 21(d)(1), 21(d)(3)(A), 21(g) Brief description of cause: Fraudulent conduct by which RYVYL, its CEO Fredi Nisan and its chairman of the board, Benzion Errez defrauding the investing public by falsely

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE Apr 27, 2026 SIGNATURE OF ATTORNEY OF RECORD /s/ Donald W. Searles

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.
 Original Proceedings. (1) Cases which originate in the United States district courts.
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441.
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
 Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service.
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related cases, if any. If there are related cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.