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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION,	:
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Plaintiff,	:
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-against-	:
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	:
CHARLES RIEL III and	:
REINVEST LLC,	:
	:
	:
Defendants.	:
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5: 15 CV 1166 (MAD/DEP)  
**COMPLAINT**

Plaintiff Securities and Exchange Commission (“Commission”), for its Complaint against Defendants Charles Riel III (“Riel”), also known as Chuck Riel, and REinvest LLC (“REinvest”) (collectively, “Defendants”), alleges as follows:

**SUMMARY**

1. From approximately June 2010 through October 2013 (the “Relevant Period”), Riel fraudulently raised over \$280,000 from at least five investors by selling them securities in REinvest, a company Riel created and controlled.
2. Riel represented that REinvest would use the investors’ money to generate investment returns of up to 150% over five years by making investments in “high yield” financial growth vehicles with low risk.

3. Instead, Riel took almost all of the money for his own personal use. He used most of the investors' funds to pay personal expenses, including mortgage and tax payments. He used some of the remaining funds to make Ponzi-like payments to an earlier investor and transferred other investor funds to his sister.

4. Riel used approximately \$30,000 of investors' funds to engage in risky futures trading, including trades in crude oil futures, in an account held in REinvest's name. Riel lost most of the money through his trades.

5. Riel did not use any of the investors' funds to make the investments that he and REinvest had represented to investors.

6. Riel also sent at least two investors phony account statements. The statements falsely represented that the investments had earned a 30% annual rate of return, when in fact Riel had already spent most of the investors' funds on personal expenses.

7. Later, once the Commission obtained a court order forcing Riel and REinvest to comply with the Commission's investigative subpoenas, Riel instructed at least one investor to "discard/delete" emails and other documents Riel had sent the investor.

### **VIOLATIONS**

8. By virtue of the conduct alleged here, Defendants, singly or in concert, directly or indirectly, violated Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], 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]. By virtue of his conduct alleged herein, Riel is also liable (i) under Exchange Act Section 20(a) [15 U.S.C. § 78t(a)] as a controlling person for REinvest's violations of Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R.

§240.10b-5]; and (ii) under Securities Act Section 15(b) [15 U.S.C. § 77o(b)] and Exchange Act Section 20(e) [15 U.S.C. § 78t(e)] for aiding and abetting REinvest's violations of 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 [17 C.F.R. §240.10b-5].

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

**NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT**

10. The Commission brings this action under Securities Act Section 20(b) [15 U.S.C. § 77t(b)] and Exchange Act Section 21(d) [15 U.S.C. § 78u(d)].

11. The Commission seeks a final judgment:

- (i) permanently enjoining Defendants from violating 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 [17 C.F.R. § 240.10b-5];
- (ii) ordering Defendants to disgorge, with prejudgment interest thereon, all ill-gotten gains;
- (iii) imposing civil monetary penalties on Defendants under Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)]; and
- (iv) ordering Defendants to file and serve a verified written accounting, signed by each Defendant under penalty of perjury.

## JURISDICTION AND VENUE

12. This Court has jurisdiction over this action under Securities Act Section 22(a) [15 U.S.C. § 77v(a)] and Exchange Act Section 27 [15 U.S.C. § 78aa].

13. Venue lies in this District under Securities Act Section 22(a) [15 U.S.C. § 77v(a)] and Exchange Act Section 27 [15 U.S.C. § 78aa]. Certain of the acts, practices, events, transactions, and courses of business alleged here occurred within the Northern District of New York, including Defendants' misrepresentations to investors and misappropriation of investor funds. In addition, Riel resides in the Northern District of New York, where REinvest maintains its principal place of business.

## FACTS

### Defendants

14. **Riel**, age 57, resides in Clay, New York, where Riel and REinvest share the same address. Riel testified in the Commission's investigation. Although he answered certain questions, he declined to answer certain substantive questions about REinvest's business activities and communications with investors based on his Fifth Amendment privilege against self-incrimination.

15. **REinvest** is a New York limited liability company with its principal place of business in Clay, New York.

### Background

16. In March 2008, Riel formed REinvest.

17. According to REinvest's Better Business Bureau ("BBB") webpage, REinvest claims to provide "high yield private [t]ransactional [i]nvestment and financial consulting services."

18. At all relevant times, REinvest has had no employees, officers, or control persons other than Riel.

19. In 2007, the Internet domain names www.REinvestonline.com (the “REinvest Website”) and www.150Percentreturn.com (the “150% Website”) were registered with a website domain registrar.

20. By 2010, Riel served as the “registrant, administrative, technical and billing contact” for the 150% Website.

21. In approximately June and July 2010, Riel opened two REinvest bank accounts (the “REInvest Bank Accounts”). For one account, he designated himself as the sole signatory. For the other account, he designated himself and his sister as signatories.

22. From at least September 2013 through February 2014, Riel operated both the REinvest Website and the 150% Website.

23. From at least September 2013 through February 2014, the 150% Website listed Riel as its primary contact and linked to REinvest’s BBB webpage, which described Riel as REinvest’s chief financial officer and principal.

24. From at least September 2013 through February 2014, the 150% Website stated that it “is owned and brought to you by[ ] REinvest” and that its “associated brand names and domain names are trademarks of REinvest LLC.”

25. In approximately February 2014, after the Commission served investigative subpoenas on Riel and REinvest, Riel took down the 150% Website and the REinvest Website.

**Riel and REinvest Knowingly Made Material Misrepresentations on Their Websites**

26. From at least September 2013 through February 2014, Riel’s 150% Website claimed to offer a “high yield investment” that used a “proprietary method” to provide returns of “50% –

150%” over a 60-month (five-year) term “with inherently low risk” and a “built-in safety net process.”<sup>1</sup>

27. The 150% Website further offered investors:

a very Profitable AMERICAN Opportunity... (How to Get a Legitimate 150+ Percent Return on your money) Attention all profit motivated individuals that are seriously interested in a valid high return investment, a legitimate accelerated profit generating *proprietary* financial growth opportunity that brings a highest investment return that will help to protect your accustomed lifestyle, and enable you to do more for your loved ones.... Looking for a legitimate high return investment, an accelerated high yield predictable profit with a safe, and local high return investment? Take a look at what is currently available. . . .

28. The 150% Website neither explained REinvest’s “proprietary” investment method nor mentioned futures trading.

29. The REinvest Website implied that REinvest invested in commercial real estate. The website invited commercial real estate property owners to send REinvest “full details on your property” and asked them to “tell [REinvest] what you’re looking to accomplish.” The REinvest Website also claimed that REinvest was interested in “transactional funding, property development, joint venture facilitation, [and] selling [ ] property outright.”

30. The 150% Website described investment tranches ranging in size from \$25,000 to \$10 million and listed return rates of “50%-150%” for 60-month terms. The website claimed that twenty of the thirty-one available investment tranches were “Currently Filled” and that the cumulative amount of the “Currently Filled” tranches was \$43,055,000 — in other words, that REinvest had already raised over \$43 million from investors.

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<sup>1</sup> All emphases in quotations throughout this Complaint appear in the original.

31. The 150% Website also touted purported testimonials from satisfied customers identified by their first names. One such testimonial claimed: “Together it has taken Heather and me nearly 20 years to realize our first million. With you, 36 months – painless. Need we say more!!”

32. As Riel knew, these statements on the 150% Website were false and misleading.

33. Riel and REinvest had no “high yield investment” program, much less one that used a “proprietary method” to provide returns of “50% – 150%” over a 60-month term “with inherently low risk.” In fact, Riel and REinvest did not invest the vast majority of investors’ funds in any sort of investment program or legitimate business. Riel used a small portion of the investor funds — less than 10% — to engage in risky futures trading in REinvest’s name, a trading strategy that resulted in the loss of most of those funds.

34. Nor did Riel and REinvest generate any investment returns, much less a “million” dollars, for any investor.

35. Furthermore, over the course of its existence, REinvest obtained approximately \$285,000 from investors — nothing close to the \$43 million the 150% Website claimed REinvest had raised.

36. Similarly, the REinvest Website’s implication that REinvest invested in commercial real estate was misleading. As Riel knew, REinvest never invested in any commercial real estate.

**Riel and REinvest Knowingly Made Other Material Misrepresentations**

37. During the Relevant Period, Riel fraudulently induced investors to make investments in REinvest through material misrepresentations made directly to investors both in writing and orally.

***Investor A***

38. In early 2013, Investor A contacted REinvest.

39. In or around May 2013, Riel spoke with Investor A by telephone.

40. Riel told Investor A that REinvest would invest Investor A's money in real estate.

41. As Riel knew, his statement was false. REinvest had no real estate investments, and Riel had already used investor funds largely to pay his own personal expenses.

42. On May 13, 2013, Riel e-mailed Investor A a REinvest Nondisclosure Agreement.

43. Like the 150% Website, the Nondisclosure Agreement represented that REinvest and Riel offered “[h]igh [y]ield private financial growth vehicles.”

44. The Nondisclosure Agreement did not mention futures trading.

45. As Riel knew, the Nondisclosure Agreement was false and misleading. REinvest did not invest in any “[h]igh [y]ield private financial growth vehicles.” Indeed, by the time Riel sent Investor A the Nondisclosure Agreement, Riel had already used a significant portion of the investor funds REinvest had received for his own personal purposes. Riel had also already lost approximately \$26,000 of the \$30,000 he had used to trade futures.

46. On June 4, 2013, Riel e-mailed Investor A a “Performance Contract and Agreement – Addendum” (“Performance Agreement”).

47. The Performance Agreement referred to Investor A as an “investor.”

48. The Performance Agreement represented that Investor A would participate in “an investment loan” with REinvest “in exchange for a specified rate of return” of 150% and that the “principle [sic] amount is guaranteed.”

49. The Performance Agreement made no mention of futures trading.

50. As Riel knew, the Performance Agreement was false and misleading. REinvest had no investment program or method of generating profits, and Riel and REinvest therefore had no basis for promising a 150% rate of return. Nor could Riel or REinvest guarantee the return of Investor A's principal, when Riel knew he would be taking the funds primarily for his own personal use.

51. On approximately June 12, 2013, Investor A invested \$25,000 in REinvest.

52. On June 17, 2013, Riel e-mailed Investor A a Monthly Activity Statement ("Activity Statement") that Riel called an "opening confirmation statement."

53. The Activity Statement bore a purported client account number and referred to Investor A's "new account."

54. On approximately August 1, 2013, Riel e-mailed Investor A another Activity Statement.

55. This Activity Statement falsely represented that the rate of return on Investor A's investment was 150% and that Investor A had already "earn[ed]" \$862.95.

56. The Activity Statement also claimed: "Due to our Record breaking business in 2012, we now have most of our 2013 projected openings filled! ... It is for this reason, that we now have an EXTREMELY Limited number of available openings. Based on our previous 90 days, **Please be well advised that we anticipate having all of our 2013 projected openings filled very shortly.** Any of you that would like to get in on our very limited remaining offerings for the **2013 Calendar year**, please do not delay in communicating your interest now, as any available openings are strictly on a first-come, first-served basis only."

57. As Riel knew, the Activity Statement was false and misleading. REinvest had no investment program that could generate a 150% return in five years, and REinvest had not generated

any return on Investor A's investment. Indeed, Riel intended to use the investor proceeds largely for his own personal purposes. Furthermore, REinvest had essentially unlimited availability.

58. Over the next month, Riel sent Investor A at least three emails soliciting an additional investment in REinvest.

59. On August 5, 2013, Riel told Investor A by email: "We very seldom have anything under \$100k in our network these days, so as I suspected, that particular amount is not available. However as of today, we do a \$40,000 @ 5% with Monthly payout of \$166.67, and a \$50,000 @ 6% with a monthly payout of \$250.00. These are 5 year terms." Riel added: "\*We also do have available a \$50,000 @ 30% / 5 year Term - no monthly payout."

60. On August 28, 2013, Riel told Investor A by email that REinvest had "ONE opening" for a "160% Return on a 60 Month Term" for a \$45,000 investment.

61. On August 30, 2013, Riel told Investor A by email: "Thank You for your call of today. Per your request, I have checked on the \$50,000 - with monthly payout availability. As you know by now, we seldom have anything under \$100k in our network these days. However as of today, we do a \$50,000 @ 7% with Monthly payout of \$291.66 (\$3,499.92 annual amount). This is a 5 year term. \* We also do have available a \$55,000 @ 30% / 5 year Term - no monthly payout." Riel then claimed: "[P]lease be well advised that we have only ONE of each of the amounts and terms quoted above available, so if you would like me to secure one of these for you at this point in time, please let me know right away, as I will need you to fill out our 'Details Confirmation Form' TODAY to insure that we secure this for you. And also so that we can have the appropriate documents drawn without delay."

62. As Riel knew, his e-mail solicitations were false and misleading. REinvest had no investment program or method of generating profits, and Riel and REinvest therefore had no basis for

promising rates ranging from 5% to 160%. Nor did REinvest have only a limited supply of available investments.

63. About one month later, on approximately October 11, 2013, Investor A made a second investment of \$25,000 in REinvest.

64. On January 7, 2014, Riel solicited Investor A for a third investment. In an email to Investor A, Riel claimed that REinvest was “committed to our focus on continuous Profitability and Efficiency, rather than our business growth for this year of 2014.” Riel then promised a 150% return in five years and claimed that the investments had “VERY limited” availability: “As of this date and time, we have only ONE each only [sic] of the following: US \$10,000.00 – US \$25,000.00 – US \$150,000.00 – US \$300,000. These are all 60 Month Terms with 150% Return. [Investor A,] be advised that these specific openings will be filled on a ‘first-come, first-served’ basis . . . Take Care and God Bless.”

65. As Riel knew, his email was false and misleading. REinvest had no profits, no investment program that could generate a 150% return in five years, and essentially unlimited availability. Indeed, Riel intended to use the investor proceeds largely for his own personal purposes.

66. In approximately January or February 2014, Riel again spoke to Investor A.

67. For the first time, Riel claimed that Investor A had made a personal loan to Riel — not an investment in REinvest.

68. Investor A promptly asked Riel for his money back.

69. Riel declined to return Investor A’s funds.

70. In fact, Riel had already spent Investor A's funds on, among other things, cash and debit card withdrawals, mortgage payments, personal utility and cable payments, and several small, charitable donations.

71. On March 1, 2014, Riel e-mailed Investor A another REinvest Activity Statement.

72. The Activity Statement represented that Investor A's REinvest investments had consistently generated a monthly return of 30%.

73. In fact, Riel had already used most of Investor A's funds for his own personal use, and REinvest had generated no return at all.

***Investor B***

74. In early 2013, Investor B contacted REinvest.

75. In approximately February 2013, Riel spoke with Investor B by telephone.

76. Riel told Investor B that REinvest would use any funds he invested to make short-term business loans at a high interest rate.

77. Riel also told Investor B that his REinvest investment would receive interest of approximately 37.5% per year.

78. As Riel knew, these statements were false and misleading. Riel and REinvest had no plan or ability to invest the money in short-term business loans and no basis to offer annual interest of 37.5%.

79. In fact, Riel had already used most of a prior investor's funds for his own personal use.

80. In approximately February or March 2013, Riel sent Investor B a Performance Agreement.

81. The Performance Agreement claimed that Investor B would receive "a specified rate of return" of 150% and that "[t]his equates to 37.5% if annualized."

82. As Riel knew, the Performance Agreement was false and misleading. Riel and REinvest had no plan or ability to invest the money and no basis to offer a 150% rate of return.

83. On approximately March 1, 2013, Investor B invested \$25,000 in REinvest.

84. On March 1, 2014, Riel sent Investor B a REinvest Activity Statement.

85. The Activity Statement bore a purported client account number and represented that Investor B's "R[eturn] O[n] I[nvestment] Rate" was 150% over the 48-month term.

86. The Activity Statement further represented that Investor B's REinvest investment had consistently generated a monthly return of 30% and that Investor B had already "earn[ed]" \$9,245.29.

87. In fact, Riel had already used most of Investor B's funds for his own personal use, and REinvest had generated no return at all.

***Other Defrauded Investors***

88. Riel fraudulently induced at least three other investors to make an investment in REinvest.

89. Riel made similar material misrepresentations and omissions about REinvest's purported rate of return in written materials provided to these investors. Among other things, Riel and REinvest provided each of these investors with a Performance Agreement before they invested.

**Riel Largely Used the Investments in REinvest  
To Pay His Own Personal Expenses**

90. Riel and REinvest raised approximately \$285,000 from investors during the Relevant Period.

91. Riel and REinvest commingled the investor proceeds with other funds in the REinvest Bank Accounts. In total, the REinvest Bank Accounts took in approximately \$313,000 — including the investor proceeds — during the Relevant Period.

92. Riel used approximately \$220,000 from the REinvest Bank Accounts to make cash and debit card withdrawals and various payments, including mortgage payments, utility and cable payments, and various small, charitable donations.

93. Riel transferred approximately \$16,000 from the REinvest Bank Accounts to his sister and brother-in-law.

94. Riel used approximately \$37,500 from the REinvest Bank Accounts to make two Ponzi-like payments to an earlier investor.

95. Riel used approximately \$30,000 from the REinvest Bank Accounts to open a futures trading account in REinvest's name.

96. Riel had sole trading authority over the futures trading account.

97. Through his futures trading, Riel lost approximately \$26,000 of the approximately \$30,000 in the trading account.

**Riel Tried To Thwart the Commission's Investigation**

98. In January 2014, the Commission staff served Riel and REinvest with investigative subpoenas seeking documents and Riel's testimony.

99. Riel and REinvest failed to comply with the subpoenas.

100. In March 2014, the Commission filed a subpoena enforcement action against Riel and REinvest in the United States District Court for the Southern District of New York to force them to comply with the subpoenas.

101. On March 31, 2014, the court ordered Riel and REinvest to comply with the subpoenas by producing documents and, in Riel's case, appearing for testimony before the Commission staff.

102. Shortly thereafter, in approximately April 2014, Riel sent Investor B a letter instructing him to “**discard/delete** any documents received prior to today’s date, as the previous documents contained errors.”

103. Riel’s letter further claimed: “In an effort to *safe-guard* your financial interest in this time of turbulence, the revisions are being done so that these document[s] more clearly define our relationship and transaction(s) as a private-loan arrangement, rather than having anything to do with the ‘financial securities’ industry.”

104. Riel further instructed Investor B not to disclose certain information — including the Activity Statements REinvest had been providing to Investor B — and to provide to the Commission only the few documents Riel himself had produced to the Commission.

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

105. The Commission realleges and incorporates by reference here the allegations in paragraphs 1 through 104.

106. Defendants Riel and REinvest, 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, knowingly or recklessly have: (a) employed devices, schemes, or artifices to defraud; (b) obtained money or property by means of 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; or (c) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

107. By reason of the foregoing, the Defendants, directly or indirectly, singly or in concert, have violated, and unless enjoined will again violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

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

108. The Commission realleges and incorporates by reference here the allegations in paragraphs 1 through 104.

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

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

**THIRD CLAIM FOR RELIEF**  
**Aiding and Abetting Violations of Securities Act Section 17(a)**  
**(Riel)**

111. The Commission realleges and incorporates by reference here the allegations in paragraphs 1 through 104.

112. As alleged above, REinvest violated Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

113. Riel knowingly or recklessly provided substantial assistance to REinvest with respect to its violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

114. By reason of the foregoing, Riel is liable pursuant to Section 15(b) of the Securities Act [15 U.S.C. § 77o(b)] for aiding and abetting REinvest's violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

**FOURTH CLAIM FOR RELIEF**  
**Aiding and Abetting Violations of Exchange Act Section 10(b) and Rule 10b-5**  
**(Riel)**

115. The Commission realleges and incorporates by reference here the allegations in paragraphs 1 through 104.

116. As alleged above, REinvest violated 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].

117. Riel knowingly or recklessly provided substantial assistance to REinvest with respect to its violations of 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].

118. By reason of the foregoing, Riel is liable pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)] for aiding and abetting REinvest's violations of 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].

**FIFTH CLAIM FOR RELIEF**

**Control Person Liability For Violations of Exchange Act Section 10(b) and Rule 10b-5 (Riel)**

119. The Commission realleges and incorporates by reference here the allegations in paragraphs 1 through 104.

120. As alleged above, REinvest violated 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].

121. During the Relevant Period, Riel controlled REinvest and was a culpable participant in REinvest's violations of 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].

122. By reason of the foregoing, Riel is liable as a controlling person pursuant to Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)] for REinvest's violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

**PRAYER FOR RELIEF**

**WHEREFORE**, the Commission respectfully requests a Final Judgment:

**I.**

Permanently enjoining Defendants, their agents, servants, employees, and attorneys, and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from violating 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 [17 C.F.R. § 240.10b-5].

**II.**

Ordering Defendants to disgorge all ill-gotten gains they received directly or indirectly, with prejudgment interest thereon, as a result of the violations alleged in this Complaint.

**III.**

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

**IV.**

Ordering Defendants to file and serve a verified written accounting, signed by each Defendant under penalty of perjury.

V.

Granting such other and further relief as the Court deems just and appropriate.

Dated: September 29, 2015  
New York, New York

By: **s/ Preethi Krishnamurthy**  
Preethi Krishnamurthy (Bar Number: 516214)  
Andrew M. Calamari\*  
Sanjay Wadhwa\*  
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\*Not admitted in the Northern District of New York