

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

18-61234  
18

CASE NO.:

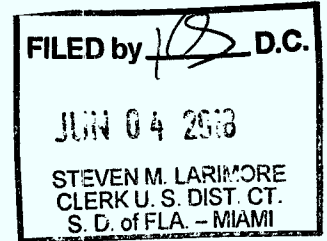
SECURITIES AND EXCHANGE COMMISSION,

CIV. Bloom

Plaintiff,

v.

ISAAC GROSSMAN,  
ADRIANA GROSSMAN,  
DRAGON-CLICK CORP., and  
DRAGON MANAGEMENT, LLC,



Defendants.

Mag Valle -

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff Securities and Exchange Commission alleges:

I. INTRODUCTION

1. The Commission brings this action to enjoin Dragon-Click Corp (“Dragon-Click” or the “Company”), and its owner Isaac Grossman (Grossman”) from continuing to defraud investors through the ongoing sale of securities, and to enjoin Dragon-Click, Grossman, Adriana Grossman (“A. Grossman”), and her company Dragon Management LLC (“Dragon Management”) from misappropriating investor funds.

2. From no later than September 2014 until present, the Defendants have participated in the offer or sale of securities in the form of Dragon-Click stock and Dragon Partners, LLC (“Dragon Partners”) membership interests.

3. Grossman tells investors Dragon-Click is in the business of creating an internet application that locates retailers and provides price-comparisons for any item for which a shopper uploads a photograph (the “Dragon Click Application”).

4. Thus far, the Defendants have raised more than \$2.4 million from at least 26 investors nationwide, most of them elderly.

5. Investor funds have continued to be raised until at least April 2018.

6. To lure investors, Grossman knowingly or recklessly materially misrepresents investment returns and how the Defendants will use investor funds.

7. For example, Grossman tells potential investors he will double, triple or even quadruple their money by investing it in Dragon-Click stock. This representation is false. At the same time Grossman has been making these promises, he has been spending the vast majority of investor money to fund his personal expenditures.

8. Similarly, Grossman tells potential investors he will use their money to pay for the development and marketing of the Dragon-Click Application. This is false. Grossman and his wife, Adriana Grossman, have been misusing or misappropriating investor funds to pay their personal living expenses and to fund their lifestyle, which includes funding Grossman's gambling habits as well as the purchase of luxury vehicles and jewelry.

9. Grossman and A. Grossman have spent the majority of investor funds for their own personal use to the tune of at least \$1.3 million.

10. Through their conduct, the Defendants are violating the anti-fraud provisions of the federal securities laws.

11. Based on the ongoing nature of their violations and the scienter the Defendants have demonstrated through their willful and wanton disregard for the federal securities laws, the Defendants have shown they will continue to violate the law unless the Court grants the injunctive and other relief the Commission seeks.

## **II. DEFENDANTS AND RELATED ENTITY**

### **A. Defendants**

12. Isaac Grossman is a resident of Parkland, Florida. He entered the securities industry in 1997 and worked at numerous broker-dealers in various capacities until November 2012, when the Financial Industry Regulatory Authority (“FINRA”) permanently barred him from acting as a broker or otherwise associating with a broker-dealer firm. In September 2013, the U.S. Commodity Futures Trading Commission (“CFTC”) instituted proceedings against Grossman for violations of the Commodity Exchange Act. Grossman consented to an Order, without admitting or denying liability, finding that he and his company, London Metals Market LLC (“London Metals”), engaged in illegal, off-exchange, precious metals transactions (the “CFTC Order”). The CFTC Order, entered September 4, 2013, directed Grossman and London Metals to pay \$121,665.75 in restitution to their customers, imposed permanent registration and trading bans on Grossman, and required him to cease and desist from violating the Commodity Exchange Act. Neither Grossman nor London Metals has paid the restitution the CFTC ordered. Grossman is not registered with the SEC in any capacity.

13. Adriana Grossman is married to Isaac Grossman and resides with him in Parkland, Florida. From September 2014 until June 2016, A. Grossman, without any legitimate basis, spent at least \$293,000 of investor funds on her personal expenditures.

14. Dragon-Click is a Florida corporation headquartered in Parkland, Florida that Grossman incorporated in July 2014. Grossman is its sole officer and director, its Registered Agent, and the sole signatory on the Dragon-Click bank account.

15. Dragon Management is a Florida limited liability company headquartered in Deerfield Beach, Florida, that Adriana Grossman organized in June 2014. Dragon Management

is the manager and investment adviser of Dragon Partners. A. Grossman is its only member, its Registered Agent, and the sole signatory on the Dragon Management bank account. From March 2015 through at least June 2016, Dragon Management, without any legitimate basis, received approximately \$293,000 of investor funds emanating from the Defendants' securities fraud.

### **B. Related Entity**

16. Dragon Partners is a Florida limited liability company headquartered in Deerfield Beach, Florida, that Adriana Grossman formed in June 2014. The company was organized to invest in Dragon-Click securities. A. Grossman is its Registered Agent and the sole signatory on the company's bank account. Dragon Management is the company's sole manager. From September 2014 through at least April 2016, the company, without any legitimate basis received approximately \$547,000 of investor funds emanating from the Defendants' securities fraud.

### **III. JURISDICTION AND VENUE**

17. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d), and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77t(b), 77t(d), and 77v(a); and Sections 21(d), 21(e), and Section 27 of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78u(d), 78u(e), and 78aa.

18. This Court has personal jurisdiction over the Defendants, and venue is proper in the Southern District of Florida, because many of the Defendants' acts and transactions constituting or resulting from violations of the Securities Act and the Exchange Act occurred, and continue to occur, in the Southern District of Florida. Dragon-Click, Dragon Partners, and Dragon Management are headquartered in the Southern District of Florida, Grossman and A. Grossman reside in the Southern District of Florida, and Grossman directs investors to send their investment contributions to an address or bank account in the Southern District of Florida.

19. In connection with the conduct alleged in this Complaint, the Defendants, directly and indirectly, singly or in concert with others, have made use of the means or instrumentality of interstate commerce, the means or instruments of transportation and communication in interstate commerce, and the mails.

#### **IV. THE DRAGON-CLICK FRAUD**

##### **A. The Dragon-Click Offering**

20. From no later than June 19, 2014 through present, Isaac and Adriana Grossman have, directly or indirectly through the Corporate Defendants they control, participated in the offer or sale of Dragon-Click stock.

21. The terms of the offering are memorialized in a Private Placement Memorandum dated June 19, 2014 (the “PPM”) issued by Dragon Partners.

22. Isaac Grossman and Adriana Grossman provided input into the language in the PPM and Grossman personally approved the language in the PPM prior to its distribution to potential investors.

23. As set forth in the PPM, Dragon Partners offers investors the opportunity to invest in Dragon Partners, which then acts as an investment fund to purchase Dragon-Click stock for the benefit of investors.

24. The PPM tells investors that Adriana Grossman, on behalf of Dragon Management, is the manager of the Dragon Partners fund who will “manage and administer the Fund’s investment portfolio.”

25. According to the PPM, the success of Dragon Partners is dependent on the manager’s identification of successful enterprises or innovations in which to invest, and Dragon Management and Adriana Grossman are vested with the sole discretion to make those decisions.

26. According to the PPM, the minimum investment is \$25,000 for a membership interest in Dragon Partners unless A. Grossman, in her discretion, permits a smaller investment.

**B. Solicitation of Investors**

27. From no later than September 2014 until at least April 2018, Dragon-Click, through Isaac Grossman, has solicited investor contributions by contacting potential investors nationwide by telephone.

28. Grossman has solicited potential investors he located through word-of-mouth, knew during the time when he was in the broker-dealer industry, or knew because they had invested with him previously when, according to the CFTC Order, he was illegally offering investments in London Metals.

29. Grossman has solicited many investors more than once, and some investors have purchased more Dragon-Click stock after Grossman has solicited them a second or third time.

30. Grossman offers investors shares of Dragon-Click stock for \$25 per share.

31. Grossman tells potential investors that Dragon-Click has an internet application that is going to revolutionize shopping on the internet.

32. Grossman tells potential investors that the Dragon Click Application will allow a shopper to upload a photograph of the item the shopper wants to purchase and will then locate all retailers offering that product for sale, to allow the shopper to do a price comparison.

33. Grossman promises potential investors that the Dragon-Click technology will generate huge returns for the investors and that their money would be used to pay for development of the technology, legal fees for the patents, and marketing of the technology.

34. Grossman has solicited at least \$2.4 million from at least 26 investors nationwide, most of them elderly.

35. Investors have invested these funds in Dragon Partners by contributing investment funds by check or wire transfer.

36. Investors send their money via check or wire transfer to one of three bank accounts in the names of Dragon-Click, Dragon Partners, or Dragon Management.

37. Adriana Grossman has endorsed the investor checks to Dragon Partners and Dragon Management for deposit into these companies' bank accounts, which she controls.

38. Isaac Grossman has endorsed the investor checks to Dragon-Click for deposit into the Dragon-Click bank account, which he controls.

39. As of April 2018, only a total of about \$53,000 has been returned to investors.

### **C. Investment Documents**

40. As part of the solicitation and investment process, Grossman sends investors investment documents via e-mail, facsimile or Federal Express.

41. Specifically, when Grossman solicits potential investors, he sends them a Dragon Partners, LLC Subscription Agreement (the "Subscription Agreement") and the PPM.

42. After Grossman successfully solicits investors and the Defendants receive their funds, Grossman sends investors a one-page confirmation document reflecting the investor's purchase of a certain number of Dragon-Click shares ("Investment Confirmation").

#### ***1. The Dragon Partners Subscription Agreement***

43. The Subscription Agreement defines Dragon Partners as the "Fund" and provides that the investor is buying "Membership Interests in the Fund."

44. The Subscription Agreement requires investors to sign representing that, among things, they received and read the PPM and understand the compensation to Adriana Grossman, as fund manager, as set forth in the PPM.

45. The Subscription Agreement states that it is binding upon acceptance of the Subscription Agreement by the Dragon Partners manager.

46. Upon receipt of the executed Subscription Agreements, Adriana Grossman signed to approve the investments in her capacity as the authorized member of Dragon Management.

## ***2. The Dragon Partners PPM***

47. The PPM details the relationship between Dragon Partners and Dragon Management and describes how investor proceeds will be used.

48. The PPM states that Dragon Partners was organized to operate as a private pooled investment vehicle for the benefit of investors who seek exposure to stock in Dragon-Click, which intended to go public, be acquired, or merge as the final outcome of the investment.

49. The PPM further states that the manager and investment adviser of Dragon Partners is Dragon Management, and Adriana Grossman, the principal of Dragon Management, will manage and administer the Fund's investment portfolio.

50. The PPM states that proceeds raised will be used to purchase Dragon-Click stock and to pay Dragon Partners' expenses, including management fees, legal and accounting costs, corporate filing fees and other day-to-day operational expenses.

51. Pursuant to the PPM, Dragon Management receives a management fee of 2% per year of assets under management.

52. Additionally, the PPM provides that Dragon Management charges a performance-based fee at a rate of 25%, to be paid at the end of a "Capital Event."

53. In the PPM, "Capital Event" is defined as one of the following: a period after an IPO of Dragon-Click; the sale or merger of Dragon-Click; the sale by the Dragon Partners of any



remaining privately-held Dragon-Click shares after the expiration of a one-year sale restriction period under Rule 144; or the sale of all or substantially all of Dragon Partner's assets.

54. No Capital Event has ever occurred.

### ***3. The Investment Confirmation***

55. After investors send the Defendants their investment contributions, Grossman, through Dragon-Click, provides investors with an Investment Confirmation reflecting the investor's name, the date of the investment, the amount of shares purchased, and the purchase price.

56. According to the Investment Confirmation, investors' funds purchased shares in an entity called "Dragon-Click LLC."

57. Dragon-Click LLC does not exist.

### **D. Misrepresentations and Omissions in the Securities Offering**

58. In connection with the Dragon Partners offering, the Defendants have knowingly or recklessly made material misrepresentations and omissions about the use of investor funds, investment returns, and Adriana Grossman's compensation.

#### ***1. Isaac Grossman's Oral Misrepresentations About: (a) The Use Of Investor Funds; And (b) Large Investment Returns***

59. From no later than September 2014 until at least April 2018, Isaac Grossman has made materially false and misleading statements and omissions to investors when he solicits them by telephone.

60. Grossman has made at least two misrepresentations to investors – namely, that: (a) their investment funds will be used to develop the Dragon Click Application and related patent; and (b) an investment in Dragon-Click stock will produce massive investment returns.

61. For example, in March 2016, Grossman solicited by telephone a male investor with the initials D.H. who is 80 years old and resides in Murfreesboro, Tennessee.

62. During the call, Grossman told D.H. that Dragon-Click would revolutionize shopping on the internet, and that he needed investor funds for the final development of the technology and patents.

63. Based on these representations, on March 18, 2016, D.H. purchased 2,000 shares of Dragon-Click stock for \$25 per share, for a total investment of \$50,000 via a personal check.

64. In October 2016, Grossman called D.H. to solicit him a second time. During this call, Grossman told D.H. more money was needed to complete the technology and obtain the patents, and that D.H. would double his money when the patents were sold.

65. Based on these representations, on about October 18, 2016, D.H. purchased 500 additional shares of Dragon-Click stock for \$12,500.

66. In February 2018, Grossman called D.H. to solicit him a third time. During this call, Grossman told D.H. he needed more money to pay the patent attorneys.

67. Based on Grossman's representations and the seemingly urgent need to conclude the project in order to receive investment proceeds, D.H. purchased an additional 400 shares of Dragon-Click stock for \$10,000 on February 22, 2018.

68. Grossman never told D.H. that investor proceeds would be used for any purpose other than the development of the Dragon-Click Application, patent attorneys, and to market the Dragon-Click product.

69. In reality, Grossman used D.H.'s investor funds for personal expenditures. For example, of the \$10,000 funds D.H. wired on February 22, 2018, Grossman spent more than \$5,000 gambling at a casino and used the remaining funds for other personal expenditures.

70. Similarly, in about December 2014, Grossman solicited by telephone a man with the initials P.Z. who is 75 years old and lives in Adel, Iowa.

71. During this call, Grossman told P.Z. that he hoped to sell the Dragon Click Application to Google and that if P.Z. invested he stood to triple or quadruple his investment in less than six months.

72. Based on these representations, on about December 18, 2014, P.Z. purchased 1,000 shares of Dragon Click stock for \$25,000. These funds were deposited into the Dragon Partners bank account.

73. Similarly, in late May or early June 2015, Grossman solicited by telephone a male investor with the initials R.B. who is 79 years old and resides in Broomfield, Colorado.

74. During this call, Grossman told R.B. that if he invested in Dragon-Click he would more than double his money because Dragon-Click would be acquired by a large company such as Google or Amazon for \$1 billion or more.

75. Also during this call, Grossman told R.B. that he would use R.B.'s investment funds to complete the Dragon-Click software, pay the patent attorneys' fees, and market the technology.

76. Based on these representations, on about June 17, 2015, R.B. purchased 500 shares of Dragon-Click stock for \$25 per share, for a total of \$12,500. These funds were deposited into the Dragon Partners bank account.

77. Grossman did not use any of the \$12,500 R.B. invested in June 2015 to pay patent attorneys' fees or other business expenses as he had promised.

78. In about July or August 2016, Grossman solicited R.B. a second time.

79. During this call, Grossman told R.B. he needed additional money to pay for the last phase of the patent process. On about August 29, 2016, R.B. invested another \$12,500 for 500 shares of Dragon-Click stock via wire transfer into the Dragon-Click bank account.

80. Similarly, in May 2015, Grossman solicited by telephone a male investor with the initials R.N. who is 77 years old and resides in Temple, Texas.

81. During this call, Grossman told R.N. that Dragon-Click needed to raise money to pay for the final development of Dragon-Click technology and patents.

82. Based on these representations, on about July 20, 2015, R.N. purchased 2,500 shares of Dragon-Click stock for \$25 per share, for a total of \$62,500.

83. In early 2016, Grossman solicited R.N. a second time. During this call, Grossman told R.N. more money was needed to complete the technology and obtain the patents. Grossman promised R.N. he would double his money when the Dragon-Click patents were sold.

84. Grossman solicited R.N. by telephone five more times: in May 2016, April 2017, August 2017, December 2017, and January 2018.

85. During each of these five calls, Grossman told R.N. Dragon-Click needed more money to complete the patent application process and to pay attorneys' fees, that he was very close to completing the sale of Dragon-Click to an unidentified buyer, and that R.N. would be receiving \$500,000 after the sale closed.

86. Based on Grossman's representations during the May 2016 call, R.N. invested an additional \$12,500 on May 12, 2016, to purchase 500 more shares of Dragon-Click stock for \$25 per share.

87. Based on Grossman's representations during the April 2017 call, R.N. invested an additional \$25,000 via an April 12, 2017 wire transfer to Dragon-Click, to purchase 1,000 more shares of Dragon-Click stock for \$25 per share.

88. Based on Grossman's representations during the August 2017 call, R.N. invested an additional \$150,000 on about August 14, 2017, to purchase 500 more shares of Dragon-Click stock for \$25 per share.

89. Based on Grossman's representations during the December 2017 call, R.N. invested an additional \$16,000 via a December 18, 2017 wire transfer to Dragon-Click, to purchase more shares of Dragon-Click stock.

90. Based on Grossman's representations during the January 2018 call, R.N. invested an additional \$5,000 via a January 19, 2018 wire transfer to Dragon-Click, to purchase more shares of Dragon-Click stock, for a total of \$271,000.

91. Grossman's promises to investors about investment returns and representations about the use of investor funds are materially false.

92. At the same time Grossman was making these representations to investors, he was spending the majority of investor funds in the Dragon-Click bank account on his personal expenditures and not on Dragon-Click.

93. Grossman lacks any personal bank account and has instead used the investor funds in the Dragon-Click bank account to pay his personal expenditures.

94. Grossman had no reasonable basis for promising investors massive investment returns based on the success of the Dragon-Click business because he was spending investor money on himself and his family, rather than on developing the business.

95. Contrary to Grossman's representations to investors in 2015 and 2016 that he required funds to pay attorneys' fees, Grossman did not make his first payment for patent attorneys' fees until April 27, 2017, for only \$2,400.

96. Contrary to Grossman's representations in December 2017 and January 2018 about using investor funds to pay patent attorneys, Grossman has not paid patent attorney fees since August 17, 2017, for \$33,100. This payment and the April 2017 payment of \$2,400 are the only funds used by Grossman and the companies to pay patent attorney fees, and he did not pay patent attorneys after August 2017.

97. Additionally, contrary to Grossman's representations that Google and Amazon were potential buyers of Dragon-Click's technology, Grossman has never had any discussion with these companies and there was never any potential deal with them.

## ***2. Isaac Grossman's Misappropriation of Investor Funds***

98. Approximately \$1.6 million of investor funds was deposited into the Dragon-Click bank account Grossman controls.

99. From October 2014 through April 2018, Grossman misappropriated at least \$1,019,000 of the \$1.6 million of investor funds in the Dragon-Click account, as follows:

<b>Investor Funds Spent For Personal Use</b>	<b>Items and Services Purchased</b>
\$426,000	Gambling, primarily through slot machines and table games, at a casino in Broward County, Florida
At least \$500,000	Cash withdrawals for personal use
At least \$15,000	Groceries, gas, and food
At least \$29,000	Auto lease payments to Manhattan Leasing and GM Financial
\$6,000	Jewelry
\$19,000	Health and car insurance
\$12,000	The Grossman's children's school tuition payments
\$12,000	Walmart purchases

100. At no time did Grossman tell investors he was misappropriating or misusing investor funds for his own personal use.

101. However, the PPM Grossman gave to investors states that no commissions will be paid in connection with investors' contributions.

102. Nothing in the PPM Grossman gave to investors authorized Grossman to receive the investor funds as described in paragraph 99 above.

103. According to the PPM, Dragon Management can pay broker-dealers finding fees for locating investors.

104. However, Grossman is not a broker-dealer. Indeed, FINRA has barred him from working as or associating with any broker-dealer.

105. The Defendants did not disclose Grossman's regulatory history with FINRA or with the CFTC to investors.

### ***3. Adriana Grossman's Misappropriation of Investor Funds***

106. From no later than September 2014 until at least June 2016, Adriana Grossman misappropriated at least \$293,000 of investor funds for her personal use.

107. Approximately \$840,000 of investors' funds were deposited into the Dragon Partners and Dragon Management bank accounts, which Adriana Grossman controlled.

108. Adriana Grossman has known her Dragon Partners and Dragon Management bank accounts received investor funds that Isaac Grossman solicited, and she knowingly spent those funds on personal living expenses instead of investing in Dragon-Click stock.

109. From September 2014 until June 2016, A. Grossman misappropriated \$293,000 of investor funds from the Dragon Partners and Dragon Management accounts, as follows:

<b>Investor Funds Spent For Personal Use</b>	<b>Items and Services Purchased</b>
\$35,000	Gambling at a casino
\$98,000	Payments for a Chevrolet Corvette and Chevrolet Tahoe
\$67,000	Mortgage payments on the Grossman family home
\$26,000	Health and car insurance
\$51,000	Jewelry, including a 3.8 carat yellow diamond
\$16,800	Walmart purchases

110. The Defendants have not disclosed to investors A. Grossman's misappropriation and misuse of investor funds to pay personal expenses.

111. A. Grossman's misappropriation and misuse of investor funds is omitted from the Dragon Partners PPM and other marketing materials.

112. The PPM states that A. Grossman's company, Dragon Management, will receive a 25 percent "Performance-Based Fee" at the end of a Capital Event, as defined in the PPM.

113. No Capital Event has ever occurred. Accordingly, Dragon Management has never been entitled to receive any Performance-Based Fee.

### **COUNT I**

#### **Fraud in Violation of Section 10(b) and Rule 10b-5(a) of the Exchange Act (Against All Defendants)**

114. The Commission repeats and realleges Paragraphs 1 through 113 of this Complaint.

115. Dragon-Click, Isaac Grossman, Adriana Grossman, and Dragon Management, beginning no later than September 2014, directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly or recklessly employed any device, scheme or artifice to defraud in connection with the purchase or sale of any security.

116. By reason of the foregoing, Isaac Grossman, Adriana Grossman, Dragon-Click, and Dragon Management, violated, and, unless restrained and enjoined, are reasonably likely to



continue to violate Section 10(b) and Rule 10b-5(a) of the Exchange Act, 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(a).

## COUNT II

### **Fraud in Violation of Section 10(b) and Rule 10b-5(b) of the Exchange Act** **(Against Dragon-Click and Isaac Grossman)**

117. The Commission realleges and incorporates paragraphs 1 through 113 of this Complaint.

118. Dragon-Click and Isaac Grossman, beginning no later than September 2014, directly or indirectly, by use of the means or instrumentality of interstate commerce, or of the mails, in connection with the purchase or sale of securities, knowingly or recklessly made untrue statements of material facts or omitted to state material facts in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

119. By reason of the foregoing, Dragon-Click and Isaac Grossman, directly or indirectly violated, and, unless restrained and enjoined, are reasonably likely to continue to violate, Section 10(b) and Rule 10b-5(b) of the Exchange Act, 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(b).

## COUNT III

### **Fraud in Violation of Section 10(b) and Rule 10b-5(c) of the Exchange Act** **(Against All Defendants)**

120. The Commission repeats and realleges Paragraphs 1 through 113 of this Complaint.

121. Dragon-Click, Isaac Grossman, Adriana Grossman, and Dragon Management, beginning no later than September 2014, directly and indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly or recklessly engaged in acts,

practices and courses of business which operated or would have operated as a fraud or deceit upon any person in connection with the purchase or sale of any security.

122. By reason of the foregoing, Isaac Grossman, Adriana Grossman, Dragon-Click, and Dragon Management violated, and, unless restrained and enjoined, are reasonably likely to continue to violate, Section 10(b) and Rule 10b-5(c) of the Exchange Act, 15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5(c).

#### **COUNT IV**

##### **Fraud in Violation of Section 17(a)(1) of the Securities Act** **(Against All Defendants)**

123. The Commission repeats and realleges Paragraphs 1 through 113 of this Complaint.

124. Dragon-Click, Isaac Grossman, Adriana Grossman, and Dragon Management, beginning no later than September 2014, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly knowingly or recklessly employed any device, scheme or artifice to defraud.

125. By reason of the foregoing, Isaac Grossman, Adriana Grossman, Dragon-Click, and Dragon Management, violated, and, unless restrained and enjoined, are reasonably likely to continue to violate, Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

#### **COUNT V**

##### **Fraud in Violation of Section 17(a)(2) of the Securities Act** **(Against All Defendants)**

126. The Commission repeats and realleges paragraphs 1 through 113 of this Complaint.

127. Dragon-Click, Isaac Grossman, Adriana Grossman, and Dragon Management, beginning no later than September 2014, directly or indirectly, in the offer or sale of securities, by the use of means or instruments of transportation or communication in interstate commerce or of the mails have negligently obtained money or property by means of untrue statements of material facts and omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

128. By reason of the foregoing, Isaac Grossman, Adriana Grossman, Dragon-Click, and Dragon Management, directly or indirectly violated, and, unless restrained and enjoined, are reasonably likely to continue to violate, Section 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)].

#### **COUNT VI**

##### **Fraud in Violation of Section 17(a)(3) of the Securities Act** **(Against All Defendants)**

129. The Commission repeats and realleges Paragraphs 1 through 113 of this Complaint.

130. Dragon-Click, Isaac Grossman, Adriana Grossman, and Dragon Management, beginning no later than September 2014, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly negligently engaged in transactions, practices and courses of business which operated or would have operated as a fraud or deceit upon the purchasers and prospective purchasers of such securities.

131. By reason of the foregoing, Isaac Grossman, Adriana Grossman, Dragon-Click, and Dragon Management, directly or indirectly violated, and, unless restrained and enjoined, are

reasonably likely to continue to violate, Section 17(a)(3) of the Securities Act, 15 U.S.C. § 77q(a)(3).

**RELIEF REQUESTED**

**WHEREFORE**, the Commission respectfully requests that the Court find that Defendants committed the violations alleged and:

**I.**

**Temporary Restraining Order, Preliminary Injunction and Permanent Injunction**

Issue a Temporary Restraining Order, a Preliminary Injunction and a Permanent Injunction, restraining and enjoining: Defendants Isaac Grossman and Dragon-Click, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from violating Section 17(a) of the Securities Act and Section 10(b) and Rule 10b-5 of the Exchange Act, and Defendants Dragon Management and Adriana Grossman, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from violating Section 17(a) of the Securities Act and Section 10(b) and Rules 10b-5(a) and (c) of the Exchange Act..

**II.**

**Asset Freeze and Sworn Accountings**

Issue an Order freezing the assets of all Defendants until further Order of the Court and requiring the Defendants to file sworn accountings with this Court.

**III.**

**Records Preservation**

Issue an Order requiring all Defendants to preserve any records related to the subject matter of this lawsuit that are in their custody or possession or subject to their control.

IV.

**Disgorgement**

Issue an Order directing all Defendants to disgorge all ill-gotten gains, including prejudgment interest, resulting from the acts or courses of conduct alleged in this Complaint.

V.

**Penalties**

Issue an Order directing all Defendants to pay civil money penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d).

VI.

**Further Relief**

Grant such other and further relief as may be necessary and appropriate.

VII.

**Retention of Jurisdiction**

Further, the Commission respectfully requests that the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that it may enter, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

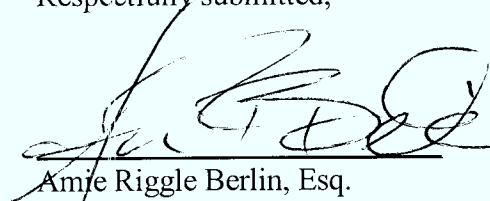
**DEMAND FOR JURY TRIAL**

The Securities and Exchange Commission hereby demands a jury trial in this case.

June 4, 2018

Respectfully submitted,

By:



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CIVIL COVER SHEET

18-61234

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.) NOTICE: Attorneys MUST Indicate All Re-filed Cases Below.

I. (a) PLAINTIFFS SECURITIES AND EXCHANGE COMMISSION

FILED by [Signature] DEFENDANTS Isaac Grossman, Adriana Grossman, Dragon-Click Corp. and Dragon Management, LLC
JUN 04 2018
STEVEN M. LARIMORE
CLERK U. S. DISTRICT COURT
S. D. of FLA. - MIAMI

Isaac Grossman, Adriana Grossman, Dragon-Click Corp. and Dragon Management, LLC

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

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

(c) Attorneys (Firm Name, Address, and Telephone Number)

Amie Riggle Berlin, Esq., SEC, 801 Brickell Ave., Suite 1800, Miami, FL 33131, 305-982-6322

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

(d) Check County Where Action Arose: [ ] MIAMI-DADE [ ] MONROE [x] BROWARD [ ] PALM BEACH [ ] MARTIN [ ] ST. LUCIE [ ] INDIAN RIVER [ ] OKEECHOBEE [ ] HIGHLANDS

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

- [x] 1 U.S. Government Plaintiff Federal Question (U.S. Government Not a Party)
[ ] 2 U.S. Government Defendant 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)

- PTF DEF PTF DEF
Citizen of This State [ ] 1 [ ] 1 Incorporated or Principal Place of Business In This State [ ] 4 [ ] 4
Citizen of Another State [ ] 2 [ ] 2 Incorporated and Principal Place of Business In Another State [ ] 5 [ ] 5
Citizen or Subject of a Foreign Country [ ] 3 [ ] 3 Foreign Nation [ ] 6 [ ] 6

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

- [ ] 110 Insurance
[ ] 120 Marine
[ ] 130 Miller Act
[ ] 140 Negotiable Instrument
[ ] 150 Recovery of Overpayment & Enforcement of Judgment
[ ] 151 Medicare Act
[ ] 152 Recovery of Defaulted Student Loans (Excl. Veterans)
[ ] 153 Recovery of Overpayment of Veteran's Benefits
[ ] 160 Stockholders' Suits
[ ] 190 Other Contract
[ ] 195 Contract Product Liability
[ ] 196 Franchise

- REAL PROPERTY
[ ] 210 Land Condemnation
[ ] 220 Foreclosure
[ ] 230 Rent Lease & Ejectment
[ ] 240 Torts to Land
[ ] 245 Tort Product Liability
[ ] 290 All Other Real Property

TORTS

- PERSONAL INJURY
[ ] 310 Airplane
[ ] 315 Airplane Product Liability
[ ] 320 Assault, Libel & Slander
[ ] 330 Federal Employers' Liability
[ ] 340 Marine
[ ] 345 Marine Product Liability
[ ] 350 Motor Vehicle
[ ] 355 Motor Vehicle Product Liability
[ ] 360 Other Personal Injury
[ ] 362 Personal Injury - Med. Malpractice
[ ] 365 Personal Injury - Product Liability
[ ] 367 Health Care/Pharmaceutical Personal Injury Product Liability
[ ] 368 Asbestos Personal Injury Product Liability
[ ] 370 Other Fraud
[ ] 371 Truth in Lending
[ ] 380 Other Personal Property Damage
[ ] 385 Property Damage Product Liability

PRISONER PETITIONS

- Habeas Corpus:
[ ] 463 Alien Detainee
[ ] 510 Motions to Vacate Sentence
Other:
[ ] 530 General
[ ] 535 Death Penalty
[ ] 540 Mandamus & Other
[ ] 550 Civil Rights
[ ] 555 Prison Condition
[ ] 560 Civil Detainee -- Conditions of Confinement

FORFEITURE/PENALTY

- [ ] 625 Drug Related Seizure of Property 21 USC 881
[ ] 690 Other

LABOR

- [ ] 710 Fair Labor Standards Act
[ ] 720 Labor/Mgmt. Relations
[ ] 740 Railway Labor Act
[ ] 751 Family and Medical Leave Act
[ ] 790 Other Labor Litigation
[ ] 791 Empl. Ret. Inc. Security Act

IMMIGRATION

- [ ] 462 Naturalization Application
[ ] 465 Other Immigration Actions

BANKRUPTCY

- [ ] 422 Appeal 28 USC 158
[ ] 423 Withdrawal 28 USC 157

PROPERTY RIGHTS

- [ ] 820 Copyrights
[ ] 830 Patent
[ ] 835 Patent - Abbreviated New Drug Application
[ ] 840 Trademark
[ ] 861 HIA (1395ff)
[ ] 862 Black Lung (923)
[ ] 863 DIWC/DIWW (405(g))
[ ] 864 SSID Title XVI
[ ] 865 RSI (405(g))

FEDERAL TAX SUITS

- [ ] 870 Taxes (U.S. Plaintiff or Defendant)
[ ] 871 IRS--Third Party 26 USC 7609

OTHER STATUTES

- [ ] 375 False Claims Act
[ ] 376 Qui Tam (31 USC 3729 (a))
[ ] 400 State Reapportionment
[ ] 410 Antitrust
[ ] 430 Banks and Banking
[ ] 450 Commerce
[ ] 460 Deportation
[ ] 470 Racketeer Influenced and Corrupt Organizations
[ ] 480 Consumer Credit
[ ] 490 Cable/Sat TV
[ ] 850 Securities/Commodities/Exchange
[ ] 890 Other Statutory Actions
[ ] 891 Agricultural Acts
[ ] 893 Environmental Matters
[ ] 895 Freedom of Information Act
[ ] 896 Arbitration
[ ] 899 Administrative Procedure Act/Review or Appeal of Agency Decision
[ ] 950 Constitutionality of State Statutes

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

- [x] 1 Original Proceeding [ ] 2 Removed from State Court [ ] 3 Re-filed (See V1 below) [ ] 4 Reinstated or Reopened [ ] 5 Transferred from another district (specify) [ ] 6 Multidistrict Litigation Transfer [ ] 7 Appeal to District Judge from Magistrate Judgment [ ] 8 Multidistrict Litigation - Direct File [ ] 9 Remanded from Appellate Court

VI. RELATED/RE-FILED CASE(S)

(See instructions): a) Re-filed Case [ ] YES [x] NO JUDGE:

b) Related Cases [ ] YES [x] NO DOCKET NUMBER:

VII. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing and Write a Brief Statement of Cause (Do not cite jurisdictional statutes unless diversity): 15USC§77q(a)(1-3); 15USC§78j(b); 17CFR§240.10b-5(a-c)
LENGTH OF TRIAL via days estimated (for both sides to try entire case)

VIII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 [ ] DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: [x] Yes [ ] No

ABOVE INFORMATION IS TRUE & CORRECT TO THE BEST OF MY KNOWLEDGE

DATE June 4, 2018

SIGNATURE OF ATTORNEY OF RECORD s/Amie Riggle Berlin [Signature]

FOR OFFICE USE ONLY RECEIPT #

AMOUNT

IFP

JUDGE

MAG JUDGE