

RICHARD R. BEST
REGIONAL DIRECTOR
Lara S. Mehraban
Vanessa De Simone
Christopher J. Dunnigan
John Lehmann
Attorneys for Plaintiff
SECURITIES AND EXCHANGE COMMISSION
New York Regional Office
Brookfield Place
200 Vesey Street, Suite 400
New York, New York 10281-1022
(212) 336-0061 (Dunnigan)

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

-against-

KENNETH A. WELSH,

Defendant.

COMPLAINT

21 Civ. 19387 ()

JURY TRIAL DEMANDED

Plaintiff Securities and Exchange Commission (“Commission”), located at 200 Vesey Street, Suite 400, New York, NY 10281 (New York Regional Office) for its Complaint against Defendant Kenneth A. Welsh (“Defendant” or “Welsh”), residing at 206 Lozier Terrace, River Edge, New Jersey 07661-1709, alleges as follows:

SUMMARY OF ALLEGATIONS

1. This case involves the fraudulent misappropriation of at least \$2.86 million by Welsh, who until recently was a financial adviser with a large financial institution registered with the Commission as a broker-dealer and investment adviser (“Financial Institution A”). In his

role, Welsh handled investment accounts for the owners of advisory accounts (“clients”) and the owners of brokerage accounts (“customers”).

2. Between at least January 2016 and January 2021 (the “Relevant Period”), Welsh used more than a hundred fraudulent Automated Clearing House (“ACH”) transactions to transfer funds from his clients’ and customers’ accounts to credit card accounts held in the names of his own wife and parents, which he used for his personal benefit. Welsh also caused numerous checks to be fraudulently drawn on his clients’ and customers’ accounts, which he secretly used to buy gold coins and other precious metals and to pay for his personal expenses. None of these transactions were knowingly authorized by his clients or customers, some of whom were elderly and financially unsophisticated. In many cases, Welsh intentionally circumvented Financial Institution A’s policies and procedures to carry out these transfers, including by manually altering checks.

3. Welsh frequently sold securities in his clients’ and customers’ accounts – sometimes only days before the fraudulent transfers – so that cash would be available in the accounts for him to steal. Welsh did not disclose to his victims that the purpose of these securities sales was to facilitate his scheme, rather than to maximize their investment returns and total assets.

VIOLATIONS

4. By virtue of the foregoing conduct and as alleged further herein, the Defendant violated Sections 17(a)(1) and 17(a)(2) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77q(a)(1), (2)]; 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]; and Sections 206(1) and (2) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§ 80b-6(1) and

80b-6(2)].

5. Unless the Defendant is restrained and enjoined, he will engage in the acts, practices, transactions, and courses of business set forth in this Complaint or in acts, practices, transactions, and courses of business of similar type and object.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

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

7. The Commission seeks a final judgment: (a) permanently enjoining the Defendant from violating the federal securities laws and rules this Complaint alleges he has violated; (b) ordering the Defendant to disgorge all ill-gotten gains he received as a result of the violations alleged here and to pay prejudgment interest thereon; (c) ordering the Defendant to pay a civil money penalty pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)], Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)], and Advisers Act Section 209(e) [15 U.S.C. § 809(e)]; and (d) ordering any other and further relief the Court may deem just and proper.

JURISDICTION AND VENUE

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

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

10. Venue lies in this District under Securities Act Section 22(a) [15 U.S.C. § 77v(a)], Exchange Act Section 27 [15 U.S.C. § 78aa], and Advisers Act Section 214 [15 U.S.C. § 80b-14]. Welsh's residence and place of business, as well as several of the alleged victims' residences, are within the District of New Jersey, and certain of the acts, transactions, practices and courses of business alleged herein took place in the District of New Jersey.

DEFENDANT

11. **Welsh**, age 31, resides in River Edge, New Jersey, and was a registered broker-dealer representative and investment adviser representative at the Fairfield, New Jersey branch of Financial Institution A from September 2012 until he was terminated in June 2021 following the discovery of this alleged conduct. Welsh holds FINRA series 7, 31 and 66 licenses.

FACTS

I. DEFENDANT ACTED AS A BROKER AND/OR INVESTMENT ADVISER FOR THE ACCOUNTS FROM WHICH HE STOLE FUNDS

12. While working for Financial Institution A, Welsh handled multiple brokerage accounts and advisory accounts. Welsh acted as a broker with respect to the brokerage accounts and an investment adviser with respect to the advisory accounts.

13. Among other accounts, Welsh handled accounts for Investors A, B, C, D, and E, each of whom held both advisory and brokerage accounts with Financial Institution A. As described below, Welsh stole funds from each of these investors.

14. In the case of Investor A and Investors B and C (a married couple with joint accounts), Welsh acted as a broker for the accounts from which funds were stolen. In his role as a broker, Welsh had access to private financial information about these accounts and their owners, including the names and personal identifying information of the owners, the accounts' cash positions, and account numbers.

15. In the case of Investor D, Welsh acted as the broker for one account from which funds were stolen. Additionally, Welsh acted as an investment adviser for a second account owned by Investor D, which was converted to a brokerage account in approximately January 2017. Welsh stole funds from this second account both before and after it was converted to a brokerage account.

16. In the case of Investor E, Welsh acted as an investment adviser for the account from which funds were stolen.

17. In his capacity as a broker and/or an investment adviser for Investors D and E, Welsh also had access to private financial information about these accounts and their owners. Additionally, in his capacity as an investment adviser, he provided investment advice to Investors D and E concerning their advisory accounts and, in some instances, made investment decisions on their behalf.

18. Investors D and E, like Welsh's other advisory clients, paid a fee to Financial Institution A in exchange for Welsh's investment advice and his management of their accounts. Welsh, in turn, was compensated by Financial Institution A based in part on the advisory fees generated from the advisory accounts he managed.

19. As an investment adviser, Welsh owned his advisory clients, including Investors D and E, an affirmative fiduciary duty of utmost good faith. As set forth below, Welsh violated his fiduciary duty by misappropriating funds from Investors D and E.

II. DEFENDANT MISAPPROPRIATED CLIENTS' AND CUSTOMERS' FUNDS

A. WELSH MISAPPROPRIATED FUNDS USING FRAUDULENT ACH TRANSFERS

20. Welsh abused his position as a broker and investment adviser to misappropriate at least \$2.86 million from his clients and customers, including Investors A, B, C, D and E.

21. Welsh carried out his misappropriation scheme in two primary ways. First, Welsh misappropriated at least \$2.59 million by initiating a series of fraudulent ACH transfers, which caused money to be sent from his clients' or customers' accounts to credit card accounts held in the names of his wife or his parents (the "Welsh Family Accounts"). Welsh controlled the Welsh Family Accounts and used those accounts for his own benefit, including to buy luxury goods and make electronic fund transfers to himself. None of the ACH transfers from Welsh's clients' and customers' accounts to the Welsh Family Accounts were authorized by the relevant account owners.

22. Each of Investors A, B, C, D and E were victims of this ACH-based fraud.

23. For example, on June 4, 2018, Welsh initiated an ACH transfer of approximately \$45,202 from an advisory account held by Investor E to a credit card account held in the name of Welsh's mother. Investor E, who is 88 years old, did not authorize any payments to any account held in Welsh's mother's name and was not aware of this transfer at the time it was made.

24. As another example, on February 8, 2021, Welsh initiated an ACH transfer of approximately \$39,185 from a brokerage account held by Investor A to a credit card account held in the name of Welsh's father. Investor A, who is 76 years old, did not authorize any payments to any account held in Welsh's father's name and was not aware of this transfer at the time it was made.

25. In total, Welsh made at least 123 such fraudulent ACH transfers to the Welsh Family Accounts during the Relevant Period.

B. WELSH MISAPPROPRIATED FUNDS USING CHECKS THAT HE FRAUDULENTLY OBTAINED

26. Second, Welsh fraudulently obtained at least 14 checks drawn on clients' and customers' accounts at Financial Institution A to buy gold coins and other valuables for himself, as well as to pay for his own personal expenses. Welsh misappropriated at least \$268,740 from his clients and customers using these fraudulently-obtained checks. Each of Investors A, D and E were victims of this check-based scheme.

27. In at least seven cases, the checks were paid to a New Jersey coin and stamp dealer, Coin Dealer A, to purchase gold coins and other precious metals (together, the "coins"). Welsh kept these coins for himself, and did provide any of them to his clients or customers.

28. For example, on or around December 8, 2017, Welsh caused a check in the amount of \$20,000 to be drawn on Investor E's advisory account. Welsh tendered this check to Coin Dealer A in exchange for coins. Investor E never received any coins or other items of value as a result of this transaction.

29. In other cases, Welsh used the checks that he fraudulently obtained to pay for personal expenses. For example, on or around January 28, 2016, Welsh caused a check in the amount of \$28,500 to be drawn from Investor D's advisory account, which was payable to an auto leasing company. Investor D did not hold an auto lease with this company, and this payment instead benefitted Welsh.

30. None of Welsh's clients or customers were aware of or knowingly authorized these checks.

31. Instead, Welsh intentionally circumvented Financial Institution A's policies and procedures, which required clients and customers to complete a written authorization form before a check could be drawn on their accounts.

32. In some cases, Welsh directed the client or customer to sign a blank check authorization form and then later filled in the form himself, without disclosing to the client or customer what the authorization would actually be used for.

33. In other cases, Welsh gave the client or customer a completed check authorization form, but misrepresented how the authorization would be used. For example, Welsh falsely claimed that certain check authorizations would be used to purchase legitimate securities investments, when in fact they were used to purchase coins or other items for his own benefit.

34. In several instances, Welsh physically altered the payee line of a check – which was originally made out to a different payee – so the check could be tendered to Coin Dealer A and used to purchase coins. For example, the check described in paragraph 28 was originally made out to “CS, Inc.,” but then manually altered by Welsh to add an additional letter so that it was an acronym for Coin Dealer A.

III. WELSH IMPROPERLY SOLD CLIENTS' AND CUSTOMERS' SECURITIES TO FACILITATE HIS MISAPPROPRIATION

35. Welsh sold securities in the clients' and customers' accounts to generate cash positions so that he could misappropriate part or all of the proceeds of those sales. Many of these sales occurred close in time to Welsh's misappropriations of investor funds.

36. For example, Welsh directed a transaction on July 3, 2019, in which he sold bonds from Investor A's brokerage account for approximately \$26,000 and, on the same day, made a fraudulent ACH transfer of approximately \$27,000 from Investor A's account to a credit card account held in his father's name.

37. To facilitate some of his fraudulent transactions, Welsh transferred proceeds from the sales of securities out of the customers' retirement accounts and into their regular brokerage accounts. For example, on January 27, 2020, Welsh directed a sale of mutual fund shares in Investor A's retirement account for proceeds of approximately \$59,993, of which \$41,792 was then transferred to Investor A's non-retirement brokerage account. On January 31, 2020, Welsh transferred approximately \$40,159 from Investor A's non-retirement brokerage account to a credit card account held in Welsh's wife's name.

38. Welsh did not tell his clients and customers that these transactions lacked a legitimate investment purpose and were instead made to facilitate his misappropriation.

39. Welsh's directed securities sales in the accounts resulted in the clients and customers incurring not only losses, but also missed opportunities to obtain investment gains.

40. Welsh never disclosed to his clients and customers, including Investors A, B, C, D and E, that he was using funds intended for investment purposes for his own personal benefit, and was selling their securities to facilitate his theft.

FIRST CLAIM FOR RELIEF
Violations of Securities Act Sections 17(a)(1) and 17(a)(2)

41. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 40.

42. Welsh, directly or indirectly, singly or in concert, in the offer or sale of securities and by the use of the means or instruments of transportation or communication in interstate commerce or the mails, (1) knowingly or recklessly has employed one or more devices, schemes or artifices to defraud and (2) knowingly, recklessly, or negligently has obtained money or property by means of one or more untrue statements of a material fact or omissions of a material fact necessary in order to make the statements made, in light of the circumstances under which

he were made, not misleading.

43. By reason of the foregoing, Welsh, directly or indirectly, singly or in concert, has violated and, unless enjoined, will again violate Securities Act Sections 17(a)(1) and 17(a)(2) [15 U.S.C. § 77q(a)(1), (2)].

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

44. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 40.

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

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

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

47. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 13, 15 through 23, 25 through 35, and 37 through 40.

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

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

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

PRAYER FOR RELIEF

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

I.

Permanently enjoining Welsh and his agents, servants, employees and attorneys and all persons in active concert or participation with any of them from violating, directly or indirectly, Sections 17(a)(1) and 17(a)(2) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and (2) of the Advisers Act;

II.

Ordering Welsh to disgorge all ill-gotten gains he received, directly or indirectly, with pre-judgment interest thereon, as a result of the alleged violations;

III.

Ordering Welsh to pay civil monetary penalties 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 Advisers Act Section 209(e) [15 U.S.C. § 80b-9(e)]; and

VIII.

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

Dated: New York, New York
October 28, 2021

Richard R. Best

RICHARD R. BEST
REGIONAL DIRECTOR
Lara S. Mehraban
Vanessa De Simone
Christopher J. Dunnigan
John Lehmann
Attorneys for Plaintiff
SECURITIES AND EXCHANGE COMMISSION
New York Regional Office
Brookfield Place
200 Vesey Street, Suite 400
New York, New York 10281-1022
(212) 336-0061 (Dunnigan)
dunnigancj@sec.gov

LOCAL RULE 11.2 CERTIFICATION

Pursuant to Local Rule 11.2, I certify that the matter in controversy alleged against the Defendant in the foregoing Complaint is not the subject of any other civil action pending in any court, or of any pending arbitration or administrative proceeding.

Christopher J. Dunnigan

CHRISTOPHER J. DUNNIGAN
Attorney for Plaintiff
Securities and Exchange Commission
New York Regional Office
Brookfield Place
200 Vesey Street, Suite 400
New York, New York 10281-1022
(212) 336-0061 (Dunnigan)
Email: dunnigancj@sec.gov

Of Counsel:

Richard R. Best
Lara S. Mehraban
Vanessa De Simone
John Lehmann

DESIGNATION OF AGENT FOR SERVICE

Pursuant to Local Civil Rule 101.1(f), the undersigned hereby designates the United States Attorney's Office for the District of New Jersey to receive service of all notices or papers in this action at the following address:

David E. Dauheimer
United States Attorney's Office
Deputy Chief, Government Fraud Unit
District of New Jersey
970 Broad Street, Suite 700
Newark, NJ 07102

SECURITIES AND EXCHANGE COMMISSION

Christopher J. Dunnigan

CHRISTOPHER J. DUNNIGAN

Attorney for Plaintiff
Brookfield Place
200 Vesey Street, Suite 400
New York, New York 10281-1022
(212) 336-0061(Dunnigan)
dunnigancj@sec.gov

Of Counsel:

Richard R. Best
Lara S. Mehraban
Vanessa De Simone
John Lehmann

JS 44 (Rev. 04/21)

CIVIL COVER SHEET

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.)

<p>I. (a) PLAINTIFFS Securities and Exchange Commission</p> <p>(b) County of Residence of First Listed Plaintiff <u>EXCEPT IN U.S. PLAINTIFF New York, New York CASES)</u> <u>New York, New York</u></p> <p>(c) Attorneys (Firm Name, Address, and Telephone Number) <u>Richard Best, Lara Mehraban, Vanessa deSimone, Christopher Dunnigan, John Lehmann, 200 Vesey Street, Suite #00, NY NY 10281-1022; (212) 336-1100</u></p>	<p>DEFENDANT Kenneth Welsh</p> <p>County of Residence of First Listed Defendant <u>Bergen County</u> <i>(IN U.S. PLAINTIFF CASES ONLY)</i></p> <p>NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.</p> <p>Attorneys (If Known) <u>N/A</u></p>
---	---

<p>II. BASIS OF JURISDICTION (Place an "X" in One Box Only)</p> <p><input checked="" type="checkbox"/> 1 U.S. Government Plaintiff</p> <p><input type="checkbox"/> 2 U.S. Government Defendant</p> <p><input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)</p> <p><input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)</p>	<p>III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)</p> <p><i>(For Diversity Cases Only)</i></p> <table style="width:100%;"> <tr> <td style="width:33%;">Citizen of This State</td> <td style="width:10%; text-align: center;">PTF <input type="checkbox"/> 1</td> <td style="width:10%; text-align: center;">DEF <input type="checkbox"/> 1</td> <td style="width:33%;">Incorporated or Principal Place of Business In This State</td> <td style="width:10%; text-align: center;">PTF <input type="checkbox"/> 4</td> <td style="width:10%; text-align: center;">DEF <input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input type="checkbox"/> 2</td> <td><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business In Another State</td> <td><input type="checkbox"/> 5</td> <td><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="checkbox"/> 3</td> <td><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 6</td> <td><input type="checkbox"/> 6</td> </tr> </table>	Citizen of This State	PTF <input type="checkbox"/> 1	DEF <input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	PTF <input type="checkbox"/> 4	DEF <input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
Citizen of This State	PTF <input type="checkbox"/> 1	DEF <input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	PTF <input type="checkbox"/> 4	DEF <input type="checkbox"/> 4														
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5														
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6														

IV. NATURE OF SUIT (Place an "X" in One Box Only) Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<p>PERSONAL INJURY</p> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	<p>PERSONAL INJURY</p> <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <p>LABOR</p> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <p>INTELLECTUAL PROPERTY RIGHTS</p> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark <input type="checkbox"/> 880 Defend Trade Secrets Act of 2016 <p>SOCIAL SECURITY</p> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <p>FEDERAL TAX SUITS</p> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit (15 USC 1681 or 1692) <input type="checkbox"/> 485 Telephone Consumer Protection Act <input type="checkbox"/> 490 Cable/Sat TV <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
<p>REAL PROPERTY</p> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<p>CIVIL RIGHTS</p> <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	<p>PRISONER PETITIONS</p> <p>Habeas Corpus:</p> <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <p>Other:</p> <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement	<input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act	<input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act	

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 (specify)
 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):
15 U.S.C. Sec. 78j(b); 17 C.F.R. Sec. 240.10b-5; 15 U.S.C. Sec. 80b-6(1), 80b-6(2); 15 U.S.C. Sec. 77q

Brief description of cause:
Securities Fraud

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. **DEMAND \$** _____ **JURY DEMAND:** Yes No

VIII. RELATED CASE(S) IF ANY (See instructions):

JUDGE _____ DOCKET NUMBER, 21-cr. _____

DATE 10/28/21 SIGNATURE OF ATTORNEY OF RECORD 

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____