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

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<b>SECURITIES AND EXCHANGE COMMISSION,</b>	)	
	)	
<b>Plaintiff,</b>	)	<b><u>COMPLAINT</u></b>
	)	
<b>v.</b>	)	
	)	<b>ECF CASE</b>
<b>MOAZZAM "MARK" MALIK and AMERICAN BRIDGE INVESTMENT GROUP, LLC, d/b/a WOLF HEDGE LLC,</b>	)	
	)	
<b>Defendants.</b>	)	

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Plaintiff Securities and Exchange Commission (the "Commission") alleges the following against defendants Moazzam "Mark" Malik ("Malik") and American Bridge Investment Group, LLC, d/b/a Wolf Hedge LLC ("ABIG") (collectively, "Defendants"):

**SUMMARY OF ALLEGATIONS**

1. This is an emergency action brought to stop Malik and his hedge fund, ABIG, from engaging in ongoing fraudulent conduct designed to defraud investors. From May 2011

through the present, Defendants convinced at least 16 (foreign and domestic) relatively unsophisticated investors to invest approximately \$840,000 in ABIG through various misrepresentations and other fraudulent conduct, and then Malik proceeded to misappropriate the vast majority of investor funds for his own purposes.

2. Malik deceived investors when he sold them limited partnership interests in his hedge fund, variously known as Wall Street Creative Partners, Seven Sages Capital, LP, American Bridge Investment Group, LLC, currently d/b/a Wolf Hedge, LLC. Through various means of general solicitation (website, email, phone calls, fact sheets), Malik claimed to be operating a hedge fund open to high net worth, sophisticated investors that consistently yielded high positive rates of return. Malik described ABIG to investors, somewhat nonsensically, as “a privately held Global Investment Management firm dedicated to the individuals and institutions around the world.” Malik also claimed that ABIG had approximately \$100 million in assets under management with offices at 40 Wall Street, New York, New York.

3. In fact, Malik was then, and is now, conducting an egregious fraud.

4. Although ABIG raised at least \$840,774 from investors, its trading account, which has been closed since September 2013, never held more than \$90,177 in assets. Instead of legitimate investments, Malik used most of investors’ funds simply to support his lavish lifestyle.

5. Since July 2013, despite repeated demands from investors for the return of their funds, Malik either flatly refused or claimed that he would soon return the funds, only to ignore the bulk of the redemption requests, returning just \$83,240. Indeed, when some investors told Malik that they would contact the authorities, Malik responded by mocking their redemption demands, and in one instance, he sent an investor, “Investor A,” an email using a fictitious identity claiming that Malik had died.

6. When the Commission staff subpoenaed him to testify and produce documents, Malik asserted his Fifth Amendment privilege against self-incrimination and refused to answer any questions or produce any documents.

7. Malik is still soliciting investors. In particular, Malik recently raised \$50,000 from a new investor, "Investor B," and continues to promote his hedge fund. As recently as in the last week of January 2015, Malik solicited an investor, "Investor C," to invest an additional \$100,000.

8. By this action, the Commission seeks, among other things, to terminate this fraudulent activity, prevent the dissipation of any remaining assets, compel an accounting of the missing funds, and prevent the destruction or alteration of documents.

### **VIOLATIONS**

9. By virtue of the conduct alleged herein: (a) each of the Defendants, directly or indirectly, singly or in concert, has engaged and is engaging in transactions, acts, practices and courses of business that constitute violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)], and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5]; and (b) Malik, directly or indirectly, singly or in concert, has engaged and is engaging in transactions, acts, practices and courses of business that constitute violations of Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. §§ 80b-6(1), 80b-6(2) and 80b-6(4)] and Rule 206(4)-8 [17 C.F.R. § 275.206(4)-8].

10. Unless the Defendants are permanently restrained and enjoined, they 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**

11. The Commission brings this action pursuant to authority conferred by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)], Section 21(d)(1) of the Exchange Act [15 U.S.C. § 78u(d)(1)], and Section 209 of the Advisers Act [15 U.S.C. § 80b-9], seeking to restrain and permanently enjoin the Defendants from engaging in the acts, practices, transactions and courses of business alleged herein.

12. The Commission also seeks, as immediate relief, a temporary restraining order and a preliminary injunction against Defendants, and an order freezing Defendants' assets, prohibiting them from soliciting additional investors or accepting additional investments from existing investors, requiring Defendants to provide verified accountings, permitting the Commission to conduct expedited discovery, and prohibiting Defendants from destroying or altering any documents.

13. Finally, the Commission seeks a final judgment ordering a conduct-based injunction, permanently enjoining Defendants from violations of the securities laws provisions that Defendants violated as alleged in this Complaint, ordering Defendants to disgorge their ill-gotten gains and to pay prejudgment interest thereon, and imposing civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)].

## **JURISDICTION AND VENUE**

14. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1331, Sections 20(b), 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d), 77v(a)], Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa], and Section 214 of

the Advisers Act [15 U.S.C. § 80b-14].

15. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(2), Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], Section 27 of the Exchange Act [15 U.S.C. § 78aa], and Section 214 of the Advisers Act [15 U.S.C. § 80b-14]. Certain of the events constituting or giving rise to the alleged violations occurred in the Southern District of New York. For instance, certain investors reside in this district and Defendants maintained an office in this district.

16. In connection with the conduct alleged in this complaint, the Defendants, directly or indirectly, have made use of the means or instruments of transportation or communication in, and the means or instrumentalities of, interstate commerce, or of the mails, or of the facilities of a national securities exchange.

#### **DEFENDANTS**

17. **Malik**, age 33, is the founder and control person of ABIG. He is a Pakistani citizen and a resident of New York, New York. In July 2007, he became registered with FINRA as a stock broker trainee at a New York-based investment advisory firm from where he was terminated in November 2009. Previously, Malik worked as a waiter, an NYPD traffic agent, and a security guard. Malik attended high school in Lahore, Pakistan. Malik asserted his Fifth Amendment privilege against self-incrimination in response to the Commission's staff's subpoenas compelling him to testify and produce documents. Thereafter, Malik sent emails to investors accusing them of trying to ruin him by communicating with the Commission staff, while simultaneously soliciting them to invest additional funds

18. **ABIG** is a purported limited liability company. ABIG was previously known as Seven Sages Capital, LP ("Seven Sages"), and before that as Wall Street Creative Partners, LP ("WSCP"). ABIG previously maintained an office in lower Manhattan. Since 2011, however, it

no longer has had any physical office. ABIG currently is doing business as Wolf Hedge LCC. At all relevant times, Malik owned and controlled ABIG.

### **THE DEFENDANTS' FRAUD**

#### **Malik's Hedge Fund**

19. In 2010, Malik formed a hedge fund he initially called WSCP. Over time, he changed his hedge fund's name, from WSCP to Seven Sages, and thereafter, to ABIG, and most recently, to Wolf Hedge.

20. Over the years, Malik operated his hedge fund essentially by himself, although from time to time, he convinced a few uncompensated individuals to conduct marketing and perform other work for him.

21. Uncompensated employees primarily engaged in cold-calling, and then vetting potential investors to determine if they had money to invest. Once a potential investor had been identified, Malik took over exclusive communications with that person.

22. In addition to cold-calling potential investors, Malik employed a marketing strategy of providing false information to reputable news media and information service providers, such as Bloomberg and BarclayHedge.

23. For example, based on information provided by Malik, a March 2011 Bloomberg report identified Malik as a rising fund manager. Bloomberg also reported that Seven Sages had a 92.73% percent return on investment for 2012 and showed that the fund had positive returns for every month in 2012.

24. In addition, in May 2013, BarclayHedge, an information service provider that identifies successful funds, awarded Malik a "gold star" based on similar false claims by Malik. (BarclayHedge awards a "gold star" to high performing fund managers.)

25. Malik submitted to BarclayHedge a purported financial statement and auditor's report of Seven Sages, dated December 31, 2012, which listed Berkowitz & Associates, a purported accounting firm with an Iselin, New Jersey address. The report claimed that Berkowitz & Associates had audited the Seven Sages' financial statement.

26. This information was false. There is no accounting firm named Berkowitz & Associates in Iselin, New Jersey, and no auditor ever served as ABIG's or Seven Sages' auditor.

27. In the purported financial statement sent to BarclayHedge, as of December 31, 2012, Seven Sages reported funds under management of \$100.26 million. In fact, at that time Seven Sages' brokerage account held only \$269.52.

28. Malik created this fictitious financial statement and audit report, and knowing it to be untrue, provided it to BarclayHedge.

29. At least one investor, "Investor D," decided to invest partly based on the BarclayHedge information, and the investor then contacted Malik to learn more.

30. Malik's websites also contained false information regarding the hedge fund.

31. According to Investor D, who viewed the website when the fund operated under the name Seven Sages, the website contained a "fact sheet" similar to the fact sheet that Malik provided to investors as described below, which contained false information. The website also showed consistently positive fund performance history.

32. Currently, Malik maintains a website at [www.wolfhedge.com](http://www.wolfhedge.com), and at [www.markmalik.com](http://www.markmalik.com), and a page on LinkedIn that identifies Malik as president and "hedge fund manager" of "Wolf Hedge Global." (The Wolf Hedge website previously identified Wolf Hedge as a "subsidiary" of ABIG, but that statement has recently disappeared from the website.)

33. Malik claimed that his hedge fund had a web portal for investors to use to check

the status of their investment, but the portal was unreliable and frequently inaccessible.

### **The Hedge Fund's Assets**

34. On May 10, 2010, Malik opened a brokerage account at a broker-dealer, "Broker-Dealer IB," in WSCP's name. The account opening documents describe WSCP as a hedge fund that would not solicit domestic investors. Malik listed his home address in Queens, New York, as WSCP's address. The account documents also described Malik's position at WSCP as the "general partner" and "fund manager."

35. Malik initially funded this account with a \$10,000 deposit in June 2010, and he withdrew all but \$900 in the next month. Malik closed the account in July 2011.

36. In 2011, Malik changed his hedge fund's name from WSCP to Seven Sages, and at approximately this time, he opened a different brokerage account at Broker-Dealer IB in Seven Sages' name.

37. According to the account opening documents Malik provided to Broker-Dealer IB, Seven Sages was a pooled single hedge fund located in the Cayman Islands, with an office in New York City. The account opening documents identify Malik as the principal of Seven Sages and as the sole signatory on the account.

38. Between June 2011 and August 2013, Malik deposited via Seven Sages' bank account (described below) a total of \$191,000 of investor funds into this brokerage account.

39. Malik then generally withdrew almost all of the deposited funds within a few weeks of the deposit, and the account never had an asset value greater than \$90,177.

40. Ultimately, this account was closed on September 19, 2013, with a balance of negative \$1,906.94.

41. Between May 2011 and October 2014, Malik had investors wire a total of



approximately \$840,744.44 into four different accounts at Bank of America: (i) a Seven Sages account that Malik opened in March 2011, (ii) a Seven Sages account that Malik opened on January 30, 2013; (iii) an ABIG account he opened in July 2013, and (iv) a Wolf Hedge account he opened in July 2014.

42. The Seven Sages account was closed in 2013.

43. As of April 30, 2014, the ABIG bank account had a balance of negative \$905.51.

44. Starting in late 2014, the Wolf Hedge bank account received funds from one investor, but as of November 30, 2014, it had a balance of negative \$310.

#### **Malik Misappropriated Investors' Funds**

45. Since the first investor purchased the hedge fund's securities in May 2011, Malik has withdrawn more than \$702,000 from the accounts at Bank of America for his own personal uses as follows: \$447,226.53 in cash withdrawals, and \$255,496 in personal expenses. The personal expenses include \$30,116 for apparent vacation travel, \$36,124 for restaurant dining and liquor, \$19,104 for jewelry, \$8,133 for furniture and rugs, and \$6,100 in tuition to attend courses at the Harvard Extension School. The personal expenses further include funds Malik used to move temporarily to Haverhill, Massachusetts to attend the Harvard Extension School, to enjoy spa and health club visits, take the Statue of Liberty Cruise and visit the gift shop, and maintain a subscription to a matrimonial matching website.

46. In addition to using investor funds to live a lavish lifestyle, Malik periodically allowed some investors to redeem some of their investments. Of the total \$840,744 Malik raised, he returned approximately \$83,000 to investors between June 2011 and July 2013.

47. More recently, despite repeated requests, Malik simply refused to honor redemption requests.

### **Malik Solicited Investments In His Hedge Fund**

48. Since at least May 2011, Malik solicited the public to invest in his hedge fund. Malik solicited investments by directing his staff to make cold-calls and by Malik personally communicating with potential investors via phone, email and in-person conversations.

49. As described above, Malik generated publicity for his hedge fund via his fund's websites and by providing blatantly false information to news and information service outlets.

50. While soliciting investors, Malik made multiple false and misleading statements regarding his background, the nature of his hedge fund, and the actual investment in his hedge fund.

51. Even after the investors had invested with him, Malik continued to make false and misleading statements to investors regarding the investment's performance and whether the investments could be redeemed.

52. Malik sent occasional emails claiming that their investments had increased in value.

53. For example, Malik sent investors purported "NAV" calculations that showed significantly positive rates of return on their investments.

54. He also sent at least one investor, Investor C, a screen-shot purporting to show the value of the fund at \$56 million.

55. Malik also solicited existing investors for additional investments, making false claims similar to the ones he used to obtain the investor's initial investment.

56. In addition to communicating with investors using his own name, Malik created a fictitious identity named "Amanda Ebert" to communicate with several investors. Malik sent emails from Amanda Ebert to several investors, with each email including a photograph of Ms.

Ebert.

57. The emails identified Ms. Ebert as “Investor Relations, Wolf Hedge LLC” and attached customer account statements, which contained inflated valuations.

58. However, there was never any such person named Amanda Ebert associated with ABIG, Wolf Hedge, or Malik.

59. Rather, the photograph shows a real person, whose photograph is on a website unrelated to Malik, the same photograph that Malik sent to his investors in these emails using the name Ebert.

60. This person has never heard of Malik, Wolf Hedge, or ABIG, and did not authorize the use of her image in the emails Malik sent to his investors.

61. Malik simply copied the employee’s photograph from the website and used it without her permission.

### **Malik’s False Statements and Misrepresentations**

62. At least two investors, Investor C and Investor D, were attracted to Malik’s hedge fund because they saw the favorable performance data reported on Bloomberg and BarclayHedge. As described above, Malik provided that data to Bloomberg and BarclayHedge, and that information grossly overstated the hedge fund’s assets and performance. As a result of viewing this information, Investor C visited the fund’s website, and ultimately invested.

63. Regardless of how the investors contacted Malik, he never told the investors that he had provided false information to Bloomberg and BarclayHedge.

64. Other investors participated in phone calls from Malik, and thereafter, Malik sent them documents describing his hedge fund.

65. For example, Malik sent via email a packet to Investor D, which described Seven

Sages as: “a Long-Short hedge fund based in New York City. ... we employ a proprietary, quantitative approach to investing coupled with sophisticated risk-control techniques. [Seven Sages] invests in several publicly traded positions, which we select through our disciplined research and risk analysis across a variety of industries, sectors, and asset classes.” The packet also contained a chart, for the period January 2012 to January 2013, showing that the fund consistently outperformed the S&P 500 index, with each month having a positive return. The packet further stated that the fund had \$81 million in assets under management.

66. This information was false and misleading. To the extent Malik’s hedge fund invested in securities at Broker-Dealer IB, it never had positive returns, primarily because he withdrew much of the investors’ funds to support his lavish lifestyle. The fund also never had anywhere near the \$81 million that Malik claimed.

67. Moreover, the documents Malik sent to investors misleadingly conveyed the impression that the hedge fund was a legitimate investment and not simply a means for Malik to spend investors’ money supporting his lifestyle.

68. When investors communicated with Malik, whether by phone, email or in person, he made numerous false and misleading statements.

69. For example, in Malik’s initial phone conversation with Investor C, Malik said that the Seven Sages hedge fund had \$80 million of assets under management and confirmed the accuracy of the (false) information that the investor had learned from the website and internet, including the fund’s large asset value and consistently high positive rate of return.

70. During conversations with investors, Malik frequently told them that he was offering to sell a limited partnership interest in his “long-short” hedge fund. Malik never disclosed to investors the true nature of his fund – that it was primarily used to support his

lifestyle.

71. Malik also solicited investors via email. For example, in a series of emails on June 17, 2013, Malik provided Investor D with information about the hedge fund, including a balance sheet dated December 31, 2012, which stated that as of December 31, 2012, Seven Sages had investments of \$64,854,120, and “total assets” of \$73,570,306.” The balance sheet also identified \$14,305,029 in “total liabilities,” leaving “net assets” of \$59,265,277. Also on June 17, 2013, Malik sent Investor D an email containing a document entitled 2012 Annual Market and Fund Review. The 2012 Annual Market and Fund Review stated that “Malik has been bestowed with the title of 3<sup>rd</sup> top rising manager in US fund management.” In addition, it claimed that “our hedge fund performances have been consistently recognized by Bloomberg as the No. 1 Best performing hedge fund in 2010 and Barclay Hedge as No.1 ranked for compound annual return in 2012[.]” The Review further stated that the AUM was “USD 88,143,988,14, which represents a 63.08% return YTD as of December 31, 2012, and \$325.21% [sic] since inception in 2009.”

72. This email was false and misleading because it did not disclose the truth: as of June 2013, the fund’s only assets consisted of a bank account containing approximately \$60,000; Malik had provided false information to BarclayHedge and Bloomberg; and the fund had a negative return (primarily because Malik had looted the fund’s assets).

73. On June 25, 2013, Investor D purchased a \$50,000 interest in the hedge fund based on the false and misleading information Malik had provided, which information the investor considered very important to his decision to invest.

74. Shortly after his investment, Malik sent Investor D a certificate stating that he was a limited partner in the hedge fund.

75. Malik also provided investors with a “fact sheet” which contained false and misleading statements.

76. One version of the fact sheet claimed that ABIG had \$121 million in assets under management, and it was accompanied by a chart showing eight months of positive performance, ranging from 2.57% to 15.4% per month for an unspecified year. The fact sheet also stated that Malik is “a professional money manager servicing investment needs of institutional as well as individual investors for last eleven years.”

77. The fact sheet, however, did not disclose that Malik’s actual financial service industry experience was limited to him working as a stock broker trainee for less than two years.

78. The fact sheet further claimed that Malik had degrees in marketing and finance and “educated at Harvard in economics and laws for two years.”

79. Although Malik appears to have taken a few courses at the Harvard Extension School, the fact sheet did not mention that he holds no degrees from any institution of higher learning.

80. Further, the fact sheet claimed that Malik is a “member of WSIG’s ethic’s [sic] committee and gives weekly lectures as a senior investment advisor.”

81. Although the meaning of “WSIG” was not explained on the fact sheet, Malik misleadingly included it only to provide investors with a sense that he and his hedge fund were legitimate.

82. Over time, as Malik’s fraud evolved, he provided some investors with an “IPO presentation” labeled “American Bridge Investment Group, The Company You Can Trust.”

83. For example, on December 8, 2013, Malik sent this presentation via email to Investor E. The presentation listed Malik as CEO/President of ABIG and stated that “ABIG

began as an alternative asset investment management company [in] December 2009. The firm's head office is located in New York City's financial district." It described a purported IPO:

In order to achieve higher goals and provide for our investors, American Bridge Investment Group (ABIG) has decided to take our company public. Issuing shares will create investment opportunities in other investment firms, as well as expanding our offices internationally. By participating in the IPO, shareholders would benefit from the growth and success of the fund.

American Bridge is issuing shares at par value for \$1 per share, and plan to issue 100 million shares at a market price of \$10 per share. The the [sic] company plans to secure listing on the New York Stock Exchange under the ticker symbol (ABIG).

We have secured the public accounting firm KPMG as the auditor.

American Bridge will hire top syndications for its IPO. Potential key players could be Credit Suisse, JP Morgan, Barclays, or Guggenheim.

The last page of the presentation includes purported logos of both KPMG and Merrill Lynch Wealth Management.

84. The presentation contained numerous false and misleading statements.

85. First, as of December 2013, Malik had no reasonable expectation of conducting a \$1 billion offering via the NYSE or otherwise, and he never took any steps to implement an IPO.

86. Second, KPMG has not been retained by ABIG, and neither ABIG nor Malik ever contacted KPMG.

87. Third, neither ABIG nor Malik ever contacted the NYSE, Merrill Lynch, Credit Suisse, JP Morgan, Barclays, or any other financial institution regarding a public offering.

#### **Defendants Failed to Register ABIG Securities with the Commission**

88. Defendants sold ABIG securities to investors residing in at least four states and six foreign countries.

89. Some of the investors were unsophisticated, non-accredited investors. (An investor is considered "accredited" if the investor meets certain criteria, such as a minimum income of \$200,000 per year or net worth exceeding \$1,000,000.)

90. Defendants did not provide investors with certain required information, such as audited financial statements.

91. Defendants used means of general solicitation. For example, Defendants cold called investors, and also solicited investors via the internet, email, and distributing fact sheets.

92. ABIG did not file a registration statement with the Commission with respect to any of the sales of securities, and there was no registration statement otherwise in effect.

### **Malik Refused to Honor Redemption Requests**

93. Most investors have requested that Malik redeem their hedge fund limited partnership interests. Generally, Malik's response has been to delay and solicit an additional investment.

94. Prior to July 2013, he honored some (but not all) redemption requests totaling \$83,000.

95. However, thereafter, he has uniformly refused to honor any redemption requests.

96. For instance, in August 2013, Investor A, who had repeatedly requested redemption, received an email from Malik saying "Okay working literally 24.7 just came back from Vermont (client meetings). I will call you on Monday and solve the issue. I promise."

97. Investor A did not hear from Malik again until September 2013 when a purported Malik employee named "Courtney," another fictitious identity used by Malik, emailed the investor as follows: "Mr. Malik has been [sic] passed away with the heart attack after accident. We will dissolve the fund shortly."

98. Another investor, "Investor F," requested a complete redemption in early 2014, but did not receive it. In October, Malik informed investors that he had again renamed the fund, this time to Wolf Hedge, and provided Investor F a statement showing a purported account balance. Then Malik sent an email dated October 8, 2014, to request additional funds, writing,



“Increase everyone! We are going to go in the biggest trade with full hedge and stop loss. You may redeem next month if you wish. INCREASE!!!”

99. Investor F replied asking for an immediate redemption, and received the following response: “[Investor F], you seem very educated person. I do not hope you to be panic by just rubbish SEC investigation.”

100. Malik also sent a second response to Investor F’s redemption request, downplaying the Commission investigation:

By the way Indictment is not a Trial, and if I have to I will stand the Trial but for what because one of the client is doubtfull [sic]. Jufge [sic] will through [sic] the case in the dirtiest garbage. The point is there is nothing to worry about we have all the books and records clear.

101. When Malik sent this response, he knew that he had previously asserted his Fifth Amendment privilege against self-incrimination during the Commission staff’s investigation.

102. During the investigation that preceded this action, Malik repeatedly attempted to intimidate investors who, he supposes, may have complained to the staff.

103. For example, on February 22, 2014, after Investor C had repeatedly asked Malik to redeem his investment (and Malik refused), Malik sent the investor a threatening email. The email contained a video of a werewolf movie with Malik’s comment “that’s what I think I am.” Malik sent this email as a threat, indicating that Malik was as dangerous and threatening as a werewolf, and the email was intended to deter Investor C from efforts to redeem or to contact the authorities.

104. Malik sent Investor D, who had repeatedly requested a redemption (which Malik refused), irate and profane emails apparently because Malik believed that the investor had contacted the staff.

### **Malik's Conduct is Ongoing**

105. Malik's fraudulent conduct is ongoing.

106. In August 2014, Malik told Investor G that Malik was operating the Wolf Hedge fund, that it held \$100 million in assets.

107. Based on these false and misleading statements, Investor G invested a total of \$35,000 in Malik's fund. Thereafter, on October 28, 2014, he invested an additional \$15,000 based on Malik's representation that he would get his investment back very quickly together with \$29,000 in profits.

108. Since then, despite the investor's request, Malik has not returned any money to the investor.

109. Malik spent the investor's funds because, as alleged above, the Wolf Hedge bank account had a balance of negative \$310 as of November 30, 2014.

110. In a podcast from October 2014, Malik touted his hedge fund and investment success.

111. Malik also continues to maintain Wolfhedge.com, his personal website, markmalik.com, and a page on LinkedIn that identifies Malik as president and "hedge fund manager" of "Wolf Hedge Global."

112. As recently as the last week of January 2015, Malik solicited Investor C to invest an additional \$100,000.

113. Malik is thus continuing to solicit investors using false representations, and he will continue to do so unless he is stopped.

## **FIRST CLAIM FOR RELIEF**

### **. Violations of Section 17(a) of the Securities Act (Both Defendants)**

114. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through \_\_\_ of this Complaint.

115. From around May 2011 through the present, Defendants, directly or indirectly, singly or in concert, by use of the means or instruments of transportation or communication in interstate commerce, or of the mails, in connection with the offer or sale of securities, have: (a) employed, and are employing, devices, schemes and artifices to defraud; (b) obtained, and are obtaining, money or property by means of untrue statements of material fact, or have omitted, and are omitting, to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged, and are engaging, in transactions, acts, practices and courses of business which would operate as a fraud or deceit upon the Defendants' clients.

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

## **SECOND CLAIM FOR RELIEF**

### **Violation of Section 10(b) of the Exchange Act and Rule 10b-5 (Both Defendants)**

117. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through \_\_\_ of this Complaint.

118. From around May 2011 through the present, Defendants, directly or indirectly, singly or in concert, by use of the means or instrumentalities of interstate commerce, or of the

mails, or of the facilities of a national securities exchange, in connection with the purchase or sale of securities, have: (a) employed, and are employing, devices, schemes and artifices to defraud; (b) made, and are making, untrue statements of material fact, or have omitted, and are omitting, to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged, and are engaging, in transactions, acts, practices and courses of business which operated or would have operated as a fraud or deceit upon the Defendants' clients.

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

### **THIRD CLAIM FOR RELIEF**

#### **Violation of Sections 5(a) and 5(c) of the Securities Act (Both Defendants)**

120. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through \_\_\_ of this Complaint.

121. Defendants directly or indirectly: (a) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities through the use or medium of a prospectus or otherwise; or carried securities or caused such securities to be carried through the mails or in interstate commerce, by means or instruments of transportation, for the purpose of sale or for delivery after sale; and (b) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy, through the use or medium of any prospectus or otherwise, securities without a registration statement having been filed with the Commission or being in effect as to such securities.

122. Defendants sold securities to at least 16 investors residing in four states and six

countries, and obtained proceeds of approximately \$800,000.

123. Malik directed ABIG to sell securities stock through these offerings, and he orally solicited investors to purchase ABIG securities.

124. ABIG did not file a registration statement with respect to the sales of its stock, and there was no registration statement otherwise in effect.

125. Malik and ABIG sold ABIG securities using interstate means. For instance, Defendants solicited prospective investors over the telephone, via email, and via the internet, and received funds from investors via wire.

126. By reason of the foregoing, Defendants, singly or in concert, directly or indirectly, violated, and unless enjoined will again violate, Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

#### **FOURTH CLAIM FOR RELIEF**

##### **Violations of Sections 206(1), 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 (Malik)**

127. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through \_\_\_ of this Complaint.

128. From around May 2011 through the present, Malik, as an investment adviser, directly or indirectly, singly or in concert, by use of the mails or any means or instrumentality of interstate commerce or of the mails, has employed, and is employing, devices, schemes and artifices to defraud his clients, and has engaged, and is engaging, in transactions, acts, practices and courses of business which operate as a fraud and deceit upon his clients.

129. By reason of the foregoing, Defendant, directly or indirectly, singly or in concert, has violated, is violating, and unless enjoined, will continue to violate, Sections 206(1), 206(2), and 206(4) of the Advisers Act [15 U.S.C. §§ 80b-6(1), 80b-6(2) and 80b-6(4)] and Rule 206(4)-

**PRAYER FOR RELIEF**

**WHEREFORE**, the Commission respectfully requests that the Court grant the following relief:

**I.**

An Order temporarily and preliminarily, and a Final Judgment permanently, restraining and enjoining Malik and ABIG, 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 future violations of Section 5(a), 5(c), and 17(a) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)].

**II.**

An Order temporarily and preliminarily, and a Final Judgment permanently, restraining and enjoining Malik and ABIG, 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 future violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5].

**III.**

An Order temporarily and preliminarily, and a Final Judgment permanently, restraining and enjoining Malik, his agents, servants, employees and attorneys and all persons in active concert or participation with him, who receive actual notice of the injunction by personal service or otherwise, and each of them, from future violations of Sections 206(1), 206(2), and 206(4) of the Advisers Act [15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b-6(4)] and Rule 206(4)-8 [17 C.F.R. § 275.206(4)-8].

#### IV.

An Order temporarily and preliminarily, and a Final Judgment permanently, prohibiting Malik and ABIG from soliciting additional investors or accepting additional investments from existing investors.

#### V.

An Order directing Malik and ABIG, and each of their financial and brokerage institutions, agents, servants, employees attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of such Order by personal service, facsimile service, or otherwise, to hold and retain within their control, and otherwise prevent, any withdrawal, transfer, pledge, encumbrance, assignment, dissipation, concealment or other disposal of any assets, funds, or other property (including money, real or personal property, securities, commodities, choses in action or other property of any kind whatsoever) of, held by, or under the control of Malik and ABIG, whether held in their names or for their direct or indirect beneficial interest wherever situated.

#### VI.

An Order directing Malik and ABIG to file with this Court and serve upon the Commission, within three (3) business days, or within such extension of time as the Commission staff agrees to, a verified written accounting, signed by each such Defendant, and under penalty of perjury, setting forth:

- (1) All assets, liabilities and property currently held, directly or indirectly, by or for the benefit of each such Defendant, including, without limitation, bank accounts, brokerage accounts, investments, business interests, loans, lines of credit, and real and personal property wherever situated, describing each asset and liability, its current

location and amount;

(2) All money, property, assets and income received by each such Defendant for his direct or indirect benefit, at any time from January 1, 2011, through the date of such accounting, describing the source, amount, disposition and current location of each of the items listed;

(3) The names and last known addresses of all bailees, debtors, and other persons and entities that currently are holding the assets, funds or property of each such Defendant; and

(4) All assets, funds, securities, and real or personal property received by each such Defendant, or any other person controlled by them, from persons who provided money to the Defendants in connection with the offer, purchase or sale of securities, from January 1, 2011, to the date of the accounting, and the disposition of such assets, funds, securities, real or personal property.

## **VII.**

An Order permitting the Commission to conduct expedited discovery.

## **VIII.**

An Order enjoining and restraining Malik and ABIG, and any person or entity acting at their direction or on their behalf, from destroying, altering, concealing, or otherwise interfering with the access of the Commission to relevant documents, books and records.

## **IX.**

A Final Judgment ordering Malik and ABIG to disgorge their ill-gotten gains, plus prejudgment interest, and such other and further amount as the Court may find appropriate.



**X.**

A Final Judgment ordering Malik and ABIG to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)].

**XI.**

Such other and further relief as this Court deems just and proper.

Dated: February 12, 2015  
New York, New York



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