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F. #2018R02088

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- against -

MARK ALAN LISSER,

Defendant.

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COMPLAINT AND  
AFFIDAVIT IN SUPPORT  
OF APPLICATION FOR AN  
ARREST WARRANT

(18 U.S.C. § 1343)

Docket No. 20-MJ-1128

EASTERN DISTRICT OF NEW YORK, SS:

FATIMA HAQUE, being duly sworn, deposes and states that she is a Special Agent with the Federal Bureau of Investigation (“FBI”), duly appointed according to law and acting as such.

On or about and between October 2018 and March 2019, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant MARK ALAN LISSER, together with others, did knowingly and intentionally devise a scheme and artifice to defraud investors and potential investors in pre-Initial Public Offering (“pre-IPO”) shares of certain companies (the “Pre-IPO Investors”), and to obtain money and property from the Pre-IPO Investors by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, transmitted and caused to be transmitted by means of wire communication in

interstate and foreign commerce writings, signs, signals, pictures and sounds, including numerous telephone calls and email messages.

(Title 18, United States Code, Sections 1343, 2 and 3551 et seq.)

The source of your deponent's information and the grounds for her belief are as follows:<sup>1</sup>

1. I have been a Special Agent with the FBI since 2018, and have been assigned to a squad that investigates financial crimes since approximately 2018. During my tenure as a Special Agent, I have participated in numerous investigations into various types of financial crimes, including domestic and international wire and securities fraud and money laundering. I am familiar with the facts and circumstances of this investigation from: (a) my personal participation in this investigation, (b) reports made to me by other law enforcement authorities, (c) interviews with witnesses and victims, and (d) review of emails, text messages, solicitation documents, corporate agreements, bank records, and other documents. Except as explicitly set forth below, I have not distinguished in this affidavit between facts of which I have personal knowledge and facts of which I learned from other law enforcement agents. Transcriptions of recorded conversations set forth below are set forth in draft form and are subject to further revision.

I. The Defendant and Relevant Entities

2. Knightsbridge Private Partners LLC (together with its affiliates, "Knightsbridge") was a Delaware company that operated call rooms and websites

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<sup>1</sup> Because the purpose of this Complaint is to set forth only those facts necessary to establish probable cause to arrest, I have not described all the relevant facts and circumstances of which I am aware.

(specifically, “www.preipo.us,” “www.earlypreipo.com” and “preipopros.com”) to solicit investments in purported pre-IPO shares of pre-IPO companies, including Company-1, Company-2, and Company-3 (collectively, the “Pre-IPO Companies”). Knightsbridge and its affiliates had offices in, among other places, Bellmore, New York and Melville, New York.

3. The defendant MARK ALAN LISSER, a resident of Massapequa, New York, was one of three partners who operated Knightsbridge. According to the Financial Industry Regulatory Authority (“FINRA”), LISSER is not currently registered as a broker. Prior to his affiliation with Knightsbridge, LISSER was affiliated with four brokerage firms that were each expelled by FINRA from the securities industry.

## II. The Criminal Scheme

4. On or about and between October 2018 and March 2019, the defendant MARK ALAN LISSER was a partner in Knightsbridge, which operated a series of websites and call centers used to solicit investments in purported pre-IPO shares of companies such as Company-1, Company-2 and Company-3. Employees of Knightsbridge, including LISSER, solicited these investments by, among other things, representing to investors and potential investors that (i) Knightsbridge owned pre-IPO shares in the Pre-IPO Companies that it would sell to investors; (ii) Knightsbridge was on the capitalization table of the Pre-IPO Companies;<sup>2</sup> and (iii) neither Knightsbridge nor its employees received any commissions or fees on the sale of pre-IPO shares to investors, but instead received a percentage of the

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<sup>2</sup> Based on my training and experience, I know that a capitalization table is a record of the shareholders of a company, along with their pro-rata ownership of all the securities issued by the company (equity shares, preferred shares and options), and the various prices paid by these stakeholders for these securities.

investors' profits only if the investors made a profit after the companies went public. In fact, as LISSER knew, Knightsbridge did not directly own any pre-IPO shares in the Pre-IPO Companies, was not on the capitalization table of any of the Pre-IPO Companies, and Knightsbridge employees, including LISSER, earned commissions from the investments at the time they were made. Indeed, Knightsbridge sent investors documentation contradicting some of LISSER's representations, including that the investors were investing in a fund (not purchasing shares of the Pre-IPO Companies), that the fund might hold "direct or indirect" interests in the Pre-IPO Companies and that Knightsbridge would earn a two percent "Management Fee" for the amounts contributed to the fund that accrued twelve months after the investment closed. In addition, LISSER misappropriated investors' funds to make payments to companies controlled by Knightsbridge employees, pay salaries and sales commissions, pay his personal credit card bill, and make payments on a mortgage.

5. In or about October 2018, a cooperating witness ("CW-1") contacted Knightsbridge through a phone number listed on a website associated with Knightsbridge.<sup>3</sup> CW-1 initially pretended to have an interest in investing in pre-IPO shares through Knightsbridge, but later advised the defendant MARK ALAN LISSER that he was a former broker who wanted to earn commissions by introducing wealthy clients to Knightsbridge. In or about late October 2018, CW-1 provided LISSER with the names of several purported

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<sup>3</sup> CW-1 has pled guilty to wire fraud pursuant to a cooperation agreement. CW-1 is currently cooperating in hopes of receiving leniency at sentencing (and has not yet been sentenced). CW-1 has provided reliable information in the course of this investigation. CW-1's information has been corroborated by other evidence obtained during the course of the investigation, including, but not limited to, the consensual audio and video recordings CW-1 has made, and documentary evidence including emails, text messages, and bank records.

“former clients” that CW-1 suggested Knightsbridge solicit investments from, and CW-1 spent two days working with LISSER at Knightsbridge’s office. Unbeknownst to LISSER, each of the “former clients” was in fact an undercover law enforcement agent.

A. Misrepresentations Regarding Share Ownership

6. Employees of Knightsbridge, including the defendant MARK ALAN LISSER, represented to investors that their company directly owned shares in the pre-IPO Companies. For example, on or about October 31, 2018, LISSER had a consensually recorded phone call with an undercover law enforcement agent (“UC-1”) about a potential investment in pre-IPO shares of Company-1. During the call, the following exchange occurred:

UC-1: So the shares that we’re going after now, they’re all going to be put towards [Company-1], the 250 [\$250,000].

LISSER: Correct.

UC-1: Okay. And who has those shares now? Your fund or are you buying those from another fund?

LISSER: So we’re on the cap table. We own the shares. So, you, you, you are joining our fund, our company, so you’re going to own your amount of shares directly. The shares—

UC-1: That was, that was my question. Whether you are going through another fund.

LISSER: —that’s the biggest thing. Correct, yeah, because when, other places, they’ll take deposits, then they’ll go and write contracts and they’ll try to get the stock and then things would change. I don’t even know how they—that’s kosher. We have the stock through ROFR, through first right of restriction. They are not really doing any more on first right of restriction on a couple of deals, I’m working with. When that happens, when, you know, in six months they go public. So, I mean, [Company-1] is

probably going to have one or two more deals to through before probably block it from happening again.

(emphasis added).

7. On or about October 24, 2018, the defendant MARK ALAN LISSER had a consensually recorded conversation with a second undercover law enforcement agent (“UC-2”) regarding UC-2’s potential investment in pre-IPO shares of Company-3. During the course of the conversation, LISSER told UC-2:

LISSER: Sweet. Okay. Alright, listen if you do have IRAs talk to, to, to Mikey about because [Company-3] we have the stock, ah, at eight, it shows it being worth eleven thirty-eight overnight on an IRA statement because they hold it in the custodian and [Company-3] which caught Bin Laden and all these criminals and found all the money that Madoff stole, they’re like a superhero, [Company-3], um they’re looking to be, you should look into them because you’re in this space. You know aerospace, you know, you know internet security, these are the guys that every airline has a contract with to protect their airline and to market back to their airline clients. So it’s just a, they’re as much as in marketing as they are in ah looking for ah insider trading and, and mergers and acquisitions. So look into [Company-3] and it’s something that in your IRA account it already shows up forty percent higher. So nothing like having a trade when the ink dries, you’re up that day you know forty percent. So that’s the feeling I wanna show you. No problem. Glad to have you on board. I’ll get Mike on and we’ll speak again, again soon.

(emphasis added).

8. Also on or about October 24, 2018, CW-1 was in the Knightsbridge office with the defendant MARK ALAN LISSER and consented to wearing a recording device. While inside the office, LISSER had the following conversation over the phone with a potential Knightsbridge customer (“Investor-1”):

LISSER: Hello [Investor-1]. How’s everything going? I just wanted to touch base and make sure you got everything sent over to you that you needed. Did you want to get into some ah—Did you, did you wanna maybe get into something that’s like pre-IPO—

No, no, the, the—Just like when we get it through the employer, I’m dealing now with [Company-3], I’m picking it up at ah six, six, six fifty from the employee himself, I’m picking up three

hundred grand. So I deal directly with the employee. So I would have the employee have a contract with you and your corporate own the stocks so you don't have to hold it through anyone's and, and then you have the, the best thing is, now that you hold it, six months from now, if you say Mark, hey, I wanna get out of it, I can take it back from you and, and find someone that would like it. We're on the cap tables so we, we, we can take in the stock.

We're on [Company-1]'s cap table, [Company-2]'s, soon to be closed, and, ah [Company-3]'s. You're gonna like the fifty Unicorns.

(emphasis added).

9. I have reviewed records from Knightsbridge and from two companies (“Fund-1” and “Fund-2”) through which Knightsbridge purchased indirect interests in shares of the Pre-IPO Companies. These records included investment agreements Knightsbridge entered into with its customers in connection with the customers’ investments in pre-IPO shares of the Pre-IPO Companies and agreements documenting the shares of the Pre-IPO Companies in which Knightsbridge purchased an indirect interest.

10. None of the records demonstrated that Knightsbridge directly owned any shares of the Pre-IPO Companies, or was on the capitalization table of any of the Pre-IPO Companies. Instead, the records contained: (i) three contracts dated October 15, 2018 in which Knightsbridge purchased an indirect interest in 9,050 pre-IPO shares of Company-2 from Fund-1 for \$52.50 per share; (ii) one contract dated October 15, 2018 in which Knightsbridge purchased an indirect interest in 2,500 shares of Company-1 from Fund-1 for \$52.50 per share; (iii) one contract dated January 17, 2019 in which Knightsbridge purchased an indirect interest in 1,713 pre-IPO shares of Company-1 from Fund-2 for \$57.00 per share;

and (iv) one contract dated January 28, 2019 in which Knightsbridge purchased an indirect interest in 82,254 pre-IPO shares of Company-3 from Fund-2 for \$5.15 per share.

11. According to records from Knightsbridge, before October 15, 2018, the date of the contract pursuant to which Knightsbridge first purchased an indirect interest in pre-IPO shares of Company-1, Knightsbridge had entered into contracts with customers to sell approximately 730 shares of Company-1.

12. According to records from Knightsbridge, before January 28, 2019, the date of the contract pursuant to which Knightsbridge first purchased an indirect interest in pre-IPO shares of Company-3, Knightsbridge had entered into contracts with customers to sell approximately 125,385 shares of Company-3. In total, Knightsbridge entered into contracts to sell 147,384 shares of Company-3 to its customers, even though it only had purchased indirect interests in 82,254 shares of Company-3.

13. In addition, on or about December 5, 2018, CW-1, UC-1, and the defendant MARK ALAN LISSER had a consensually recorded phone call, during which LISSER admitted, in sum and substance and in part, that Knightsbridge did not own pre-IPO shares in Company-1 and that Knightsbridge was not on the capitalization table for Company-1.

B. Misrepresentations About Commissions

14. The investigation also revealed that the defendant MARK ALAN LISSER misrepresented to investors how he earned money on their investments. On or about October 24, 2018, an undercover law enforcement agent (“UC-3”) had a consensually recorded telephone call with LISSER and CW-1 about a potential investment in pre-IPO shares, during which LISSER explained that he would not receive a commission from UC-3’s investment:

LISSER: So when I came out with the fund, [a company] went public, and the fund got 20% of the profit. So the way it works is, there is no commissions now, there's no fees now. We're on the same side of the investment. When it goes public on payday, they figure out how much you made, so your 100 turns to 200, you know, you made a hundred grand, they'll take up to 10 -- 20%, uh, off the profit that's now there, that wasn't --

UC-3: Wait -- you're not? What's your commission? What's your commission?

LISSER: That's what it is.

UC-3: But, right now, your commission is nothing?

LISSER: Correct. 20% of the profit.

UC-3: So you are only getting commission once I get a profit.

LISSER: All of us are just waiting for this thing to go public. Any day, now, March, you know. The more I have, the better. But it's going to happen. It's a ticking time clock right now.

UC-3: Wow, so that's how you do all your deals. You don't, you don't get a -- none of your other prior deals you got commission until they went public.

LISSER: Correct.

15. On or about October 24, 2018, the defendant MARK ALAN LISSER and CW-1 had a consensually recorded telephone call with UC-1 during which the two discussed a potential investment in pre-IPO shares and LISSER explained that there was no commission:

LISSER: We're wholesale ... and us giving it to you, there's no commission, there's no fee, so this way, you get it at cheaper rates, so, we all make out.

UC-1: I like everything you're saying, Mark, I do.

LISSER: Yes, listen, you will never have to worry again.

16. In reality, based on a number of consensually recorded conversations and an examination of bank records, Knightsbridge employees, including the defendant MARK

ALAN LISSER, earned commissions from the sales of pre-IPO shares and Knightsbridge earned money by inflating the price at which it sold the purported pre-IPO shares to customers.

17. For example, on or about October 26, 2018, CW-1 delivered three cashier's checks totaling \$25,000, purportedly reflecting an investment from UC-1, made payable to a limited liability company managed by Knightsbridge and organized by the defendant MARK ALAN LISSER, to Knightsbridge's Manhattan office. In subsequent consensually recorded telephone calls, the LISSER advised CW-1, in sum and substance, that commissions were paid on the 1st and 15th of every month and made arrangements for CW-1 to pick up his first commission check.

18. On or about November 2, 2018, CW-1 met the defendant MARK ALAN LISSER the Knightsbridge offices to pick up his first commission check. During the consensually recorded meeting, the following conversation occurred:

LISSER:	You just missed the wine we had. Um, people we[re] given checks too.
CW-1:	Nice. What, like -- commission checks or collecting checks?
LISSER:	No, no, commission checks.
CW-1:	It's quiet. I thought you guys would be working the midnight oil.
LISSER:	No, not on Friday, not on payday.

19. CW-1 then waited in the defendant MARK ALAN LISSER's office until LISSER returned. LISSER told CW-1, "I can have you invoice me for leads." A review of the video recording of this conversation indicates that LISSER subsequently typed on his laptop and attempted to generate an invoice purportedly from CW-1, tried to print the invoice

and, when that failed, told CW-1 that he would email it to CW-1. During this meeting, LISSER handed CW-1 a check drawn on LISSER's personal bank account; this amount equaled five percent of the \$25,000 brought in by CW-1, and had the following handwritten note in the memo line: "lead invoice \$12.50 x 100."

C. Misappropriation of Funds

20. I have reviewed records from five bank accounts used in connection with Knightsbridge's business. The defendant MARK ALAN LISSER was a signatory on three of the accounts, including the one to which investors sent their investments. The records show that Knightsbridge raised approximately \$2,052,912.20 from investors in Company-1, Company-2, and Company-3. Of that, only approximately \$1.2 million was paid to entities from which Knightsbridge had agreed to purchase indirect interests in the Pre-IPO Companies. Of the remaining amount: (i) more than \$103,000 was paid directly to LISSER or to a company owned by LISSER; (ii) more than \$620,000 was paid to other Knightsbridge employees or companies controlled by Knightsbridge employees; and (iii) more than \$80,000 was used for purposes other than investment in shares of Pre-IPO Companies, including to make payments on a mortgage and LISSER's personal credit card debt.

21. Because public filing of this document could result in a risk of flight by the defendant, who has not yet been apprehended, as well as jeopardize the government's investigation, your deponent respectfully requests that the complaint and arrest warrant be filed under seal.

WHEREFORE, your deponent respectfully requests that that an arrest warrant be issued so that the defendant MARK ALAN LISSER, be dealt with according to law.

*Fatima Haque*  
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FATIMA HAQUE  
Special Agent, Federal Bureau of Investigation

Sworn to before me via telephone this  
23 day of November, 2020

*Cheryl Pollak*  
\_\_\_\_\_  
THE HONORABLE CHERYL L. POLLAK  
CHIEF UNITED STATES MAGISTRATE JUDGE  
EASTERN DISTRICT OF NEW YORK