

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**FRANK LYNOLD MERCADO and TIGER
WOLF CAPITAL, LLC,**

Defendants.

Civil Action File No:

__ : ____ -CV- ____

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

The plaintiff, Securities and Exchange Commission (“Commission”), files this Complaint and alleges the following:

SUMMARY

1. Between approximately August 13, 2019, and February 1, 2023 (the “Relevant Period”), Frank Lynold Mercado (“Mercado”) and Tiger Wolf Capital, LLC (“Tiger Wolf”), an unregistered investment adviser controlled by Mercado, offered and sold upwards of \$1.4 million in unregistered securities to more than 100 individual Tiger Wolf advisory clients.

2. Mercado and Tiger Wolf (collectively, “Defendants”) led clients to believe they were investing in funds that Mercado and Tiger Wolf managed and advised (collectively, the “Tiger Wolf Funds”).

3. Defendants’ offering materials described Mercado as an experienced trader and explained the firm would trade the assets of the Tiger Wolf Funds in which clients invested in

exchange for which clients would pay an annual management fee, as well as a performance fee if certain profits were achieved.

4. Further, Tiger Wolf claimed that clients were receiving a “50%+” return on investment, and that the firm oversaw client investments with an “[u]ncompromising focus on risk management.”

5. These representations were false. Of the more than \$1.4 million the Defendants raised from clients, Mercado and Tiger Wolf deposited only about \$121,000 into the lone Tiger Wolf Funds’ brokerage account identified by Commission staff.

6. Between August 2019 and July 2020, Mercado and Tiger Wolf used funds in the brokerage account to trade securities, but did so unsuccessfully, generating net losses of approximately \$47,000.

7. Of the remaining funds raised from individual clients, Tiger Wolf and Mercado made hundreds of thousands of dollars in Ponzi payments using funds from new clients to pay existing clients, while Mercado also diverted more than \$37,000 directly from Tiger Wolf’s bank accounts to pay personal expenses – including shopping, travel and entertainment.

8. Separately, Defendants also made more than \$1 million worth of deposits in brokerage accounts that Mercado opened under the names of other individuals, including his mother, but which he controlled.

9. Through trading in these accounts, Mercado sustained more than \$250,000 of additional net trading losses.

10. Mercado never disclosed any of his trading losses to Tiger Wolf clients until after he filed for personal bankruptcy in December 2022. Instead, during most of the Relevant Period, the

Defendants gave clients fake account statements, claiming the Tiger Wolf Funds were generating large profits.

11. When confronted with bank records showing new client money being sent to existing clients, Mercado admitted under oath that he operated Tiger Wolf as a Ponzi scheme.

12. Total client losses are at least \$861,000.

VIOLATIONS

13. Defendants Mercado and Tiger Wolf, by virtue of their conduct, directly or indirectly, have engaged in violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77e(a), (c) and 77q(a)], Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Sections 206(1), 206(2) and 206(4) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§ 80b-6(1), (2) and (4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8].

14. Against both defendants, the Commission seeks permanent injunctive relief, disgorgement of ill-gotten gains plus prejudgment interest, and civil penalties. As to Mercado, the Commission further seeks: (i) a conduct-based injunction that permanently enjoins him from, directly or indirectly (including through any entity owned or controlled by Mercado), participating in the issuance, purchase, offer, or sale of any security (excluding the purchase or sale of securities for Mercado’s own personal account); and (ii) an officer and director bar.

JURISDICTION AND VENUE

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

Advisers Act [15 U.S.C. §§ 80b-9(d)-(e)] to enjoin the Defendants from engaging in the transactions, acts, practices and courses of business alleged in this Complaint, and transactions, acts, practices and courses of business of similar purport and object, for disgorgement of illegally obtained funds and other equitable relief, and for civil money penalties.

16. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d) and 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].

17. The Defendants, directly and indirectly, have made use of the mails, the means and instrumentalities of transportation and communication in interstate commerce, and the means and instrumentalities of interstate commerce, in connection with the transactions, acts, practices, and courses of business alleged in this Complaint.

18. Venue lies in this Court pursuant to 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 209 of the Advisers Act [15 U.S.C. § 80b-9], because certain of the transactions, acts, practices and courses of business constituting violations of the Securities Act, Exchange Act and Advisers Act have occurred within the Western District of North Carolina

THE DEFENDANTS AND RELATED ENTITY

19. **Frank Lynold Mercado**, age 26 and a resident of Charlotte, North Carolina, was Tiger Wolf's founder, manager, registered agent and Chief Investment Officer. Mercado is not known to be associated with any entity registered with the Commission. In December 2022, Mercado filed a petition for personal bankruptcy in the Southern District of Florida, but then fraudulently emailed certain Tiger Wolf clients in January 2023 that Tiger Wolf—the advisory

firm—had declared bankruptcy. On September 7, 2023, the Bankruptcy Court issued an order denying Mercado a discharge under the Bankruptcy Code after five Tiger Wolf clients filed adversary complaints against Mercado alleging fraud.

20. **Tiger Wolf Capital, LLC**, which Mercado also called “Tiger-Wolf Capital, LLC” or “Tiger Capital, LLC” (collectively, “Tiger Wolf”), is a Florida limited liability company created in August 2019. Mercado was Tiger Wolf’s founder, manager, registered agent and Chief Investment Officer, and he controlled all of Tiger Wolf’s operations, bank accounts and brokerage accounts. Tiger Wolf served as an investment adviser to the Tiger Wolf Funds, as well as an adviser to individual Tiger Wolf advisory clients. Tiger Wolf was administratively dissolved by the Florida Division of Corporations in September 2022 for failure to file an annual report. Tiger Wolf has never been registered with the Commission.

21. **Tiger Wolf Capital Fund, LP**, which Mercado also called the “Tiger-Wolf Capital Fund, LP” and the “Tiger Wolf Capital Hedge Fund” (collectively, the “Tiger Wolf Partnership Fund”), is a Delaware limited partnership formed in August 2019, and a pooled investment vehicle. Tiger Wolf, the advisory firm, served as general partner for the Tiger Wolf Partnership Fund, and Mercado as the fund manager. The Tiger Wolf Partnership Fund appears to have been the only one of the supposed Tiger Wolf Funds that existed in corporate or partnership form. In June 2023, Tiger Wolf Partnership Fund lost its good standing status with the Delaware Division of Corporations for failure to pay required state franchise taxes.

FACTS

A. Background

22. In the summer of 2019, before beginning his final year at Florida International University (“FIU”), Mercado worked as a banking intern at the corporate office of a large, national bank (Bank A) in Charlotte, North Carolina.

23. During the internship, Mercado met another Bank A intern, and together they decided to establish Tiger Wolf and the Tiger Wolf Partnership Fund as an investment adviser and pooled investment vehicle, respectively.

24. The other intern initially assisted Mercado in organizing Tiger Wolf as a Florida limited liability company and the Tiger Wolf Partnership Fund as a Delaware entity, and he helped Mercado to open a brokerage account in the name of the Tiger Wolf Partnership Fund at Broker A. On the brokerage account opening forms, Mercado was listed as the sole individual in control of this account, and only his cell phone and email address were listed on the account. Soon after the opening of the Tiger Wolf Partnership Fund’s brokerage account, however, the other intern ceased working with Mercado and Tiger Wolf due to a personal health issue.

25. On August 22, 2019, Mercado signed and submitted the account opening forms for a bank account in the name of Tiger Wolf at Bank B. Throughout the Relevant Period, Mercado was the only individual with control over Tiger Wolf’s bank account at Bank B, as well as Tiger Wolf’s second bank account at Bank C, which Mercado later opened in December 2021.

26. After graduating from FIU, Mercado returned to Charlotte in early 2020 to work at Bank A as a full-time banking associate.

27. According to his personnel records, Mercado did not disclose to Bank A the existence of Tiger Wolf or the Tiger Wolf Partnership Fund, or his ongoing roles in either, as

part of his annual “Investment Monitoring and Outside Business Activities” certifications. He also falsely certified to Bank A that he did not have any open brokerage accounts in his name or under his control.

28. From early 2020 through February 2023, Mercado ran Tiger Wolf’s operations from apartments that he rented in Charlotte, North Carolina.

B. Mercado and Tiger Wolf Advise Clients to Invest in Tiger Wolf Funds.

29. In mid-August 2019, Mercado began soliciting prospective clients to open accounts with Tiger Wolf and become clients of the firm, after which Mercado recommended clients invest in, and offered and sold those clients investments in the Tiger Wolf Funds.

30. When clients sent their funds, Mercado deposited the money into either Tiger Wolf’s own bank accounts, or into one of Mercado’s personal bank accounts at Bank B or Bank D.

31. No bank accounts ever existed in the names of the Tiger Wolf Funds in which clients believed they were investing.

32. Mercado recommended, offered and sold interests in the Tiger Wolf Partnership Fund, as well as other funds that he referred to as Tiger Wolf’s “Tesla Fund” and the “Medallion Fund.”

33. Much of Mercado’s work in offering and selling the Tiger Wolf Funds took place through his personal Tiger Wolf email account and text messages from his smartphone.

34. Mercado recommended new clients invest in one or more of his purported Tiger Wolf Funds, or that existing clients roll over money from one fund to another. To some clients, Mercado did not give a specific name to the fund in which they were investing, indicating

instead that clients were investing in a general “hedge fund” or “fund” advised and managed by Tiger Wolf and Mercado.

35. In operating Tiger Wolf, Mercado provided three types of services: (1) advising and managing the Tiger Wolf Funds and their purported portfolios; (2) advising individual clients as to which of the Tiger Wolf Funds to invest in; and (3) operating an investment education service which offered paid subscriptions on the social media platform Discord, Inc. (“Discord”) to interested individuals.

36. These Discord subscriptions allowed access to generalized commentary and lectures on investing skills by Mercado. The Discord platform, which the general public was able to join, was an impersonal, non-selective means of communication that Mercado and Tiger Wolf used to find future Tiger Wolf clients. Mercado and Tiger Wolf also posted public videos online describing Tiger Wolf and its services.

37. In addition to using social media and online videos, Mercado also created a Tiger Wolf website – accessible to the general public – to solicit clients.

38. Mercado engaged a friend who previously lived in his dormitory at FIU to serve as the website manager and Mercado emailed his friend written content and photos about Tiger Wolf and its advisory business for posting on the website.

39. This website, identifying Mercado as Tiger Wolf’s founder and Chief Investment Officer, described Tiger Wolf as offering “hedge fund management” for “100% Satisfied Investors” and boasted a “50% Return vs. Market Yield of 8%.”

40. On the website, Mercado posted “testimonials” from Tiger Wolf clients who described their “trading journeys,” including one putative client whose testimonial claimed:

“Last year when I saw Frank started a hedge fund, I was all in. I sent him \$10k to manage and he quickly more than doubled it.”

41. Further, Mercado, starting in 2020, developed and distributed to clients via his Tiger Wolf email account a 23-page “Pitch Deck,” describing Tiger Wolf’s target audience as the “average person” and proclaiming, “that the opportunity to invest should be available to everyone, not just wealthy individuals.”

42. Similar to the Tiger Wolf website, the Pitch Deck explained that Tiger Wolf offered a “50%+” return on investment through Tiger Wolf’s hedge fund offering. Further, the Pitch Deck described Mercado as a former investment banker who successfully traded equities for five years.

43. The Pitch Deck slides claimed “TWC has generated extraordinary returns” and offered “unparalleled risk management,” while also cautioning that “[i]nvesting in the SP500 will generate inferior returns in comparison to Tiger Wolf Capital.” The Pitch Deck also described Tiger Wolf as offering an “[u]ncompromising focus on risk management.”

44. Finally, Mercado also reached out via phone, text messages, and social media to various friends and acquaintances to solicit them personally to become Tiger Wolf clients and investors in the Tiger Wolf Funds. Various prospective clients received and reviewed the Pitch Deck before deciding to become clients and invest.

45. When Mercado identified an investor interested in becoming a client of Tiger Wolf and investing in the Tiger Wolf Funds, Mercado would typically send the new client an investor agreement which he signed on behalf of Tiger Wolf, the advisory firm, as its “fund manager.”

46. The document explained that a client would have an “account” with Tiger Wolf and that clients were investing their money “with the firm.”

47. Further, the document noted that it was an agreement between Tiger Wolf and the client, and that Tiger Wolf “will manage and invest the client’s invested capital to profit on the client’s behalf,” and that Tiger Wolf would “charge fees for their [sic] services.”

48. Client fees typically consisted of a three-percent management fee, as well as a performance fee of generally 20 percent of a client’s profits, triggered if the client’s investment “generates a return greater than 20 percent on the investment provided,” according to the investor agreement.

49. At times, Mercado offered certain clients lower fee rates for Tiger Wolf’s services. Each agreement claimed that the firm “will mitigate risks” and will only make investments “after careful research and analysis” concerning potential profits.

50. Many client agreements had a one-year or shorter duration and, at the end of the period, Tiger Wolf was supposed to return principal, plus or minus any gains or losses from Mercado’s management of the Tiger Wolf Fund in which the client invested.

51. The client agreements did not mention any of the names of the individual funds in which Mercado and Tiger Wolf recommended that clients invest, nor did the agreements mention the names of the funds in which clients were purportedly invested.

52. Through their solicitations, between August 13, 2019, and February 1, 2023, the Defendants offered and sold to more than 100 Tiger Wolf clients upwards of \$1.4 million of investments in Tiger Wolf Funds.

53. Notably, many of the clients invested in the scheme more than once after the Defendants falsely claimed clients' initial investments were generating profits and advised clients to roll over their funds and invest anew.

54. Mercado – living and working in Charlotte, North Carolina – and Tiger Wolf entered investment agreements with clients residing in various states, including, but not limited to, California, Florida, Kansas, and Maryland.

C. **Defendants' Misrepresentations**

55. The Defendants defrauded both the Tiger Wolf Partnership Fund, as well as Tiger Wolf's individual advisory clients. Specifically, the Defendants diverted to themselves fund assets for non-fund expenses, while also making false representations about Mercado and investments in the Tiger Wolf Funds.

56. Despite the claims in the 2020 Pitch Deck, Mercado never worked as an investment banker and did not have five years of experience in trading equities, as brokerage records indicate he opened his first personal trading account in 2017 and his full-time job at Bank A was as a banking associate focused on internal corporate accounting systems, with no role or function concerning securities or investments.

57. Moreover, multiple Tiger Wolf Funds did not exist. The Tiger Wolf Partnership Fund was the only one of the Tiger Wolf Funds that ever existed in corporate or partnership form and, as described below, had a brokerage account that existed for only about eleven months.

58. The Defendants never formally organized, nor registered with the Commission, any "Tesla Fund" or "Medallion Fund." Moreover, no brokerage accounts existed under the names of such funds.

59. Contrary to what clients were told, the vast majority of the \$1.4 million in Tiger Wolf client funds Defendants raised was never placed into the Tiger Wolf Partnership Fund's brokerage account for investing.

60. In total, Mercado only deposited approximately \$121,000 into the Tiger Wolf Partnership Fund brokerage account at Broker A.

61. Notably, the Tiger Wolf Partnership Fund never made 50 percent returns as the Defendants claimed, but instead incurred net trading losses of at least \$47,000.

62. Additionally, Mercado used more than \$37,000 of client funds that had been deposited into Tiger Wolf's bank accounts at Bank B and at Bank C for his personal expenses, including shopping, travel, and entertainment.

63. For example, during the Relevant Period, Mercado used Tiger Wolf's business banking accounts – in which client funds were deposited – for personal purchases at AirBNB, Chipotle, Hooters, Costco, CVS, Macy's, Starbucks, and various bars and restaurants, as well as a tattoo parlor and a body-piercing business. Mercado also used the Tiger Wolf bank accounts to pay for a gym membership and vacation expenses in Florida.

64. Mercado and Tiger Wolf further misappropriated client funds intended for investment and used those funds for Tiger Wolf business expenses, including fees for Tiger Wolf's website and a subscription for an online meeting platform.

65. Separately, Mercado also instructed certain clients to send their funds to his personal bank accounts at Bank B and Bank D, from which he used the funds for Ponzi payments to existing clients, as well as for securities trading in non-Tiger Wolf brokerage accounts.

66. In total, Mercado made hundreds of thousands of dollars in Ponzi payments to clients, while also using Tiger Wolf client funds to make more than \$1 million worth of deposits

into non-Tiger Wolf brokerage accounts in his own name or the names of others at Broker A, Broker B, Broker C and Broker D, including at least four accounts opened in his mother's name and at least two other accounts that he opened using the identities of certain Tiger Wolf clients without their authorization.

67. The non-Tiger Wolf brokerage accounts experienced net trading losses of more than \$250,000.

68. Finally, in selling interests in the Tiger Wolf Funds, Defendants made no effort to confirm clients' income or otherwise assess whether clients qualified as accredited investors. For example, with multiple Tiger Wolf clients Mercado never discussed the term "accredited investor," nor did Mercado ask them about their net worth or annual income.

D. Tiger Wolf Capital's Collapse

69. The Tiger Wolf Partnership Fund brokerage account at Broker A, which Mercado began using for certain client investments in August 2019, was open for approximately eleven months until Broker A closed the account in July 2020 after flagging it for what Broker A deemed to be impermissible advisory activity.

70. Despite the closure of this account, Mercado continued soliciting new clients to invest in the Tiger Wolf Funds, while also soliciting existing clients to re-invest in one or more of the Tiger Wolf Funds without telling them that the lone brokerage account for any Fund had been closed and that the Tiger Wolf Funds had no other brokerage accounts under any Tiger Wolf Fund name.

71. In total, approximately \$1 million of the client funds raised by the Defendants were collected after Broker A closed the Tiger Wolf Partnership Fund brokerage account in July 2020.

72. Further, prior to his bankruptcy filing in December 2022, Mercado did not tell clients that he made losing investments with client funds in both the Tiger Wolf Partnership Fund and in separate non-Tiger Wolf brokerage accounts at Broker A, Broker B, Broker C and Broker D – including accounts in his mother’s name and in the names of certain Tiger Wolf clients whose identities Mercado had used without authorization in order to open accounts using their birthdates, names and other information, while also using his own email, phone number and bank accounts.

73. The agreements between Tiger Wolf and its individual advisory clients were set for terms of limited duration, usually lasting one year or less. Upon the end of the term, clients could redeem their interests in the Tiger Wolf Funds, or, as Mercado often successfully proposed, clients could re-invest or roll over their investment and any profits for another term.

74. To encourage such re-investments, Mercado frequently crafted fictitious account statements or email updates to dupe investors into thinking that they were making profits.

75. When Mercado was unable to convince a client to reinvest, Mercado would typically use incoming funds from new clients to make Ponzi payments in order to pay back previous clients, while describing the payments in communications to clients as Tiger Wolf Fund “profits.”

76. In the final months of 2022, Mercado began to run out of money to make further Ponzi payments to Tiger Wolf clients.

77. On December 22, 2022, Mercado filed a petition for Chapter 7 personal bankruptcy in the United States Bankruptcy Court for the Southern District of Florida. However, Mercado then emailed certain Tiger Wolf clients on January 19, 2023, telling them that Tiger Wolf – the entity – had declared bankruptcy.

78. Mercado then filed amended schedules on February 1, 2023, seeking to discharge a total of \$644,099.68 in “business debt” that Mercado claimed that he owed to 31 creditors, who were, in reality, all clients of Tiger Wolf. Five of the clients filed adversary complaints challenging Mercado’s bankruptcy, each claiming they were the victims of Mercado’s fraudulent investment scheme and arguing that Mercado’s debts to them should not be discharged.

79. On September 7, 2023, the Bankruptcy Court issued an order denying Mercado a discharge under the Bankruptcy Code and, on April 26, 2024, the Bankruptcy Court issued its final decree, whereby the Trustee was discharged and the case was closed.

80. Separately, in August 2023, Bank A terminated Mercado’s employment.

81. During the Commission’s investigation that preceded the filing of this complaint, Mercado admitted in sworn testimony that he had lost clients’ money and had operated Tiger Wolf as a Ponzi scheme in which he used funds from new clients to pay back previous clients, disguising the payments as “profits.”

82. Mercado explained that he made the Ponzi payments because “the company already started failing and individuals still believed in me, and I was afraid to let them down. So instead of telling them that we were losing money, I just did not say that and just did what I did.”

COUNT I—SECURITIES REGISTRATION VIOLATIONS

Violations of Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)]

83. Paragraphs 1 through 82 are hereby realleged and are incorporated herein by reference.

84. From at least August 13, 2019, through February 1, 2023, Defendants Mercado and Tiger Wolf offered and sold securities.

85. Defendants Mercado and Tiger Wolf used interstate transportation, communication or mails in connection with the offer and sale of securities.

86. At the time of the offer and sale of securities, no registration statement was in effect as to the securities offered and sold.

87. By reason of the foregoing, Defendants Mercado and Tiger Wolf have violated and, unless enjoined, will continue to violate Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

COUNT II—FRAUD

Violations of Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)]

88. Paragraphs 1 through 82 are hereby realleged and are incorporated herein by reference.

89. From at least August 13, 2019, through at least February 1, 2023, Defendants Mercado and Tiger Wolf, in the offer and sale of the securities described herein, by the use of means and instruments of transportation and communication in interstate commerce and by use of the mails, directly and indirectly, employed devices, schemes and artifices to defraud purchasers of such securities, all as more particularly described above.

90. The Defendants Mercado and Tiger Wolf knowingly, intentionally, and/or recklessly engaged in the aforementioned devices, schemes and artifices to defraud.

91. By reason of the foregoing, the Defendants Mercado and Tiger Wolf, directly and indirectly, have violated and, unless enjoined, will continue to violate Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

COUNT III—FRAUD

Violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)]

92. Paragraphs 1 through 82 are hereby realleged and are incorporated herein by reference.

93. From at least August 13, 2019, through at least February 1, 2023, Defendants Mercado and Tiger Wolf, in the offer and sale of the securities described herein, by the use of the means and instruments of transportation and communication in interstate commerce and by use of the mails, directly and indirectly:

a) obtained money and property by means of untrue statements of material fact and omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

b) engaged in transactions, practices and courses of business which would and did operate as a fraud and deceit upon the purchasers of such securities, all as more particularly described above.

94. By reason of the foregoing, the Defendants Mercado and Tiger Wolf, directly and indirectly, have violated and, unless enjoined, will continue to violate Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

COUNT IV—FRAUD

Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]

95. Paragraphs 1 through 82 are hereby realleged and are incorporated herein by reference.

96. From at least August 13, 2019, through at least February 1, 2023, Defendants Mercado and Tiger Wolf, in connection with the purchase and sale of securities described herein, by

the use of the means and instrumentalities of interstate commerce and by use of the mails, directly and indirectly:

- a) employed devices, schemes, and artifices to defraud;
- b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and
- c) engaged in acts, practices, and courses of business which would and did operate as a fraud and deceit upon the purchasers of such securities, all as more particularly described above.

97. The Defendants knowingly, intentionally, and/or recklessly engaged in the aforementioned devices, schemes and artifices to defraud, made untrue statements of material facts and omitted to state material facts, and engaged in fraudulent acts, practices and courses of business.

98. By reason of the foregoing, Defendants Mercado and Tiger Wolf, directly and indirectly, have violated and, unless enjoined, will continue to violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

COUNT V—INVESTMENT ADVISER FRAUD

Violations of Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1), (2)]

99. Paragraphs 1 through 82 are hereby realleged and are incorporated herein by reference.

100. Defendants Mercado and Tiger Wolf were at all relevant times investment advisers within the meaning of Section 202(a)(11) of the Advisers Act [15 U.S.C. § 80b-2(a)(11)].

101. From at least August 13, 2019, through February 1, 2023, Mercado and Tiger Wolf, directly or indirectly, by the use of the mails or any means or instrumentality of interstate commerce, while acting knowingly or recklessly: (a) have employed devices, schemes, or artifices to defraud one or more advisory clients and/or prospective clients; and (b) have engaged in transactions, practices, or courses of business which operated as fraud or deceit upon one or more advisory clients and/or prospective clients.

102. By reason of the transactions, acts, omissions, practices and courses of business set forth herein, Defendants Mercado and Tiger Wolf have violated, and, unless enjoined, will continue to violate Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1), (2)].

**COUNT VI—INVESTMENT ADVISER FRAUD ON
POOLED INVESTMENT VEHICLE INVESTORS**

**Violations of Section 206(4) of the Advisers Act
[15 U.S.C. § 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8]**

103. Paragraphs 1 through 82 are hereby realleged and incorporated herein by reference.

104. By engaging in the conduct described above, Defendants Mercado and Tiger Wolf, from at least August 13, 2019, through February 1, 2023, while acting as investment advisers to a pooled investment vehicle, by use of the means and instrumentalities of interstate commerce and of the mails:

a) made untrue statements of material fact and omitted to state material facts necessary to make statements made, in the light of the circumstances under which they were made, not misleading, to investors and prospective investors in the pooled investment vehicles; and

b) engaged in acts, practices, and courses of business that were fraudulent, deceptive and manipulative with respect to investors and prospective investors in pooled investment vehicles; all as more particularly described above.

105. By reason of the foregoing, Defendants Mercado and Tiger Wolf have violated and unless enjoined, will continue to violate Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8].

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Commission, respectfully prays that the Court:

I.

Make findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, finding that Defendants named herein committed the violations alleged herein.

II.

Issue a permanent injunction enjoining Defendants Mercado and Tiger Wolf, and their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise, and each of them:

- a. from violating Section 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)];
- b. from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)];
- c. from violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; and
- d. from violating Sections 206(1), 206(2) and 206(4) of the Advisers Act [15 U.S.C. §§ 80b-6(1), (2), (4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8].

III.

As to Mercado, issue: (i) a conduct-based injunction permanently restraining and enjoining him from, directly or indirectly (including through any entity owned or controlled by Mercado), participating in the issuance, purchase, offer, or sale of any security (excluding the

purchase or sale of securities for Mercado's own personal account); and (ii) an officer and director bar;

IV.

Issue an order directing Defendants Mercado and Tiger Wolf to pay disgorgement of all ill-gotten gains or unjust enrichment and to pay prejudgment interest on the amount ordered to be disgorged, to effect the remedial purposes of the federal securities laws.

V.

Issue an order requiring Defendants Mercado and Tiger Wolf, pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Sections 21(d)(3) and 21A of the Exchange Act [15 U.S.C. §§ 78u(d)(3) and 78u-1], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b9(e)], to pay civil monetary penalties.

VI.

Issue an order that retains jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that may have been entered or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

VII.

Grant such other and further relief as this Court may deem just, equitable, and appropriate in connection with the enforcement of the federal securities laws and for the protection of investors.

RESPECTFULLY SUBMITTED,

/s/Edward G. Sullivan

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