



## U.S. Securities and Exchange Commission

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### HARMED INVESTOR

# SEC v. Alkiviades David, et al. Case No. 19-cv-9013 (S.D.N.Y.)

In a complaint filed by the Commission on September 27, 2019, amended on December 2, 2019, against Hologram USA Networks, Inc. (“Hologram”) and its founder, Chairman, and CEO, Alkiviades David (“David”) (collectively, the “Defendants”), the Commission alleged that, from late November 2017 until late March 2018, the Defendants defrauded prospective investors by inducing them to buy securities of Hologram and that of its subsidiary through materially false and misleading representations about Hologram’s business. Because the offerings of the Hologram securities were unregistered, the Commission further charged the Defendants with violations of the registration provisions of the federal securities laws. The Commission alleged that contrary to their statements to the Commission otherwise, the Defendants continued to sell securities through late March. After the Defendants learned of the Commission’s investigation, they stopped selling securities and refunded some investor money. See the Commission’s [Amended Complaint](https://www.sec.gov/divisions/enforce/claims/docs/hologram-amended-complaint.pdf) [\\_ \(https://www.sec.gov/divisions/enforce/claims/docs/hologram-amended-complaint.pdf\)](https://www.sec.gov/divisions/enforce/claims/docs/hologram-amended-complaint.pdf).

The Defendants were ordered, and have paid, a total of \$122,419.26 in disgorgement, prejudgment interest, and penalties to the Commission. The Commission was ordered to hold all funds, pending further order of the Court. See David’s [Final Judgment](https://www.sec.gov/divisions/enforce/claims/docs/david-final-judgment.pdf) [\\_ \(https://www.sec.gov/divisions/enforce/claims/docs/david-final-judgment.pdf\)](https://www.sec.gov/divisions/enforce/claims/docs/david-final-judgment.pdf) and Hologram’s [Final Judgment](https://www.sec.gov/divisions/enforce/claims/docs/hologram-amended-complaint.pdf) [\\_ \(https://www.sec.gov/divisions/enforce/claims/docs/hologram-amended-complaint.pdf\)](https://www.sec.gov/divisions/enforce/claims/docs/hologram-amended-complaint.pdf).

On May 7, 2020, the Court issued an order appointing Miller Kaplan Arase LLP, as the Tax Administrator of the Distribution Fund. See the Court's [Order](https://www.sec.gov/divisions/enforce/claims/docs/heston-order-appointing-tax-administrator.pdf) [\\_\(/https://www.sec.gov/divisions/enforce/claims/docs/heston-order-appointing-tax-administrator.pdf\)](https://www.sec.gov/divisions/enforce/claims/docs/heston-order-appointing-tax-administrator.pdf).

On February 24, 2022, upon the Commission's motion, the Court established a Fair Fund (the "Fair Fund"); approved the Commission's proposed distribution plan (the "Plan"); appointed Richard G. Primoff, a Commission employee, as distribution agent (the "Distribution Agent"); and approved the distribution of the Fair Fund in accordance with the Plan. See the [Commission's Motion](https://www.sec.gov/divisions/enforce/claims/docs/heston-order-appointing-tax-administrator.pdf) [\\_\(/files/37-40-motion-ff-disto-plan.pdf\)](https://www.sec.gov/divisions/enforce/claims/docs/heston-order-appointing-tax-administrator.pdf), the Court's [Order](https://www.sec.gov/divisions/enforce/claims/docs/heston-order-appointing-tax-administrator.pdf) [\\_\(/files/41-order-establishing-fair-fund-approving-distrib.pdf\)](https://www.sec.gov/divisions/enforce/claims/docs/heston-order-appointing-tax-administrator.pdf), and the [Plan](https://www.sec.gov/divisions/enforce/claims/docs/heston-order-appointing-tax-administrator.pdf) [\\_\(/files/alkiviades-david-distribution-plan-dkt-37-2.pdf\)](https://www.sec.gov/divisions/enforce/claims/docs/heston-order-appointing-tax-administrator.pdf).

The distribution is complete. On October 3, 2024, upon the Commission's motion, the Court entered an Order approving a final accounting, remitting funds to the U.S. Treasury, terminating the Fair Fund, and discharging the [Distribution Agent. See the Commission's [motion papers](https://www.sec.gov/divisions/enforce/claims/docs/heston-order-appointing-tax-administrator.pdf) [\\_\(/files/42-43-46-45-motion-terminate.pdf\)](https://www.sec.gov/divisions/enforce/claims/docs/heston-order-appointing-tax-administrator.pdf), the Commission's [supplemental declaration](https://www.sec.gov/divisions/enforce/claims/docs/heston-order-appointing-tax-administrator.pdf) [\\_\(/files/48-49-supplemental-declaration.pdf\)](https://www.sec.gov/divisions/enforce/claims/docs/heston-order-appointing-tax-administrator.pdf), and the Court's [Order](https://www.sec.gov/divisions/enforce/claims/docs/heston-order-appointing-tax-administrator.pdf) [\\_\(/files/de-50-order-terminating-fair-fund.pdf\)](https://www.sec.gov/divisions/enforce/claims/docs/heston-order-appointing-tax-administrator.pdf).

For more information, please contact the Commission:

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