

STATE OF NEW JERSEY  
BUREAU OF SECURITIES  
P.O. BOX 47029  
NEWARK, New Jersey 07101  
(973) 504-3600

IN THE MATTER OF: :  
 :  
 SHREYANS DESAI :  
 :  
 : SUMMARY BAR ORDER  
 :  
 Respondent. :  
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Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities (“Bureau”) by Uniform Securities Law, as amended, L.1997, c. 276, N.J.S.A. 49:3-47 et seq., (“Securities Law”), more specifically, N.J.S.A. 49:3-56, and after careful review and due consideration of: (1) Criminal Complaint, United States of America v. Shreyans Desai, dated September 26, 2011; (2) Indictment, United States of America v. Shreyans Desai, Criminal No. 12-CR-330 (DMC), filed May 8, 2012, United States District Court, District of New Jersey (“Indictment”); (3) Superseding Indictment, United States of America v. Shreyans Desai, Criminal No. 12-330, filed January 8, 2013, United States District Court, District of New Jersey (“Superseding Indictment”); (4) Judgment in a Criminal Case, December 3, 2014, United States of America v. Shreyans Desai, Crim. No. 12-330, United States District Court, District of New Jersey; (5) Plea Agreement with Shreyans Desai, April 30, 2014 (“Plea Agreement”); and (6) Amended Judgment in a Criminal Case, December 5, 2014, United States of America v. Shreyans Desai, Crim. No. 12-330, United States District Court, District of New Jersey, the Bureau Chief makes the following findings of fact and conclusions of law:

1. Shreyans Desai, (“Desai”) residing in Edison, New Jersey, was a founding partner and 50% owner of ShreySiddh Capital, LLC (“SSC”). Desai was not registered with the Bureau or any securities regulator in any capacity.
2. SSC was a New Jersey Corporation with offices in Iselin, New Jersey. The firm was not registered with the Bureau, or any securities regulator.
3. After an investigation by the Federal Bureau of Investigation, the U.S. Attorney’s Office filed an Indictment on May 8, 2012 and a Superseding Indictment on January 8, 2013, detailing an approximately \$250,000 investment fraud.
4. The Superseding Indictment contained allegations that included:
  - a) From no later than in or around October 2008 to at least in or around February 2011, Desai wrongfully obtained and retained control over the funds of persons who were inexperienced in option and currency trading;
  - b) From no later than in or around October 2008 to at least in or around February 2011, Desai knowingly and willfully devised and intended to devise a scheme to defraud and to wrongfully obtain grossly inflated commissions from investors;
  - c) Through his fraudulent scheme, Desai obtained at least \$410,400 from at least six (6) investors, four (4) of whom resided in New Jersey (the “SSC Investors”);
  - d) Desai made a series of materially false and misleading statements to the SSC Investors, including that:
    - a. he was licensed to trade securities
    - b. SSC was licensed to sell securities, a member of FINRA and insured by the SIPC;

- c. they would receive a high annual rate of return on their investment;
  - d. there was no risk of loss of principal;
  - e. their investment was insured; and
  - f. their principal amounts were personally guaranteed by his own funds;
- e) Once his victims invested in SSC, Desai continued to make materially false and misleading statements to his clients, including lying about the value of their securities investments, their rates of return, and the commissions he claimed to have “earned” on those security investments;
- f) Desai created false reporting and account statements, memorandum and letters which fabricated future projections and SSC Investor account values; and
- g) Desai wrongfully obtained tens of thousands of commissions that he did not earn as a result of his fraudulent scheme.
5. Desai agreed to the Plea Agreement, on May 1, 2014.
6. On December 3, 2014, Desai was found guilty of two counts of wire fraud and was sentenced to, among other things, fifteen months imprisonment for each of the two counts to run concurrently with each other, and to pay \$121,260.00 in restitution.
7. **THEREFORE**, it is on this 15<sup>m</sup> day of May, 2015, hereby **ORDERED** that:
8. Shreyans Desai is hereby summarily barred, pursuant to N.J.S.A. 49:3-56(k), from being a partner, officer or director of an issuer, broker-dealer or investment adviser, or from occupying a similar status or performing a similar function or from directly or indirectly controlling or being controlled by an issuer, broker-dealer or investment adviser, or from acting as a broker-dealer, agent or investment adviser in New Jersey;

9. Shreyans Desai be denied all exemptions contained in N.J.S.A. 49:3-50 subsection (a) paragraph 9, 10, and 11 and subsection (b); and
10. The exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c), and N.J.S.A. 49:3-56(g) are hereby revoked as to Shreyans Desai.
11. A copy of this Order shall be promptly served upon Shreyans Desai.

By:   
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Laura H. Posner  
Chief, Bureau of Securities

### **NOTICE OF RIGHT TO HEARING**

Pursuant to N.J.S.A. 49:3-56(k), any person barred by this subsection shall be entitled to request a hearing by the same procedures as set forth in subsection (c) of N.J.S.A. 49:3-50. Pursuant to N.J.S.A. 49:3-50(c)(1), upon service of the order issued by the Bureau Chief, the respondent shall have up to 15 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five days of receiving the answer and a request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau. Orders issued pursuant to subsection (c) shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order shall be held in any event within 20 days after it is requested; and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

Pursuant to N.J.S.A. 49:3-50(c)(2) if a respondent fails to respond by either filing a written answer and written request for a hearing with the Bureau or moving to vacate an order within the 15 day prescribed period, the respondent shall be deemed to have waived the opportunity to be heard. If no hearing is requested, the Order shall become a Final Order and will remain in effect until modified or vacated upon notice to all interested parties by the Bureau Chief.

**NOTICE OF OTHER ENFORCEMENT REMEDIES**

You are advised that the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., provides several enforcement remedies which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69.

You are further advised that the entry of this Order does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.