

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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THE PEOPLE OF THE STATE OF NEW YORK :

By LETITIA JAMES, :

Attorney General of the State of New York, :

Plaintiff, :

-against- : Index No.: 451705/2017

DEAN MUSTAPHALLI, : Hon. Saliann Scarpulla

MUSTAPHALLI CAPITAL PARTNERS FUND, L.P., : Commercial Division

MUSTAPHALLI ADVISORY GROUP, LLC, :

MUSTAPHALLI CAPITAL MANAGEMENT, LLC, : **NOTICE OF ENTRY**

MUSTAPHALLI GROUP, LLC, :

LSA QUANT RESEARCH, LLC, :

L & S, LLC and :

CAMELOT CRICKET CLUB, INC. :

Defendants,

----- X

PLEASE TAKE NOTICE that the attached is a true and correct copy of Order and Judgment on Consent executed in this matter by Honorable Saliann Scarpulla on the 8th day of July 2020 and entered in the Office of the Clerk of the Supreme Court, New York County, on the 4th day of August 2020.

Dated: New York, New York
August 6, 2020

LETITIA JAMES
Attorney General of the State of New York



Tanya Trakht, Esq.
Assistant Attorney General
28 Liberty Street
New York, New York 10005
(212) 416-8457

Attorney for Plaintiff

At Part ³⁹ of the Supreme Court of the
State of New York, held in and for the
County of New York, at the Courthouse,
60 Centre Street, Borough of Manhattan,
City and State of New York, on the
8th day of July, 2020

PRESENT: The Honorable

, Justice.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

A

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THE PEOPLE OF THE STATE OF NEW YORK :
By LETITIA JAMES, :
Attorney General of the State of New York, :

Plaintiff, :

-against- :

B

DEAN MUSTAPHALLI, :
MUSTAPHALLI CAPITAL PARTNERS FUND, L.P., :
MUSTAPHALLI ADVISORY GROUP, LLC, :
MUSTAPHALLI CAPITAL MANAGEMENT, LLC, :
MUSTAPHALLI GROUP, LLC, :
LSA QUANT RESEARCH, LLC, :
L & S, LLC and :
CAMELOT CRICKET CLUB, INC. :

Defendants :

Index No.: 451705/2017

Hon. Saliann Scarpulla

Commercial Division

**ORDER AND JUDGMENT
ON CONSENT**

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Plaintiff, the People of the State of New York, by Letitia James, Attorney General of the
State of New York (the "OAG") commenced this action by Summons and Complaint on June 14,
2017.

Upon the Consent to Judgment executed on June 23, 2020 by defendant Dean
Mustaphalli ("Mustaphalli") on his own behalf and on behalf of the above-captioned corporate
defendants controlled by him, specifically, Mustaphalli Capital Partners Fund, L.P., Mustaphalli
Advisory Group, LLC, Mustaphalli Capital Management, LLC, Mustaphalli Group, LLC, LSA

Quant Research, LLC, L & S, LLC, and Camelot Cricket Club, Inc. (together "Corporate Defendants," and together with Mustaphalli, "Defendants"), upon all the pleadings and all prior proceedings herein, and by the joint motion of the Plaintiff by the Office of the Attorney General of the State of New York ("OAG") and Mustaphalli and the Corporate Defendants, all interested parties having been given notice and the opportunity to be heard, it is hereby

1. ORDERED, ADJUDGED AND DECREED that Defendants Mustaphalli and the Corporate Defendants, or any other persons acting under their control, individually or collectively, including family, agents, trustees, servants, employees, successors, heirs and assigns, whether acting individually or in concert with others, or through any corporate or other entity or device through which they may now or hereafter act or conduct business, are bound by the terms of this Order and Judgment on Consent; and it is further

Restitution and Damages

2. ORDERED, ADJUDGED AND DECREED that judgment be entered in favor of **A** the Plaintiff and against **B** Mustaphalli, whose current address is 57 Schuyler Drive, Commack, New York 11725, for restitution and damages pursuant to N.Y. GBL § 353(3) and N.Y. Exec. L. **X** § 63(12) in the amount of SIX MILLION DOLLARS (\$6,000,000.00), together with interest on the unsatisfied portion thereof at the statutory rate of nine percent per annum from the date of entry until such judgment is satisfied in full, and that Plaintiff shall have execution thereon, provided that Mustaphalli's responsibility to make the above-mentioned payments will become enforceable once Mustaphalli receives \$80,000 in annual income from any source ("Income") (the "Threshold Level"). For any Income Mustaphalli earns above the Threshold Level, thirty-five percent of that amount will be paid toward the judgment. In any period where Mustaphalli earns Income at or less than the Threshold Level, the interest on the unsatisfied portion will

continue to accumulate; and it is further

3. ORDERED, ADJUDGED AND DECREED that this Order and Judgment on Consent may be docketed by Plaintiff as a money judgment against Mustaphalli, pursuant to New York Civil Practice Law and Rules § 2222 and Plaintiff shall have execution thereon; and it is further

4. ORDERED, ADJUDGED AND DECREED that Mustaphalli and the Corporate Defendants have waived and released any and all claims to all assets subject to the Order of Justice Joan B. Lobis, dated September 26, 2016, and the Order of Justice Eileen A. Rakower, dated May 9, 2017, in the proceeding by the Attorney General pursuant to N.Y. GBL § 354 captioned *Matter of Eric T. Schneiderman v. Dean Mustaphalli, et al.*, Index No. 451805/2016, Supreme Court, New York County ("Section 354 Orders"), including but not limited to the assets held in the accounts described in those Section 354 Orders, (except for the real property in the name of L&S, LLC, located at 57 Schuyler Drive, Commack, New York 11725); and it is further

5. ORDERED, ADJUDGED and DECREED, that each depository institution holding assets subject to Section 354 Orders shall account for all such assets and deliver all such assets to the OAG, except for the real property in the name of L&S, LLC, located at 57 Schuyler Drive, Commack, New York 11725; and it is further

6. ORDERED, ADJUDGED AND DECREED that all funds and other property that may be recovered by the OAG pursuant to this Order and Judgment, including but not limited to assets subject to the Section 354 Orders, shall be placed by the OAG into a distribution fund to be administered by the OAG and that the OAG shall have sole discretion to craft and implement a plan of distribution to defrauded investors of the restitution and damages awarded pursuant to

this Order and Judgment on Consent; and it is further

General Injunction

7. ORDERED, ADJUDGED AND DECREED that Defendants shall not engage, or attempt to engage, in conduct in violation of any applicable laws, including but not limited to the General Business Law §§ 352 *et seq.* (the "Martin Act") and Executive Law § 63(12), and expressly agree and acknowledge that any such conduct is a violation of this Order and Judgment on Consent; and it is further

Conduct-Based Relief

8. ORDERED, ADJUDGED AND DECREED that Mustaphalli, is permanently restrained and enjoined from directly or indirectly engaging or attempting to engage in any manner in the issuance, exchange, sale, offer to sell, purchase, offer to purchase, promotion, negotiation, advertisement, provision of investment advice, investment management or distribution of any stocks, bonds, notes, evidences of interest or indebtedness, foreign currency orders, calls or options, or any other securities or commodities within or from the State of New York; and it is further

9. ORDERED, ADJUDGED AND DECREED that Mustaphalli is permanently restrained and enjoined from directly or indirectly engaging or attempting to engage in any manner in the securities or commodities business within or from the State of New York as a broker, dealer, issuer, investment adviser or investment manager, general partner, or as an officer, director, principal, controlling person, agent, affiliated person, consultant or salesperson of a broker, dealer, issuer, investment adviser or investment manager, provided that the OAG takes no position with respect to Mustaphalli's involvement in the insurance business within or

from the State of New York, except that the injunction as described in this paragraph shall apply to all insurance products that are securities or commodities (e.g., variable annuities) and are regulated by the Securities and Exchange Commission (the "SEC"), the Commodity Futures Trading Commission (the "CFTC"), and/or Financial Industry Regulatory Authority ("FINRA"); and it is further

10. ORDERED, ADJUDGED AND DECREED that Mustaphalli is permanently restrained and enjoined from directly or indirectly engaging or attempting to engage in any manner in the writing, publishing, preparing, selling, or distributing any letter or other literature advising, suggesting, or in any other manner communicating advice within or from the State of New York with respect to the purchase or sale of securities or commodities; and from forecasting, advising, or in any other manner suggesting either orally or in writing any method or methods to be used in connection with the purchase or sale of securities or commodities, provided that the OAG takes no position with respect to Mustaphalli's writing, publishing, preparing, selling or distributing any letter or other literature with respect to insurance within or from the State of New York, except that the injunction as described in this paragraph shall apply to all insurance products that are securities or commodities (e.g., variable annuities) and are regulated by the SEC, the CFTC, and/or FINRA; and it is further

11. ORDERED, ADJUDGED AND DECREED that Mustaphalli and his agents or assignees and all other persons acting to assist him, singly or collectively, shall be and hereby are permanently restrained and enjoined from forming or causing to form, or working for or in aid or assistance of, any entity for the purpose of soliciting investors, or causing investors or customers to invest in securities within or from the State of New York, provided that the OAG takes no position with respect to Mustaphalli's involvement in the insurance business within or from the

State of New York, except that the injunction as described in this paragraph shall apply to all insurance products that are securities or commodities (e.g., variable annuities) and are regulated by the SEC, the CFTC, and/or FINRA; and it is further

Cooperation and Other Terms

12. ORDERED, ADJUDGED AND DECREED that Mustaphalli shall, upon request from the OAG, provide truthful, complete and accurate information, including by affidavit or by testimony under penalty of perjury, regarding his financial condition; and it is further

13. ORDERED, ADJUDGED AND DECREED that Mustaphalli shall cooperate in executing any document that may be required to affect the transfer to Plaintiff of the assets, proceeds and other funds described herein; and it is further

Miscellaneous

14. ORDERED, ADJUDGED AND DECREED that nothing contained in this Order and Judgment on Consent shall be construed to limit the rights of a person or an entity who is not a party to this action; and it is further

15. ORDERED, ADJUDGED AND DECREED that all correspondence and payments required herein shall be delivered or mailed to the following address, unless a different address is specified in writing by the party changing such address:

If to OAG:	Office of the Attorney General of the State of New York Attn: Tanya Trakht, Assistant Attorney General 28 Liberty Street, 21st Floor New York, New York 10005
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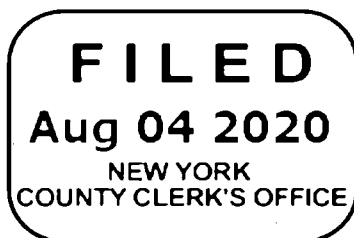
If to Defendants:	Robert C. Gottlieb Gottlieb & Janey, LLP Trinity Building 111 Broadway, Suite 701 New York, New York 10006
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16. ORDERED, ADJUDGED AND DECREED that failure to comply with any provision of this Order and Judgment on Consent shall be deemed to be a violation of this Order and Judgment on Consent. Upon any such violation, the OAG may take any and all steps available to enforce this Order and Judgment on Consent, including civil or criminal contempt; and it is further

17. ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this action for the purpose of carrying out the terms of this Order and Judgment on Consent, or granting such further relief as the Court deems just and proper; and it is further

18. ORDERED, ADJUDGED AND DECREED that the OAG be and hereby is permitted to make further applications for such other and further relief as it appears to the OAG is proper and necessary for the enforcement of this Order and Judgment on Consent.

ENTER



William J. Carville
Justice of the Supreme Court
4 th Aug. 2020
Milton Adam Tinsley

~~120 Broadway New York, NY~~

~~A 10271~~

State of New York Office of the
Attorney General

A 28 Liberty St, New York, NY 10005
(212) 416-8457

JUDGMENT

