

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ALABAMAUNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

v.

PATHYAM PATEL,

Defendant.

C.A. No. __ - ____

JURY TRIAL DEMANDED

COMPLAINT

Plaintiff United States Securities and Exchange Commission (the “Commission” or “SEC”) files this Complaint against Defendant Pathyam Patel (“Patel”) and alleges as follows:

SUMMARY

1. From at least January 2019 through March 2023 (the “Relevant Period”), Patel perpetrated a fraudulent investment scheme in which he induced at least 15 individuals, many of whom were college students, to invest more than \$430,000 in principal and purported fee payments with his purported company, Infinity Wealth Management, LLC (“Infinity”).

2. Patel deceived clients and prospective clients by making materially false and misleading claims about: (i) his and Infinity’s qualifications, licensure, and endorsement by the Commission, (ii) how he would invest their funds and the profitability of the investments, and (iii) their principal investments being guaranteed.

3. For example, Patel deceived prospective clients by telling them Infinity was “licensed” with the Commission as an investment adviser that offered investment portfolio

management services to a wide range of clients, including a hedge fund. He also told clients that he would invest their money in stocks and options as well as crypto assets.

4. However, neither Patel nor Infinity was registered with or endorsed by the Commission; and neither Patel nor Infinity ever formed or managed a hedge fund.

5. In reality, Infinity existed in name only. It had no bank accounts, brokerage accounts, office space, employees, or assets of any kind.

6. Instead of investing his clients' money as promised, Patel misappropriated most of their money to pay for his personal expenses and to make Ponzi-like payments to other clients.

7. Patel further injured his clients by charging them thousands of dollars in bogus "fees" relating to their investments, including what Patel described as "transfer fees" or fees he claimed the clients owed the SEC, IRS, and Virginia State Corporation Commission. These fees did not exist.

8. By engaging in the conduct described in this Complaint, Patel violated, and unless enjoined will continue to violate, Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 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) and (2) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. § 80b-6(1) and (2)].

JURISDICTION AND VENUE

9. The Court has jurisdiction over this action pursuant to Sections 20(b) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b) and 77v(a)], Sections 21(d) and 27(a) of the Exchange Act [15 U.S.C. § 78(u)(d) and 78aa], and Sections 209(d) and 214(a) of the Advisers Act [15 U.S.C. §§ 80b-9(d) and 80b-14(a)].

10. The Court has personal jurisdiction over Patel. During the Relevant Period, Patel resided in the Northern District of Alabama and many of the acts and transactions constituting violations of the Securities Act, Exchange Act, and Advisers Act alleged in this Complaint occurred in the Northern District of Alabama. Many of the victims of Patel's fraud also resided within this District during the Relevant Period.

11. Venue is proper in the Northern District of Alabama pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], Section 27(a) of the Exchange Act [15 U.S.C. § 78aa(a)], and Section 214(a) of the Advisers Act [15 U.S.C. § 80b-14(a)]. Transactions, acts, practices and courses of conduct constituting violations of the federal securities laws occurred within this District. Patel and many of his clients also resided within the Northern District of Alabama during the Relevant Period.

12. In connection with the conduct described in this Complaint, Patel made use of the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange. Among other things, Patel used email messages, telephones, the mails, and bank wires to perpetrate his scheme.

DEFENDANT

13. Patel, age 25, is a resident of Chantilly, Virginia. During the Relevant Period, he resided in Tuscaloosa, Alabama. Patel has never been registered or licensed in any capacity with the Commission or any state securities agencies.

FACTS

14. During the Relevant Period, Patel solicited at least 15 people, including college and high school friends and their family members, to become clients of his purported company, Infinity.

15. However, Infinity existed in name only. It had no employees, staff, or office space. And, it had no bank accounts, brokerage accounts, or other assets.

16. Patel lied to clients and potential clients about his experience managing investments of others, purported licensure and endorsements, how he would invest their money, his actual use of their money, guaranteeing their principal, and “fees” purportedly charged by third parties.

17. Many of Patel’s clients invested less than \$15,000 with him, but a few invested larger amounts, with the largest client providing more than \$100,000 for Patel to invest on their behalf. Most of the clients sent money to Patel to invest for them multiple times, transferring as little as \$100 at a time.

**A. Patel Misrepresented His And Infinity’s Qualifications,
Licensure, And Endorsement By The Commission.**

18. Patel made false or misleading statements to potential and existing clients about Infinity’s status as a “licensed” entity and his qualifications and experience.

19. For example, Patel provided clients with a document he prepared and titled the “Infinity Wealth Management Business Plan” (the “Infinity Wealth Plan”). This document states, in part:

As a revolutionary firm, however, with a revolutionary investment strategy, we can throw out the traditional client base and strategy almost completely. This does not mean that we are not accredited and a licensed hedge fund management firm; **Infinity Wealth Management** will offer a wide range of investment portfolio management services hence we are well trained and equipped to service a wide range of clientele base. (emphasis in original)

20. The Infinity Wealth Plan further claims “management staff and owners of the business will be considered gurus. They are core professionals and licensed and highly qualified

portfolio management experts in the United States.” Patel also told one or more clients that Patel was “registered,” a “certified investor” and had been “endorsed” by the Commission.

21. Patel also created and provided clients with investment advisory agreements he captioned “Investor Contracts.” On some Investor Contracts, Patel printed the official seal of the Commission, falsely implying that the Commission had endorsed the investment, Patel, or both.

22. In reality, Patel and Infinity did not employ anyone, let alone anyone with the qualifications claimed in the Infinity Wealth Plan. Patel and Infinity had no state or federal licenses or registrations related to securities, and they had no training or relevant employment experience related to investments in securities or portfolio management. And they were not endorsed by the Commission. Patel knew or was reckless in now knowing that the above statements suggesting otherwise were false or misleading.

B. Patel Misrepresented How He Would Use Clients’ Money And Lied About Generating Profits On Their Investments.

23. Patel falsely told clients and prospective clients that he would invest their money and generate profits of “80-110%” yearly for them by investing their portfolios in “blue chip stocks,” options, other equity securities, and crypto assets.

24. Those representations were false. Over the course of the fraud, Patel received approximately \$430,000 from at least 15 clients. While Patel transferred some of the money he received from clients to his personal accounts at securities trading platforms and crypto exchanges and subsequently used the money to trade equities and purchase crypto assets, he misappropriated the majority of the money he received from clients.

25. Patel spent most of the money for personal uses – such as online sports betting and living expenses – and to make Ponzi-like payments to other clients. Moreover, the little investing Patel did was not profitable; he lost almost all of the money he used for investing.

26. In addition to not investing funds as he promised, on multiple occasions during the Relevant Period, Patel falsely told clients that he had profitably invested money on their behalf and that the investments had generated profits.

27. For example, in August 2020, Patel texted one client that the client's initial investment of \$2,050 generated a profit of \$238.16—more than 10%. However, Patel never invested the client's money. Instead, Patel spent it on fast food and cash withdrawals, and to make payments to others. Following Patel's false claim of generating profits for the client on this initial investment, the client sent Patel additional money to invest on his behalf.

28. In November 2020, Patel again texted this client and falsely claimed that his now \$8,500 investment earned a profit of \$2,735.66. Again, Patel had not invested this client's money, and no profit was earned. Instead, Patel spent the money the client invested on personal expenses and payments to other clients.

29. Similarly, Patel sent text messages to another client, encouraging them to invest and claiming that he generated profits for them. In one text message, Patel wrote:

I have an idea instead of a trial period where I tell you an amount which isn't the best, you could get in like 2500-5k for the week then withdraw next week and send the money back with profits... Cause that way: 1. You'll make good profits this week. 2. You'll get to see I'm legit when you see actual cash coming back to you instead of just disappearing to some random guy lol.

30. After this client transferred money to Patel, Patel sent him another text message, stating:

Initial Investment: \$25,000.00
Profits: \$1,983.91
Commission (10.5%): \$208.31
TOTAL: \$26,775.60

As with the previous example, these numbers were fictitious.

31. Similarly, Patel told other clients that their accounts were increasing in value when they were not.

C. Patel Falsely Told Clients That He Guaranteed Their Principal.

32. The Investor Contracts, which Patel wrote and provided to his clients, falsely guaranteed their initial investments, stating: “[t]here is a solidified verbal and written agreement in returning the initial investment no matter the circumstances, if necessary.”

33. In some Investor Contracts, Patel promised to return the client’s principal in “2-3 weeks at the latest;” in others he promised repayment of principal in “1-2 weeks at the latest.”

34. Some clients also received a “Bill of Sale” from Patel confirming that Patel “guarantee[d]” the client could get the principal amount of their investments back whenever the client deemed necessary.

35. At the time Patel made these promises, he knew or was reckless in not knowing that there was no reasonable basis for him to believe that he could return his clients’ money upon demand. Patel was not investing the money in securities and crypto assets, as he had represented. Instead, he was using it for himself and to make Ponzi-like payments to other clients.

D. Patel Also Lied To Clients Regarding Required “Fees.”

36. In the Investor Contracts he wrote, Patel described a “commission/fee” schedule Infinity would collect from clients depending on the amount of money the client provided Infinity to manage. According to the schedule, the more an individual provided Patel to manage, the lower the so-called “commission/fee” would be. The agreements further provided that the client “agrees to dispose of a certain percentage of profit, based on the initial investment.”

37. Patel's limited trading did not generate profits, therefore no fees should have been charged to clients.

38. Despite this fact, beginning at least as early as January 2021, Patel misrepresented to clients that they owed him "fees" in an effort to convince them to send him additional money.

39. Patel told multiple clients that if they wanted to receive their principal investment amounts back, they were required to pay what he called, among other things, SEC fees, withdrawal fees, Virginia State Corporation Commission fees, and IRS fees.

40. In reality, none of these investors owed any such fees; and there were no fees relating to these clients from the SEC, the Virginia State Corporation Commission, or the IRS.

41. Collectively, clients paid Patel at least \$89,000 in phony "fees."

42. At least three clients paid Patel significantly more in fictitious fees than the amount of money they sent to Patel to invest on their behalf.

E. Patel Violated The Federal Securities Laws.

43. During the Relevant Period, Patel perpetrated a fraud on clients and potential clients.

44. Patel employed a device, scheme, or artifice to defraud and engaged in acts, transactions, or courses of business that operated as a fraud or deceit upon clients.

45. Patel made false statements of material fact and omitted to state material facts necessary to make statements made not misleading.

46. Patel had ultimate authority for false and misleading statements made to existing clients and potential clients in written materials.

47. All of the misrepresentations and omissions set forth herein, individually and in the aggregate, are material.

48. Patel obtained money or property by means of false statements to clients, including money that he misappropriated.

49. Patel acted knowingly and/or recklessly in making the above false and misleading statements and in undertaking the deceptive conduct.

50. Patel acted as an investment adviser during the Relevant Period by providing investment advisory services for a fee.

51. In perpetrating the fraud, Patel used the means or instruments of interstate commerce or of the mails, or the facility of a national securities exchange, including by sending numerous false statements via text.

52. The conduct alleged herein was in connection with the offer, purchase, or sale of securities.

53. On information and belief, an order requiring payments to investors arose from the Alabama Securities Commission's parallel investigation.

FIRST CLAIM FOR RELIEF
Violations of Section 17(a) of the Securities Act

54. The Commission realleges and incorporates by reference paragraphs 1 through 53 as though fully set forth herein.

55. By engaging in the conduct alleged herein, Patel knowingly or recklessly, in the offer or sale of securities, directly or indirectly, by the use of means or instruments of transportation or communication in interstate commerce or by use of the mails:

- a. employed devices, schemes, or artifices to defraud:
- b. obtained money or property by means of untrue statements of material fact or 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/or

- c. engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon purchasers of securities.

56. By engaging in the foregoing conduct, Patel violated, and unless enjoined, will continue to violate Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

SECOND CLAIM FOR RELIEF
(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder)

57. The Commission realleges and incorporates by reference paragraphs 1 through 53 as though fully set forth herein.

58. By engaging in the conduct alleged herein, Patel knowingly or recklessly, in connection with the purchase or sale of securities, directly or indirectly, by the use of means or instruments of interstate commerce, or by use of the mails, or of any national securities exchange:

- a. employed devices, schemes, or artifices to defraud:
- b. made untrue statements of material fact or 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/or
- c. engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person.

59. By engaging in the conduct described above, Patel 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].

THIRD CLAIM FOR RELIEF
(Violations of Section 206(1) and 206(2) of the Advisors Act)

60. The Commission realleges and incorporates by reference paragraphs 1 through 53 as though fully set forth herein.

61. By engaging in the conduct alleged herein, Patel knowingly or recklessly or, with respect to subpart b below, negligently, as an investment adviser, directly or indirectly, by use of the means or instrumentality of interstate commerce or of the mails:

- a. employed devices, schemes or artifices to defraud any client or prospective client;
and
- b. engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon any client or prospective client.

62. By engaging in the conduct described above, Patel violated, and unless enjoined will continue to violate, Sections 206(1) and 206(2) of the Advisors Act [15 U.S.C. §§ 80b-6(1) and 80b-6(2)].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court enter a final judgment:

I.

Permanently restraining and enjoining Defendant Patel from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)]; 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 Sections 206(1) and 206(2) of the Advisors Act [15 U.S.C. §§ 80b-6(1) and 80(b)-6(2)];

II.

For a period of five years, restraining and enjoining Defendant Patel from, directly or

indirectly, including, but not limited to, through any entity owned or controlled by Defendant, participating in the issuance, purchase, offer, or sale of any security; provided, however, that such injunction shall not prevent Defendant from purchasing or selling securities for his own personal accounts.

III.

For a period of five years, restraining and enjoining Defendant Patel from, directly or indirectly, acting as or being associated with any investment adviser.

IV.

Ordering Defendant Patel to disgorge any and all ill-gotten gains, together with prejudgment interest, derived from the activities set forth in this Complaint; and

V.

Granting such other and further relief as this Court may determine to be just and necessary.

JURY DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff demands that this case be tried to a jury.

Respectfully submitted,

By: s/ John V. Donnelly III

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**ATTORNEYS FOR PLAINTIFF UNITED
STATES SECURITIES AND EXCHANGE
COMMISSION**

(Appearing pursuant to Local Rule 83.1(c))

Dated: September 19, 2025

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

United States Securities and Exchange Commission

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

John V. Donnelly III, U.S. Securities and Exchange
Commission, 1617 JFK Blvd., Suite 520, Phila., PA
19103 Telephone: (215) 597-3100

DEFENDANTS

Pathyam Patel

County of Residence of First Listed Defendant _____
(IN U.S. PLAINTIFF CASES ONLY)NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF
THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

William White, Esq., Boles Holmes White, LLC
1929 3rd Ave North; Suite 500, Birmingham, AL 35203
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II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☒ 1 U.S. Government Plaintiff ☐ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | ☐ 1 | ☐ 1 | Incorporated or Principal Place of Business In This State | ☐ 4 | ☐ 4 |
| Citizen of Another State | ☐ 2 | ☐ 2 | Incorporated and Principal Place of Business In Another State | ☐ 5 | ☐ 5 |
| Citizen or Subject of a Foreign Country | ☐ 3 | ☐ 3 | Foreign Nation | ☐ 6 | ☐ 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
☐ 110 Insurance ☐ 120 Marine ☐ 130 Miller Act ☐ 140 Negotiable Instrument ☐ 150 Recovery of Overpayment & Enforcement of Judgment ☐ 151 Medicare Act ☐ 152 Recovery of Defaulted Student Loans (Excludes Veterans) ☐ 153 Recovery of Overpayment of Veteran's Benefits ☐ 160 Stockholders' Suits ☐ 190 Other Contract ☐ 195 Contract Product Liability ☐ 196 Franchise	PERSONAL INJURY ☐ 310 Airplane ☐ 315 Airplane Product Liability ☐ 320 Assault, Libel & Slander ☐ 330 Federal Employers' Liability ☐ 340 Marine ☐ 345 Marine Product Liability ☐ 350 Motor Vehicle ☐ 355 Motor Vehicle Product Liability ☐ 360 Other Personal Injury ☐ 362 Personal Injury - Medical Malpractice PERSONAL INJURY ☐ 365 Personal Injury - Product Liability ☐ 367 Health Care/Pharmaceutical Personal Injury Product Liability ☐ 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY ☐ 370 Other Fraud ☐ 371 Truth in Lending ☐ 380 Other Personal Property Damage ☐ 385 Property Damage Product Liability	☐ 625 Drug Related Seizure of Property 21 USC 881 ☐ 690 Other LABOR ☐ 710 Fair Labor Standards Act ☐ 720 Labor/Management Relations ☐ 740 Railway Labor Act ☐ 751 Family and Medical Leave Act ☐ 790 Other Labor Litigation ☐ 791 Employee Retirement Income Security Act IMMIGRATION ☐ 462 Naturalization Application ☐ 465 Other Immigration Actions	☐ 422 Appeal 28 USC 158 ☐ 423 Withdrawal 28 USC 157 INTELLECTUAL PROPERTY RIGHTS ☐ 820 Copyrights ☐ 830 Patent ☐ 835 Patent - Abbreviated New Drug Application ☐ 840 Trademark ☐ 880 Defend Trade Secrets Act of 2016 SOCIAL SECURITY ☐ 861 HIA (1395ff) ☐ 862 Black Lung (923) ☐ 863 DIWC/DIWW (405(g)) ☐ 864 SSID Title XVI ☐ 865 RSI (405(g)) FEDERAL TAX SUITS ☐ 870 Taxes (U.S. Plaintiff or Defendant) ☐ 871 IRS—Third Party 26 USC 7609	☐ 375 False Claims Act ☐ 376 Qui Tam (31 USC 3729(a)) ☐ 400 State Reapportionment ☐ 410 Antitrust ☐ 430 Banks and Banking ☐ 450 Commerce ☐ 460 Deportation ☐ 470 Racketeer Influenced and Corrupt Organizations ☐ 480 Consumer Credit (15 USC 1681 or 1692) ☐ 485 Telephone Consumer Protection Act ☐ 490 Cable/Sat TV ☒ 850 Securities/Commodities/Exchange ☐ 890 Other Statutory Actions ☐ 891 Agricultural Acts ☐ 893 Environmental Matters ☐ 895 Freedom of Information Act ☐ 896 Arbitration ☐ 899 Administrative Procedure Act/Review or Appeal of Agency Decision ☐ 950 Constitutionality of State Statutes
REAL PROPERTY ☐ 210 Land Condemnation ☐ 220 Foreclosure ☐ 230 Rent Lease & Ejectment ☐ 240 Torts to Land ☐ 245 Tort Product Liability ☐ 290 All Other Real Property	CIVIL RIGHTS ☐ 440 Other Civil Rights ☐ 441 Voting ☐ 442 Employment ☐ 443 Housing/Accommodations ☐ 445 Amer. w/Disabilities - Employment ☐ 446 Amer. w/Disabilities - Other ☐ 448 Education PRISONER PETITIONS Habeas Corpus: ☐ 463 Alien Detainee ☐ 510 Motions to Vacate Sentence ☐ 530 General ☐ 535 Death Penalty Other: ☐ 540 Mandamus & Other ☐ 550 Civil Rights ☐ 555 Prison Condition ☐ 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from Another District (specify) ☐ 6 Multidistrict Litigation - Transfer ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
15 U.S.C. § 77q(a); 15 U.S.C. § 78j(b); 15 U.S.C. § 80b-6(1) and (2); and 17 C.F.R. § 240.10b-5

Brief description of cause:
Violation of federal securities laws.

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

9/19/2025

SIGNATURE OF ATTORNEY OF RECORD

s / John V. Donnelly III

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____