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20 **UNITED STATES DISTRICT COURT**  
21 **DISTRICT OF NEVADA**

22 SECURITIES AND EXCHANGE  
23 COMMISSION,

24 Plaintiff,

25 vs.

26 SPOT TECH HOUSE, LTD., *formerly*  
27 *known as*, SPOT OPTION, LTD.,

28 MALHAZ PINHAS  
PATARKAZISHVILI, *also known as*  
PINI PETER and PINHAS PETER,

and

RAN AMIRAN,

Defendants,

2:21-cv-00632

**COMPLAINT**

1 Plaintiff Securities and Exchange Commission (the “SEC”) alleges:

2 1. This case concerns a multi-million dollar fraudulent scheme involving  
3 unregistered offers and sales of security-based “binary options” to retail investors in  
4 the United States from at least April 2012 through August 2017 (the “Relevant  
5 Period”). The scheme was overseen by Malhaz Pinhas Patarkazishvili (“Pini Peter”)  
6 and Ran Amiran (“Amiran”) through a company they owned and controlled called  
7 Spot Option, Ltd. (“Spot Option”) now known as Spot Option Tech House, Ltd.  
8 (collectively, the “Defendants”).

9 2. For the scheme to succeed, Spot Option needed to find investors who  
10 could be persuaded to trade the binary options that it issued through its proprietary  
11 online trading platform. To do so, Spot Option contracted with third parties, which it  
12 referred to as “Partners,” “White Labels,” and “Brands” (hereinafter, “Partners”), to  
13 market its binary options. Unbeknownst to investors, Spot Option structured its  
14 business model so that its Partners were the counterparty on every trade. Under this  
15 structure, Spot Option and its Partners made their money principally from investor  
16 losses.

17 3. To make the scheme profitable, Spot Option set the payout terms on its  
18 options in a way that made it likely that most investors would lose all or a substantial  
19 portion of their investment within the first five months of trading. Spot Option  
20 trained its Partners, however, to deceptively market the binary options as profitable  
21 investments. Spot Option used additional deceptive and manipulative practices to  
22 increase investors’ losses and boost Spot Options’ income stream. These practices  
23 included manipulating the trading platform to increase the probability that trading  
24 would be unprofitable and offering investors a so-called “bonus” to lock-up investor  
25 funds and prevent withdrawals, which, when combined with the payout terms,  
26 virtually guaranteed investor losses.

27 4. Through these and other deceptive and fraudulent acts, Spot Option  
28 sought and reached thousands of investors in the United States, including retirees,

1 who traded through its platform. Many of those investors lost most of their money  
2 including, in some cases, hundreds of thousands of dollars meant for retirement. Spot  
3 Option and its Partners, on the other hand, raked in millions in profits.

4 5. As a result of its conduct, Defendant Spot Option violated the  
5 registration provisions of Section 5(a) and 5(c) of the Securities Act of 1933  
6 (“Securities Act”) [15 U.S.C. §§ 77e(a) and 77e(c)], the antifraud provisions of  
7 Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], and the antifraud provisions  
8 of Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C.  
9 §§ 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

10 6. Defendants Pini Peter and Amiran are liable for violations of Section 5  
11 of the Securities Act because they each played a substantial role in Spot Option’s  
12 offers and sales of binary options. Pini Peter and Amiran are also liable for Spot  
13 Option’s violations of the Exchange Act because they are controlling persons of Spot  
14 Option as defined by the Exchange Act. The SEC seeks disgorgement of Defendants’  
15 ill-gotten gains, prejudgment interest, civil monetary penalties, an injunction against  
16 further violations of the federal securities laws as to all Defendants, a specific  
17 conduct based injunction as to the individual defendants, and other appropriate relief.

#### 18 **SUBJECT MATTER JURISDICTION AND VENUE**

19 7. This Court has subject matter jurisdiction under Section 22 of the  
20 Securities Act [15 U.S.C. § 77v], Sections 21(d) and 27 of the Exchange Act [15  
21 U.S.C. §§ 78u(d) and 78aa], and 28 U.S.C. § 1331.

22 8. Venue is proper in this district under Section 22(a) of the Securities Act  
23 [15 U.S.C. § 77v(a)] and Section 27(a) of the Exchange Act [15 U.S.C. § 78aa(a)]  
24 because certain of the transactions, acts, practices, and courses of conduct  
25 constituting violations of the federal securities laws occurred within this district,  
26 including offers of security-based binary options to at least one investor who in this  
27 district traded through Spot Option’s platform via a Spot Option Partner and lost a  
28

1 substantial amount of her retirement savings. Venue also is proper here under 28  
2 U.S.C. § 1391(c)(3) because all Defendants reside outside of the United States.

### 3 **DEFENDANTS**

4 9. Spot Option Tech House, Ltd., formerly known as, Spot Option, Ltd., is  
5 a private Israeli company headquartered or formerly headquartered in Israel.  
6 Currently, it does not appear to be engaged in any business activities.

7 10. Malhaz Pinhas Patarkazishvili, also known as Pini Peter or Pinhas Peter,  
8 age 45, resides in Israel. Pini Peter is the primary founder of Spot Option and, during  
9 the Relevant Period, was an Executive Chairman, Director, and/or Chief Executive  
10 Officer of Spot Option. During the Relevant Period, Pini Peter was the chief architect  
11 of Spot Option's business model and business plans, had ultimate authority over Spot  
12 Option's financial accounts, and was in charge of Spot Option's entire management  
13 and business affairs. During nearly all of this period, he owned over 90% of Spot  
14 Option's shares. On March 13, 2017, Pini Peter transferred his ownership interest in  
15 Spot Option, about 94.22% of its then outstanding shares, to his wife, Limor  
16 Patarkazishvili.

17 11. Ran Amiran, age 50, also resides in Israel. During the Relevant Period,  
18 Amiran served first as Head of Business Development and then as Spot Option's  
19 President and Director. Around March 2017, Amiran took over as Spot Option's  
20 Chief Executive Officer. During the Relevant Period, Amiran owned approximately  
21 2.5% of Spot Option's shares and, by the end of February 2015, was Spot Option's  
22 second largest shareholder. Amiran was responsible for Spot Option's sales,  
23 marketing and business development, and he managed the day-to-day relationships  
24 with Spot Option's Partners.

### 25 **THE SCHEME**

26 12. A "binary option" is a financial instrument that expires at a  
27 predetermined time where the payout is contingent on the outcome of a yes/no  
28 proposition. These options are "binary" because upon expiration they carry only two

1 possible outcomes. If the holder's prediction is correct, he will receive a  
2 predetermined amount of money. If it is incorrect, he will forfeit all or nearly all of  
3 his investment. In one common form, the holder predicts whether a publicly-traded  
4 asset will be above or below a specific price at a specific time. The underlying  
5 referenced asset in a binary option can be a security, currency, or commodity.

6 13. Spot Option offered binary options based on all of these asset classes.  
7 Spot Option offered binary options based on the price of common stocks of many  
8 companies traded on United States exchanges, such as TEVA, Google, Coca-Cola,  
9 and Nike. Spot Options also offered binary options based on various indices of  
10 securities, such as the NASDAQ Composite and the Dow Jones Industrial Average.  
11 These binary options are referred to hereinafter as "security-based" binary options.

12 14. Binary options in which the underlying financial asset is a security or  
13 securities within the meaning of Section 2(a)(1) of the Securities Act [15 U.S.C. §  
14 77b(a)(1)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. § 78c(a)(10)]  
15 (including any group or index of securities) are themselves "securities" within the  
16 meaning of those provisions. The security-based binary options issued, offered, and  
17 sold by Spot Option were therefore securities.

18 15. Under the Securities Act, any offer or sale of securities must be  
19 registered unless an exemption applies. None of the security-based binary options  
20 offered by Spot Option were registered with the SEC, and no exemption applied.

21 16. Spot Option determined and structured the key terms of the binary  
22 options offered and sold through its platform. Specifically, Spot Option's platform  
23 provided investors with a choice of: (a) several forms of binary option; (b) numerous  
24 reference assets from multiple asset classes, including securities; (c) various  
25 expirations; (d) the investment amount; and (e) whether to predict the price of the  
26 reference asset would go up (*e.g.*, buy a "call" option) or go down (*e.g.*, buy a "put"  
27 option). Spot Option also set the amounts investors would receive for winning trades  
28

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