UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. EDWARD CONSTANTIN, a/k/a "MrZackMorris," a/k/a "Edward Constantinescu," PERRY MATLOCK, a/k/a "PJ Matlock," THOMAS COOPERMAN, a/k/a "Tommy Coops," GARY DEEL, a/k/a "Mystic Mac," MITCHELL HENNESSEY, a/k/a "Hugh Henne," STEFAN HRVATIN, a/k/a "LadeBackk," DANIEL KNIGHT, a/k/a "Deity of Dips," and JOHN RYBARCYZK, a/k/a "Ultra Calls," a/k/a "The Stock Sniper," Defendants.	Civil Action No. 22-CV-____ (___) JURY TRIAL DEMANDED

COMPLAINT

Plaintiff, Securities and Exchange Commission (the "Commission"), alleges the

following against the defendants:

SUMMARY

1.   To their legions of followers on social media, the eight defendants have, for years,

promoted themselves as trustworthy stock-picking gurus. In reality, they are seasoned stock

manipulators. They identify stocks ripe for manipulation, acquire substantial positions in these

securities, and then recommend those stocks as good investments to their followers on Twitter, in

online stock-trading forums they run, and on podcasts. They encourage their followers to

purchase the selected stocks, often claiming that they likewise have bought or intend to buy these

stocks for themselves and hold them. Instead, the defendants sell their shares into the demand that their deceptive promotions generate.

2.   Seven of the defendants—Perry Matlock, Edward Constantin, Thomas Cooperman, Gary Deel, Mitchell Hennessey, Stefan Hrvatin, and John Rybarcyzk—carried out the scheme, coordinating the acquisition of shares, promoting the shares to their followers, and dumping the shares for substantial profits. They were aided and abetted by Daniel Knight, who with Hennessey, co-hosted a popular stock-trading podcast that promoted the other defendants as expert traders and provided a platform for other defendants to deceptively promote the stocks they intended to dump.

3.   From at least January 2020 through present (the "Relevant Period"), the eight Defendants earned approximately $100 million from this stock-manipulation scheme.

VIOLATIONS

4.   As a result of the conduct alleged herein, defendants Constantin, Matlock, Cooperman, Deel, Hennessey, Hrvatin, and Rybarcyzk violated, and unless restrained and 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(a), (b) & (c)].   Knight aided and abetted, and unless restrained and enjoined, will continue to aid and abet these violations of the Securities Act and the Exchange Act.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

5.   The Commission seeks a permanent injunction against the Defendants, enjoining them from engaging in transactions, acts, practices, and courses of business of the type alleged in this Complaint; disgorgement of all ill-gotten gains from the unlawful conduct set forth in this

Complaint, together with prejudgment interest; civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. §77t(d)] and/or Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)]; and such other relief as the Court may deem appropriate. The Commission further seeks an order barring Hrvatin from participating in any offering of a penny stock, pursuant to Section 20(g) of the Securities Act [15 U.S.C. §77t(g)] and/or 21(d) of the Exchange Act [15 U.S.C. §78u(d)].

JURISDICTION AND VENUE

6.   This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. §77v(a)] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§78u(d), 78u(e), and 78aa].

7.   Venue lies in this Court pursuant to Section 22(a) of the Securities Act [15 U.S.C. §77v(a)] and Section 27 of the Exchange Act [15 U.S.C. §78aa]. Certain of the acts, practices, transactions and courses of business alleged in this Complaint occurred within the Southern District of Texas, and were effected, directly or indirectly, by making use of means or instrumentalities of transportation or communication in interstate commerce, or the mails. Four Defendants reside in the Southern District of Texas, where they communicated with co-defendants in furtherance of the fraud scheme and made numerous false and deceptive statements as described herein.

DEFENDANTS

8.   **Edward Constantin**, a/k/a "MrZackMorris," a/k/a "Edward Constantinescu," 38, is a resident of Houston, Texas. His Twitter account, @MrZackMorris, had more than 551,000 followers as of December 2022. Constantin is a co-founder of Atlas Trading, a stock-trading forum on the social media platform Discord, which offers users the ability to communicate via

voice calls, video calls, and text messaging, among other things.

9.   **Perry Matlock**, a/k/a "PJ Matlock," age 38, is a resident of The Woodlands, Texas. His Twitter account, @PJ_Matlock, had more than 340,000 followers as of December 2022. Matlock refers to himself as the "CEO" and co-founder of Atlas Trading.

10.   **Thomas Cooperman**, a/k/a "Tommy Coops," 34, is a resident of Beverly Hills, California. His Twitter account, @ohheytommy, had more than 129,000 followers as of December 2022. Cooperman is a member of the electronic music group Breathe Carolina and, with Gary Deel, runs a YouTube channel called the "Goblin Gang," described as "[t]wo multi-millionaire day traders filming their lives for the internet to see."

11.   **Gary Deel**, a/k/a "Mystic Mac," 28, is a resident of Beverly Hills, California. His Twitter account, @notoriousalerts, had approximately 144,000 followers as of December 2022. With Cooperman, Deel runs the Goblin Gang YouTube channel.

12.   **Mitchell Hennessey**, a/k/a "Hugh Henne," 24, is a resident of West New York, New Jersey. Along with Daniel Knight, Hennessey hosts the "Pennies: Going in Raw" podcast, which promotes Atlas Trading. His Twitter account, @Hugh_Henne, had more than 237,000 followers as of December 2022.

13.   **Stefan Hrvatin**, a/k/a "LadeBackk," 35, is a resident of Miami, Florida. His Twitter account, @LadeBackk, had more than 150,000 followers as of December 2022.

14.   **Daniel Knight**, a/k/a "Deity of Dips," 28, is a resident of Houston, Texas. With Hennessey, Knight is a co-host of the Pennies: Going in Raw podcast. His Twitter account, @DipDeity, had more than 171,000 followers as of December 2022.

15.   **John Rybarcyzk**, a/k/a "Ultra Calls," a/k/a "The Stock Sniper," 32, is a resident of Spring, Texas. His Twitter account, @Ultra_Calls, had more than 267,000 followers as of

December 2022. Rybarcyzk is the founder of Sapphire Trading, another stock trading forum on Discord.

16.   Defendants Constantin, Matlock, Cooperman, Deel, Hennessey, Hrvatin, and Rybarcyzk are referred to herein as the "Primary Defendants." With the addition of Knight, the collective group of all defendants is referred to herein as the "Defendants."

<div align="center"><u>FACTS</u></div>

I.   **SUMMARY OF SCHEME**

17.   The Defendants engaged in a long-running fraudulent scheme to manipulate securities by publishing false and misleading information in online stock-trading forums, on podcasts, and through their Twitter accounts. The Primary Defendants, aided and abetted by Knight, engaged in a pattern of conduct, sometimes referred to as "scalping," in which they recommended the purchase of a particular stock without disclosing their intent to sell that stock. They generally executed their scheme in three phases. First, one or more of the Primary Defendants identified a security to manipulate (the "Selected Stock") and purchased shares of that particular security. By sharing the name of the Selected Stock among some or all of the group, the Defendants provided each other with the opportunity to purchase shares at lower prices prior to the manipulation. Next, they promoted the stock to their followers on podcasts and/or social media platforms in order to generate demand and inflate the share price. Typically, the Primary Defendants announced price targets, teased upcoming news about the company, and/or stated their intention to buy shares or hold their current positions for longer periods. Finally, after promoting the stock to their followers in these ways, the Primary Defendants sold their shares into the demand generated by their recommendations. When the scheme succeeded, the Primary Defendants were able to sell their shares at higher prices and make profits. In order

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