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 12 **UNITED STATES DISTRICT COURT**  
 13 **NORTHERN DISTRICT OF CALIFORNIA**  
 14 **SAN JOSE DIVISION**

16 SECURITIES AND EXCHANGE COMMISSION,  
 17 Plaintiff,  
 18 vs.  
 19 HARSHAD SHAH, VIRENDRA PAREKH, and  
 20 NAMAH WEALTH CREATION &  
 PRESERVATION, L.P.,  
 21 Defendants.

Case No.

**COMPLAINT**

**DEMAND FOR JURY TRIAL**

22  
 23 Plaintiff Securities and Exchange Commission (the “Commission”) alleges:

24 **SUMMARY OF THE ACTION**

25 1. In February 2020, Defendant Harshad Shah (“Shah”), Defendant Virendra Parekh  
 26 (“Parekh”), and Defendant Namah Wealth Creation & Preservation, L.P. (“Namah Wealth,” and,  
 27 collectively with Shah and Parekh, “Defendants”), engaged in the fraudulent offer and sale of a  
 28 \$1.5 million “funding note” issued by Namah Wealth to a California investor (the “Namah

1 Investor”). Defendants wanted the Namah Investor’s money because they hoped to take advantage  
2 of an investment opportunity with a purported investment management firm based in Cyprus  
3 called Xiperias Ltd. (“Xiperias”). According to Xiperias’s agents, if Defendants invested a  
4 minimum of \$1.3 million, they would receive 100 percent returns (*i.e.*, \$1.3 million) *every month*.  
5 Xiperias provided no information about its investment strategy or the financial instruments that  
6 could generate such incredible returns, and when Shah and Parekh asked, they were told the details  
7 were confidential. Nevertheless, Shah and Parekh were interested in investing with Xiperias.

8         2.         The problem was that Shah and Parekh, who are licensed insurance agents, did not  
9 have \$1.3 million available in personal funds. Consequently, they created Namah Wealth and  
10 reached out to the Namah Investor, who was Shah’s existing insurance client, to pitch him on an  
11 investment opportunity with Namah Wealth. Among other things, Defendants falsely claimed that  
12 the Namah Investor would receive a risk-free annual return of 50 percent (*i.e.*, \$750,000) because  
13 international banks would leverage his principal to generate enormous profits. Defendants also  
14 falsely promised the Namah Investor that Defendants would obtain and pay for insurance with a  
15 leading global insurance marketplace (the “Insurance Group”) in order to fully guarantee that  
16 principal from any loss. Meanwhile, Defendants omitted and withheld material information about  
17 Xiperias from the Namah Investor. Ultimately, the Namah Investor decided to invest \$1.5 million  
18 and wired the funds to Defendants on February 24, 2020.

19         3.         About a week later, Defendants sent the \$1.5 million to Xiperias. They wired the  
20 money despite receiving a purported investment agreement and other written documents from  
21 Xiperias that included red flags like grammatical errors and bizarre language. In addition,  
22 Defendants had not obtained or paid for the insurance policy they promised to the Namah Investor.

23         4.         Defendants never received any returns or a refund of the principal from Xiperias.  
24 Consequently, as of December 2024, Defendants never paid the promised 50 percent annual return  
25 to the Namah Investor or returned his \$1.5 million principal outside of a single payment of  
26 \$45,000.

27         5.         As a result of the conduct alleged in this Complaint, Defendants violated Section  
28 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule

1 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Section 17(a) of the Securities Act of 1933  
2 (“Securities Act”) [15 U.S.C. § 77q(a)].

3 6. In this action, the Commission seeks permanent injunctions; disgorgement of ill-  
4 gotten gains with prejudgment interest; and civil monetary penalties. The Commission also seeks  
5 an order prohibiting Defendants from participating in the issuance, purchase, offer, or sale of any  
6 security.

7 **JURISDICTION AND VENUE**

8 7. The Commission brings this action pursuant to Sections 20(b), 20(d), and 22(a) of  
9 the Securities Act [15 U.S.C. §§ 77t(b), 77t(d), and 77v(a)], and Sections 21(d), 21(e), and 27 of  
10 the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

11 8. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1),  
12 and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d)(1), and 77v(a)], and Sections 21(d),  
13 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

14 9. Defendants, directly or indirectly, made use of the means and instrumentalities of  
15 interstate commerce or of the mails in connection with the acts, transactions, practices, and courses  
16 of business alleged in this Complaint.

17 10. Venue is proper in this District pursuant to Section 22(a) of the Securities Act [15  
18 U.S.C. § 77v(a)], and Section 27(a) of the Exchange Act [15 U.S.C. § 78aa(a)]. Acts, transactions,  
19 practices, and courses of business that form the basis for the violations alleged in this Complaint  
20 occurred in this District. For example, Namah Wealth’s principal place of business is in this  
21 District; Parekh and Shah reside in Alameda County and Santa Clara County, respectively; and the  
22 business bank account that received the Namah Investor’s funds was opened in Santa Clara  
23 County.

24 11. Under Civil Local Rule 3-2(e), this civil action should be assigned to the San Jose  
25 Division because a substantial part of the events or omissions which give rise to the claims alleged  
26 herein occurred in Santa Clara County.

**DEFENDANTS**

12. **Namah Wealth Creation & Preservation, L.P.** is a California limited partnership formed in February 2020, with its principal place of business in Milpitas, California. It is owned and controlled by Shah and Parekh.

13. **Harshad Shah**, age 72, is a resident of Milpitas, California. He is a general partner and co-owner of Namah Wealth. Shah previously held Series 6 and 63 licenses, which are securities licenses administered by the Financial Industry Regulatory Authority (“FINRA”) that allowed Shah to sell certain securities products. In order to obtain those licenses, Shah had to take and pass certain FINRA securities-related exams. He is currently an insurance agent and tax preparer licensed in California.

14. **Virendra Parekh**, age 53, is a resident of Fremont, California. He is a general partner and co-owner of Namah Wealth. He is currently an insurance agent licensed in California.

**FACTUAL ALLEGATIONS**

**A. Defendants Learned of an Investment Opportunity with a Mysterious International Company that Promised Exorbitant Returns.**

15. In January 2020, Shah and Parekh, who were friends and worked together to sell life insurance products, learned of an investment opportunity with Xiperias that required a minimum investment of \$1.3 million, would purportedly provide very high returns, and would be insured against loss. A business acquaintance had introduced Shah and Parekh to a woman working in tax planning in Florida (“Promoter A”) who was not previously known to either Shah or Parekh. During an in-person meeting with Shah and Parekh in Florida, Promoter A shared information about an investment program with an international company, which turned out to be Xiperias, that could provide 100 percent monthly returns if they invested a minimum of \$1.3 million. In other words, in return for their initial investment, Shah and Parekh would be paid \$1.3 million every month.

16. Around the same time, Shah and Parekh were introduced to a woman who claimed to be the compliance officer of Xiperias (“Promoter B”). Shah and Parekh never met Promoter B in person, and instead only spoke with her over the telephone and by email. Promoter B asserted

1 that Xiperias owned three banks in Europe, but did not provide any names or other details.  
2 Xiperias's agents asserted that the invested principal would be insured and thus protected against  
3 any loss. Xiperias's agents also vaguely explained that Xiperias could earn extraordinary returns  
4 because it pooled together investor funds into \$100 million buckets that were invested in various  
5 projects involving banking or trading. When Shah and Parekh asked for more details about the  
6 specific investment opportunity or Xiperias's other investors and projects, they were told that the  
7 information was confidential. As both Shah and Parekh have since admitted, they did not  
8 understand Xiperias's supposed investment strategy. Nevertheless, Shah and Parekh did not press  
9 further, and they did not conduct any due diligence of their own other than searching Xiperias's  
10 name online, which did not return any results.

11 17. Notwithstanding Xiperias's promise of exorbitant returns with no risk, and its  
12 refusal to provide details about the purported investment, Shah and Parekh were interested in  
13 investing. However, they did not have the funds to make the investment themselves. As a result,  
14 they decided to approach one of Shah's life insurance clients, the Namah Investor, who they knew  
15 had recently sold his business and thus had available funds. Around the same time, on February 6,  
16 2020, Shah and Parekh created the Namah Wealth limited partnership. Rather than offer the  
17 Namah Investor the opportunity to invest with Xiperias or speak with either Promoter A or  
18 Promoter B, Shah and Parekh created a new investment opportunity through Namah Wealth and  
19 pitched the Namah Investor on investing in Shah and Parekh's own entity.

20 **B. Defendants Made Materially False and Misleading Statements to the Namah**  
21 **Investor.**

22 18. Specifically, Shah and Parekh offered the Namah Investor the chance to invest in a  
23 \$1.5 million "funding note" issued by Namah Wealth. Over the course of several weeks in  
24 February 2020, Shah and Parekh spoke with the Namah Investor multiple times, in person and  
25 over the phone, and made material misrepresentations to him about the funding note's promised  
26 returns and investment strategy as well as the safety of the Namah Investor's principal, among  
27 other things. Shah and Parekh also omitted and withheld material information about Xiperias.  
28 After receiving assurances that his investment would be protected from loss by an insurance policy

1 obtained and paid for by Defendants, the Namah Investor agreed to invest and wired \$1.5 million  
2 to Defendants on February 24, 2020. On March 2, 2020, Defendants sent the \$1.5 million to  
3 Xiperias.

4 **1. Defendants' False Representations About Namah Wealth's Very High**  
5 **Investment Returns and Investment Strategy**

6 19. Shah and Parekh knew that they needed the Namah Investor to invest at least \$1.3  
7 million, the minimum amount required by Xiperias. When they crafted the Namah Wealth funding  
8 note, they offered increasing returns based on the amount invested, starting with a 20 percent  
9 annual return for an investment of \$500,000, a 30 percent annual return for \$1 million, and finally  
10 a 50 percent annual return for \$1.5 million, which was the highest return. Put another way,  
11 Defendants promised to pay the Namah Investor a total of \$750,000 within one year, which would  
12 be paid in quarterly installments, if he invested \$1.5 million. Defendants told the Namah Investor  
13 that they were able to offer a 50 percent return because they themselves were going to make a lot  
14 more money from the investment. Defendants also reassured him that they would handle  
15 everything related to the investment, and that the Namah Investor would not need to expend any  
16 efforts to generate the promised returns.

17 20. Shah and Parekh provided little information about how the investment would earn a  
18 50 percent return, and the few details that they provided were untrue. For example, after the  
19 Namah Investor asked how Defendants could pay such high returns, Shah and Parekh falsely  
20 represented that his principal would be invested with international banks that would leverage his  
21 investment up to 30 times to generate the returns. In truth, Shah and Parekh planned to invest the  
22 money with Xiperias rather than international banks, and they had no understanding of the actual  
23 investment strategy that Xiperias was claiming it would use. When the Namah Investor pressed  
24 for additional information, Shah and Parekh falsely told him that the details were confidential,  
25 when, in reality, they did not know any further details.

26 **2. Defendants' False Claims of Insurance Protection**

27 21. Shah and Parekh also falsely represented to the Namah Investor that his entire \$1.5  
28 million investment would be insured by the Insurance Group and, as a consequence, protected

1 against any loss in the event the investment did not succeed. An initial version of the Namah  
2 Wealth funding note document, which Shah and Parekh drafted and sent to the Namah Investor on  
3 February 17, 2020, stated that, “If for any reason, the investment does not perform as anticipated,  
4 the principal amount of [BLANK] is 100% guaranteed.”

5 22. After the Namah Investor expressed hesitation about investing in the funding note,  
6 Shah and Parekh falsely added that the insurance policy would cover 103 percent of the  
7 investment, meaning that the Namah Investor was not only guaranteed to get his entire principal  
8 back, but he would also receive a minimum three-percent return of approximately \$45,000. Shah  
9 and Parekh included this misrepresentation in a new version of the Namah Wealth funding note,  
10 sent on February 19, 2020, which included the false reassurance that “[p]rincipal is insured against  
11 loss via [Insurance Group] policy at 103% of principal . . .” The funding note added another  
12 misrepresentation, namely that the purported insurance policy would be “paid for by us, not the  
13 Investor.”

14 23. Shah further emphasized this insurance protection in his February 19, 2020, email  
15 transmitting the updated funding note to the Namah Investor, in which he wrote that the “revised  
16 document . . . clearly says that your principal amount is protected by [*sic*] insurance policy. This  
17 should be very assuring to you that your money is protected and if for any reason, this does not  
18 work as expected in the first 2 months, we will return your principal with 3% return on it so you  
19 have nothing to lose.” The next day, Shah sent another email to the Namah Investor, assuring him  
20 that the Insurance Group “is used by all the big banks” and the “big brokerage companies” and  
21 listing off the names of several prominent banks and brokerages. Having the protection of an  
22 insurance policy with the Insurance Group was important to the Namah Investor, and the Namah  
23 Investor did not wire funds to Defendants until after he received the reassurances in Shah’s emails  
24 on February 19, 2020, and February 20, 2020.

25 24. Defendants’ representations about insurance protection were materially false and  
26 misleading. In reality, Defendants did nothing to obtain insurance for the Namah Investor’s  
27 principal. They did not contact any insurance companies, much less obtain and pay for an  
28 insurance policy with the Insurance Group (as promised in the Namah Wealth funding note), and

1 | there was no insurance policy in place when the Namah Investor wired his funds to Defendants.  
2 | When Shah and Parekh separately asked Xiperias about whether there would be an insurance  
3 | policy to protect their anticipated investment in Xiperias, they were told on February 19, 2020, that  
4 | Xiperias would not obtain insurance until after it received their investment funds.

5 |         25.     Almost two weeks after the Namah Investor wired his funds to Defendants, and a  
6 | week after Defendants then sent the money to Xiperias, Shah and Parekh were sent a document on  
7 | March 9, 2020, that Xiperias claimed evidenced an insurance policy. Defendants did not tell the  
8 | Namah Investor that Xiperias had shared a purported insurance policy document, and they did not  
9 | send him the document. Moreover, despite both Shah and Parekh being licensed insurance agents,  
10 | they did nothing to verify that the purported policy was in fact real and in force. In addition,  
11 | certain terms of the purported insurance policy differed significantly from the false promises that  
12 | Defendants had made to the Namah Investor. Notably, the purported policy stated that the limit of  
13 | indemnity was \$1.5 million, and not the 103 percent indemnity that Defendants promised the  
14 | Namah Investor. The purported policy also included a “Marine Hull Schedule,” which is  
15 | sometimes included in commercial insurance contracts covering marine vessels, that was  
16 | inconsistent with Xiperias’s claim that the document reflected an insurance policy for a monetary  
17 | investment. In truth, no insurance policy existed between Xiperias and the Insurance Group with  
18 | respect to Shah and Parekh’s \$1.5 million investment.

19 |         **3.         *Defendants Misleadingly Omitted and Withheld Information about Xiperias.***

20 |         26.     Shah and Parekh also misleadingly omitted and withheld from the Namah Investor  
21 | material information about Xiperias, including the fact that the limited communications and  
22 | documents from Xiperias contained numerous red flags.

23 |         27.     For example, while Shah and Parekh told the Namah Investor that they intended to  
24 | invest his \$1.5 million, expected to earn more than a 50 percent annual return, and would keep the  
25 | spread, they did not share the name Xiperias or the names of Promoter A, Promoter B, or any other  
26 | Xiperias agent, or explain that Xiperias had promised 100 percent monthly returns. Shah and  
27 | Parekh also omitted the fact that Xiperias declined to provide details about its investment strategy.  
28 |

1           28.     In addition, the written documents that Xiperias sent to Shah and Parekh, including  
2 know-your-customer forms and an investment management agreement, contained unusual terms,  
3 bizarre language, and typos. Among other red flags, the documents misspelled the name of the  
4 Insurance Group, required Shah and Parekh to confirm that they were “not involved in any  
5 Government entrapment operation,” and warned that “[a]ny arrogant or demanding personality  
6 will guarantee to be rejected [*sic*].” Shah and Parekh did not send any of these documents to, or  
7 share their contents with, the Namah Investor.

8           29.     Shah and Parekh knew or were reckless in not knowing that their material  
9 representations about the extraordinary promised returns, the investment strategy to generate those  
10 returns, and the insurance protection were false and misleading. They also knew or were reckless  
11 in not knowing that they omitted material information about Xiperias. By virtue of Shah’s and  
12 Parekh’s involvement in, and control over, Namah Wealth, Namah Wealth also knew or was  
13 reckless in not knowing that it made materially false and misleading statements and omissions to  
14 the Namah Investor.

15           30.     Defendants’ misrepresentations were material to a reasonable investor, and to the  
16 Namah Investor specifically. For example, the 50 percent annual return offered by Defendants  
17 was substantial and important to the Namah Investor as he considered the Namah Wealth  
18 investment opportunity. Moreover, it was important to the Namah Investor that Defendants had  
19 reassured him that the investment was “100% guaranteed” and that he had “nothing to lose.” In  
20 particular, Defendants’ repeated promises that they would obtain and pay for an insurance policy  
21 from the Insurance Group to protect the principal from any loss were important to the Namah  
22 Investor as he decided whether to invest with Defendants.

23           **C.     Defendants Try to Obtain More Investment Funds.**

24           31.     In March 2020, despite the red flags concerning the exorbitant purported returns,  
25 the insurance policy, and the documentation provided by Xiperias, Shah and Parekh continued to  
26 solicit investors to make similar investments with them. On March 26, 2020, Shah and Parekh  
27 approached the Namah Investor with an additional opportunity to invest funds with them. The  
28 Namah Investor decided to wait until he could see how his first investment performed and did not

1 invest any additional funds with Defendants. On March 31, 2020, Shah and Parekh also  
2 approached another potential investor, who was an acquaintance of the Namah Investor, with a  
3 similar investment opportunity that promised annual returns of 24 percent for a \$250,000  
4 investment or 28 percent for a \$1 million investment, with Shah stating that the “Principal and  
5 Return both are Guaranteed by us.” The potential investor ultimately did not invest with  
6 Defendants.

7 **D. Defendants Did Not Pay Any Returns or Refund the Namah Investor’s Principal.**

8 32. From March 2020, through at least September 2024, Shah and Parekh repeatedly  
9 emailed Xiperias to request the payments that Xiperias had promised. However, Defendants did  
10 not receive any payments from Xiperias. And Defendants, in turn, did not make any of the  
11 promised quarterly payments to the Namah Investor. After more than a year had passed, the  
12 Namah Investor complained about the lack of any payments. On August 4, 2021, Shah and Parekh  
13 made one payment to the Namah Investor of \$45,000. As of December 2024, Defendants had not  
14 made any other payments or refunded the \$1.5 million principal to the Namah Investor.

15 **FIRST CLAIM FOR RELIEF**

16 *Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder*

17 33. The Commission re-alleges and incorporates by reference Paragraph Nos. 1  
18 through 32.

19 34. Defendants, by engaging in the conduct described above, directly or indirectly, in  
20 connection with the purchase or sale of securities, by use of means or instrumentalities of interstate  
21 commerce, or of the mails, with scienter:

- 22 a. Employed devices, schemes, or artifices to defraud;
- 23 b. Made untrue statements of material facts or omitted to state material facts  
24 necessary in order to make the statements made, in the light of the  
25 circumstances under which they were made, not misleading; and
- 26 c. Engaged in acts, practices, or courses of business which operated or would  
27 operate as a fraud or deceit upon other persons, including purchasers of  
28 securities.

1 35. By reason of the foregoing, Defendants violated, and unless restrained and enjoined  
2 will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5  
3 thereunder [17 C.F.R. § 240.10b-5].

4 **SECOND CLAIM FOR RELIEF**

5 *Violations of Section 17(a) of the Securities Act*

6 36. The Commission re-alleges and incorporates by reference Paragraph Nos. 1  
7 through 32.

8 37. Defendants, by engaging in the conduct described above, directly or indirectly, in  
9 the offer or sale of securities, by use of the means or instruments of transportation or  
10 communication in interstate commerce or by use of the mails:

- 11 a. with scienter, employed devices, schemes, or artifices to defraud;
- 12 b. obtained money or property by means of untrue statements of material fact  
13 or by omitting to state a material fact necessary in order to make the  
14 statements made, in light of the circumstances under which they were  
15 made, not misleading; and
- 16 c. engaged in transactions, practices, or courses of business which operated or  
17 would operate as a fraud or deceit upon purchasers.

18 38. By reason of the foregoing, Defendants violated, and unless restrained and enjoined  
19 will continue to violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

20 **PRAYER FOR RELIEF**

21 WHEREFORE, the Commission respectfully requests that the Court:

22 **I.**

23 Permanently enjoin Defendants from directly or indirectly violating Section 10(b) of the  
24 Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and  
25 Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

26 **II.**

27 Permanently enjoin Defendants from directly or indirectly, including, but not limited to,  
28 through any entity controlled by them, participating in the issuance, purchase, offer, or sale of any

1 security, provided however, that such injunctions shall not prevent Defendant Shah and Defendant  
2 Parekh from purchasing or selling securities for their own accounts, pursuant to Section 20(b) of  
3 the Securities Act [15 U.S.C. § 77t(b)] and Sections 21(d)(1) and 21(d)(5) of the Exchange Act [15  
4 U.S.C. §§ 78u(d)(1) and 78u(d)(5)].

5 **III.**

6 Issue an order requiring Defendants to disgorge all ill-gotten gains received as a result of  
7 their unlawful conduct plus prejudgment interest thereon pursuant to Sections 21(d)(3), 21(d)(5),  
8 and 21(d)(7) of the Exchange Act [15 U.S.C. §§ 78u(d)(3), 78u(d)(5), and 78u(d)(7)].

9 **IV.**

10 Issue an order requiring Defendants to pay civil monetary penalties pursuant to Section  
11 20(d) of the Securities Act [15 U.S.C. § 77t(d)], and Section 21(d) of the Exchange Act [15 U.S.C.  
12 § 78u(d)].

13 **V.**

14 Retain jurisdiction of this action in accordance with the principles of equity and the Federal  
15 Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees  
16 that may be entered, or to entertain any suitable application or motion for additional relief within  
17 the jurisdiction of this Court.

18 **VI.**

19 Grant such other and further relief as this Court may determine to be just, equitable, and  
20 necessary.

21  
22 Dated: February 18, 2025

Respectfully submitted,

23  
24 /s/ Silvana A. Quintanilla

Silvana A. Quintanilla

Attorney for Plaintiff

SECURITIES AND EXCHANGE COMMISSION