

Press Release

SEC Obtains Emergency Freeze of \$27 Million in Stock Sales of Purported Cryptocurrency Company Longfin

FOR IMMEDIATE RELEASE

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Washington D.C., April 6, 2018 — The Securities and Exchange Commission has obtained a court order freezing more than \$27 million in trading proceeds from allegedly illegal distributions and sales of restricted shares of Longfin Corp. stock involving the company, its CEO, and three other affiliated individuals.

According to a complaint unsealed today in federal court in Manhattan, shortly after Longfin began trading on NASDAQ and announced the acquisition of a purported cryptocurrency business, its stock price rose dramatically and its market capitalization exceeded \$3 billion. The SEC alleges that Amro Izzelden “Andy” Altahawi, Dorababu Penumarthi, and Suresh Tammineedi then illegally sold large blocks of their restricted Longfin shares to the public while the stock price was highly elevated. Through their sales, Altahawi, Penumarthi, and Tammineedi collectively reaped more than \$27 million in profits.

According to the SEC’s complaint, Longfin’s founding CEO and controlling shareholder, Venkata Meenavalli, caused the company to issue more than two million unregistered, restricted shares to Altahawi, who was the corporate secretary and a director of Longfin, and tens of thousands of restricted shares to two other affiliated individuals, Penumarthi and Tammineedi, who were allegedly acting as nominees for Meenavalli. The subsequent sales of those restricted shares violated federal securities laws that restrict trading in unregistered shares distributed to company affiliates.

“We acted quickly to prevent more than \$27 million in alleged illicit trading profits from being transferred out of the country,” said Robert Cohen, Chief of the SEC Enforcement Division’s Cyber Unit.

“Preventing defendants from transferring this money offshore will ensure that these funds remain available as the case continues.”

The SEC’s complaint, which was filed under seal on April 4, charges Longfin, Meenavalli, Altahawi, Penumarthi, and Tammineedi with violating Section 5 of the Securities Act of 1933. The complaint seeks injunctive relief, disgorgement of ill-gotten gains, and penalties, among other relief.

The SEC’s continuing investigation is being conducted by Ernesto Amparo, Robert Nesbitt, and Adam B. Gottlieb and supervised by Anita B. Bandy and Mr. Cohen. The litigation is being led by Sarah Heaton Concannon and Kevin Lombardi and supervised by Stephan Schlegelmilch and Cheryl Crumpton.

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Related Materials

- [SEC Complaint](#)