



U.S. Securities and Exchange Commission

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Solomon Lichtenstein

U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 26426 / November 26, 2025

***Securities and Exchange Commission v. Solomon Lichtenstein,* No. 25-cv-8742 (S.D.N.Y. filed Oct. 22, 2025)**

SEC Charges Fund Manager with Fraud

On October 22, 2025, the Securities and Exchange Commission charged Solomon Lichtenstein, founder of Taraxa Capital Fund, LP and Lightstone Trading Inc., with orchestrating a fraudulent scheme that raised approximately \$2.7 million from over 25 investors, many of whom were Lichtenstein's family members, neighbors, and friends.

According to the SEC's complaint, in December 2022, Lichtenstein began soliciting investments in Taraxa, which he described to investors as a hedge fund through which he would day-trade securities. The complaint alleges that in addition to Taraxa, Lichtenstein offered potential investors the opportunity to purchase notes issued by Lightstone, in exchange for a fixed interest payment of 5% per month. According to the complaint, Lichtenstein represented that he would use the money invested in Lightstone to trade securities similarly to Taraxa. As alleged, Lichtenstein raised at least \$2.4 million from investors in Taraxa and at least \$300,000 from investors in Lightstone, including several who were also investors in Taraxa. However, according to the complaint, rather than invest the money raised from Taraxa and Lightstone investors as promised, Lichtenstein misappropriated approximately \$966,000 to pay for personal expenses and used approximately \$1.1 million to make Ponzi-like payments to fulfill redemption requests from Taraxa investors interest obligations under the Lightstone notes. The complaint further

alleges that, to the extent Lichtenstein invested a portion of investors' money as promised, he misrepresented to investors that their investments were experiencing significant growth. As a result of Lichtenstein's scheme, investors lost more than \$1.5 million.

The SEC's complaint, filed in the U.S. District Court for the Southern District of New York, charges Lichtenstein with violating Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940 and Rule 206(4)-8 thereunder. The complaint seeks permanent and conduct-based injunctions, disgorgement and prejudgment interest, and civil penalties.

In a parallel action, the U.S. Attorney's Office for the Southern District of New York announced criminal charges against Lichtenstein.

The SEC's investigation was conducted by Melissa A. Coppola under the supervision of Celeste Chase and Thomas P. Smith, Jr., and the litigation will be led by Peter Mancuso under the supervision of Daniel Loss, all of the New York Regional Office.

RESOURCES

- [SEC Complaint](#)