UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 11316 / October 10, 2024

SECURITIES EXCHANGE ACT OF 1934
Release No. 101297 / October 10, 2024

INVESTMENT ADVISERS ACT OF 1940
Release No. 6745 / October 10, 2024

INVESTMENT COMPANY ACT OF 1940
Release No. 35357 / October 10, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-22236

In the Matter of

Rimar Capital USA, Inc.,
Rimar Capital, LLC,
Itai Royi Liptz, and
Clifford Todd Boro,

Respondents.

ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, SECTIONS 203(e), 203(f) AND 203(k) OF THE INVESTMENT ADVISERS ACT OF 1940, AND SECTION 9(b) OF THE INVESTMENT COMPANY ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”), and Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”) against Itai Royi Liptz (“Liptz”), Rimar Capital USA, Inc. (“Rimar USA”), Rimar Capital, LLC (“Rimar LLC”), Clifford Todd Boro (“Boro”, and together with Liptz, Rimar USA and Rimar LLC collectively, “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the "Offers") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V as to Respondents Liptz and Boro, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondents' Offers, the Commission finds[1] that:

Summary

1. This matter concerns fraudulent conduct related to an offering of Simple Agreements for Future Equity ("SAFEs")[2] in a holding company, Rimar USA, controlled by Liptz, as well as false and misleading statements by and about state-registered investment adviser, Rimar LLC, which Liptz also controlled. Between May 2022 and April 2023, Liptz, through Rimar USA and with the help of Rimar USA board member Boro, raised nearly $4 million from 45 investors for the development of Rimar LLC, an adviser that purported to use artificial intelligence to perform automated trading for advisory client accounts in a range of products including equities, futures, and crypto assets, through a series of misrepresentations about the platform's features, its assets under management, its performance, and its supposed artificial intelligence-powered application. These same misrepresentations were also made in order to obtain advisory clients, many of whom became clients after investing in the SAFEs. Liptz also improperly used some of the SAFE proceeds for personal purposes.

Respondents

2. **Rimar Capital USA, Inc.** ("**Rimar USA**") is a corporation organized in Delaware on May 13, 2022, wholly-owns Rimar LLC, and serves as its Managing Member. Its principal place of business is Liptz's private residence in Burlingame, California. It is controlled by Itai Royi

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[1] The findings herein are made pursuant to Respondents' Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

[2] A SAFE is a securities agreement between an investor and the company in which the company generally promises to give the investor a future equity stake in the company if certain trigger events occur.

Liptz, who serves as its CEO; Rimar USA does not own any investment securities. Liptz and Clifford Todd Boro own approximately 93% and 5%, respectively, of Rimar USA.

3. **Rimar Capital, LLC** ("**Rimar LLC**") is a limited liability company organized in Delaware on May 4, 2020. Rimar LLC is registered as an investment adviser with the State of California on June 10, 2021, and with the states of New York in 2022 and Florida in 2023. Its principal place of business is likewise Burlingame, California. Liptz serves as its investment manager and CCO; it is wholly-owned by Rimar USA. According to its Form ADV filed on March 11, 2023, Rimar LLC has regulatory assets under management of approximately $4 million.

4. **Itai Royi Liptz** (**"Liptz"**), age 38, is a resident of Burlingame, California and an Israeli and South African citizen. Liptz passed the Securities Industry Essentials examination and holds Series 63 and 65 licenses. He is the sole employee of Rimar LLC and Rimar USA and controls both firms.

5. **Clifford Todd Boro** (**"Boro"**), age 54, is a resident of San Diego, California. Boro is a director and consultant to Rimar USA and was involved in identifying and soliciting potential investors in SAFEs.

Background

6. According to its marketing materials, Rimar LLC purports to be an advisory firm that offers a range of automated trading strategies through its platform with strategies purportedly driven by the use of artificial intelligence. Liptz was the only investment manager at Rimar LLC and was entitled to receive compensation as owner and CEO of Rimar LLC and Rimar USA. By mid-2023, Rimar LLC said it had 54 clients which it advised as to security futures trading. Contrary to the firm's marketing materials, the firm has never and does not currently offer its clients trading services related to stocks, bonds, crypto assets.

7. Between 2022 and 2023, ostensibly in an effort to develop the Rimar LLC platform, Liptz and Boro engaged in the SAFE offering through Rimar USA. Pursuant to the SAFE's terms, investors would get equity in Rimar USA in the event of any equity financing and would receive a share of proceeds upon a liquidity event, such as an initial public offering. Throughout the fundraising period, Liptz and Boro disseminated a variety of marketing materials to prospective investors, including several pitch decks. Rimar USA identified prospective investors through Liptz's and Boro's connections, who they primarily contacted via email and in-person meetings. Liptz was responsible for approving the content in the marketing materials, such as the pitch decks and posts. Boro relied on Liptz for the accuracy of the information that he transmitted. Boro received a monthly consulting fee during the relevant period when he was spearheading the effort to find SAFE investors.

8. In total, Rimar USA raised $3.725 million from 45 investors. According to the pitch decks disseminated to some prospective investors in the SAFEs, the proceeds were intended to be

used for "additional engineering," "compliance," development of an app, and sales and marketing of the adviser.

A. Liptz, Boro, and Rimar USA Raised Almost $4 Million for SAFE Investments Through Misleading Statements to Investors

9. The marketing materials and communications with investors disseminated to prospective investors in SAFEs by Liptz and Boro contained a range of false and misleading statements regarding Rimar LLC. Liptz knew or was reckless in not knowing they were misstatements given his control over the company, and Boro should have known they were misstatements had he exercised reasonable care as a board member.

Overstated Assets Under Management

10. During the SAFE fundraising, Liptz and Boro, through Rimar USA, made numerous misrepresentations in pitch decks, online posts in a members-only investment group and emails about Rimar LLC's assets under management ("AUM"), repeatedly claiming the AUM was between $16 and $20 million, suggesting an established base of advisory clients, when in reality, the amount was much less.

11. About three quarters of the SAFEs were entered into in 2022, at which time Rimar LLC actually had less than $2 million in AUM. In March 2023, Rimar LLC's AUM hit its high of $11 million, which it maintained only for another month. In reality, the advertised AUM did not relate to Rimar LLC, but instead included the assets of several entities overseas ("Overseas Entities"), which Liptz knew were not controlled by Rimar LLC. Neither Liptz nor Rimar LLC provided any advisory services to the Overseas Entities.

Exaggerated Technological Capabilities and Never Implemented AI-Client Application Interface

12. Liptz and Boro, through Rimar USA, also made false and misleading claims in pitch decks, online posts in a members-only investment group, and emails about the expansive technological operations of Rimar LLC. This included claims about an extensive infrastructure of coders and data processing capabilities, which were misleading given that they referred to the operations of the Overseas Entities, in which neither Rimar USA nor Rimar LLC had any ownership interest. The marketing materials and solicitation communications also repeatedly referred to Rimar LLC as having an artificial intelligence-driven platform for trading, among other products, stock and crypto assets. But the firm had no trading application at all at the time of the fundraising, and has never had a trading platform for stock or crypto assets.

13. As with the claims about AUM, Rimar LLC's overstated claims about its technology conflated technology apparently owned by Overseas Entities, not Rimar LLC itself.

Hedge Fund Structure Not Created

14. In connection with Rimar USA's SAFE fundraising, Liptz and Boro also misrepresented that Rimar LLC was managing a "hedge fund," when in fact the only clients of the Rimar LLC at the time were separately managed accounts.

Misleading Claims about Performance

15. During the fundraising, Liptz and Boro also made numerous misleading statements to prospective investors in SAFEs concerning Rimar LLC's managed client account performance. In some instances, Rimar USA's pitch decks contained performance tables that had monthly returns from January 2015 through December 2022. In other instances, the decks contained snapshots of returns, such as "46% CAGR [compound annual growth rate] since 2015" or "In 2022, Rimar is up 23%".

16. As with several of the misleading claims discussed above, the claims about the returns were misleading because the figures did not represent the returns of Rimar LLC, but rather the returns of the separate Overseas Entities, a fact that was not disclosed to prospective investors.

17. The marketing materials indicated they contained three months of actual returns (from October through December 2022), which were supposedly on the returns of accounts of Rimar LLC's clients. The advertised returns for these months were -3.22%, 20.55%, and 5.91%. Yet despite the claims otherwise, the returns appear to be derived instead from a single account in the name of Rimar LLC, not the accounts it managed for its clients.

18. For these supposed actual returns, Rimar LLC engaged an accounting firm to verify its returns (again only as to the one proprietary account, not to the client accounts). Even under the accounting firm's analysis, the report calculated returns *gross* of all fees. Rimar USA's promotional materials, by contrast, claimed the returns were *net* of all fees.

B. Rimar LLC and Liptz Obtained Advisory Clients Through Fraudulent Statements

19. In addition to obtaining investors in SAFEs using misleading marketing materials, Liptz also obtained advisory clients of Rimar LLC using the same misleading claims. Of the 45 different investors in SAFEs, at least 20 also became advisory clients. Liptz and Boro disseminated Rimar USA's SAFE marketing materials to prospective Rimar LLC clients, as well as other pitch decks, and many of the email communications described above included invitations to become Rimar LLC clients. When soliciting the SAFE investments, Liptz and Boro provided an incentive that, if the individual invested in SAFEs, the investor would be entitled to become an advisory client at half the regular management fee.

20. At or around the time of the Rimar USA SAFE fundraising, Liptz also disseminated additional marketing materials, which were essentially shorter versions of the SAFE pitch decks, and which he created specifically for attracting advisory clients. These marketing handouts

contained several of the same misrepresentations described above, in particular, the misleading claims about performance and concerning the firm's supposed technological capabilities.

C. Liptz Used Some of Rimar USA's SAFE Proceeds for Personal Purposes

21. Liptz used a portion of the proceeds raised from the SAFE investments for personal purposes that deviated from what investors were told or understood to be the purpose of the fundraising. The SAFE marketing materials had varied descriptions of the use of proceeds. The final version of the pitch deck stated the fundraising was for "additional engineering needs" and "to scale compliance." Other marketing materials described that the proceeds would be used for a "Hedge Fund for everyone app" and "Using funds for US launch" and earlier drafts identified uses of 25% for app development and 75% for building and scaling sales and marketing. Neither the agreement nor the marketing materials ever disclosed that Liptz was authorized to use the proceeds for personal expenses. Rimar USA's funds were sometimes transferred to Rimar LLC, and Liptz similarly charged Rimar LLC's bank account (whose proceeds were sourced from Rimar USA and from advances of working capital from Liptz) for personal expenses.

22. Before and during the time frame of the SAFE fundraising Liptz made capital advances to Rimar USA and Rimar LLC of which $480,986 was outstanding as of June 30, 2024.

23. In connection with the Enforcement staff's investigation, in July 2024, Rimar USA adopted a board resolution offsetting $213,611.25 in Liptz's personal charges expensed to Rimar USA and Rimar LLC against capital advances Liptz previously made. The $213,611.25 represents $202,604 in personal charges expensed to Rimar USA and Rimar LLC and prejudgment interest of $11,007.25.

Violations

24. As a result of the conduct described above, Rimar USA committed violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in the offer or sale of securities and in connection with the purchase or sale of securities.

25. As a result of the conduct described above, Rimar LLC willfully violated Sections 206(1) and 206(2) of the Advisers Act, which prohibit fraudulent conduct by an investment adviser.

26. As a result of the conduct described above, Liptz willfully violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in the offer or sale of securities and in connection with the purchase or sale of securities, and Sections 206(1) and 206(2) of the Advisers Act, which prohibit fraudulent conduct by an investment adviser.

27. As a result of the conduct described above, Boro violated Sections 17(a)(2) and 17(a)(3) of the Securities Act, which prohibits fraudulent conduct in the offer or sale of securities.

Violations of Sections 17(a)(2) and 17(a)(3) may rest on a finding of simple negligence. *Aaron v. SEC*, 446 U.S. 680, 697 (1980). Proof of scienter is not required to establish a violation of Sections 17(a)(2) and 17(a)(3). *Id*.

Disgorgement

28. The disgorgement and prejudgment interest ordered in paragraph IV.G. is consistent with equitable principles and does not exceed Liptz's net profits from his violations and are deemed satisfied by offsets of his capital advances to Rimar USA and Rimar LLC in July 2024.

IV.

In view of the foregoing, the Commission deems it appropriate, and in the public interest to impose the sanctions agreed to in Respondents's Offers.

Accordingly, pursuant to Section 8A of the Securities Act, Section 21C of the Exchange Act, Sections 203(e), 203(f) and 203(k) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Respondent Rimar USA cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Respondent Rimar LLC cease and desist from committing or causing any violations and any future violations of Sections 206(1) and 206(2) of the Advisers Act.

C. Respondent Liptz cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act.

D. Respondent Boro cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) and (3) of the Securities Act.

E. Respondent Liptz be, and hereby is:

> barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and
>
> prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter;

with the right to apply for reentry after five (5) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

Any reapplication for association by the Respondent Liptz will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against Respondent Liptz in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent Liptz for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

F. Respondent Rimar LLC is censured.

G. Respondent Liptz shall pay disgorgement of $202,604 and prejudgment interest of $11,007.25 for a total of $213,611.25, with such payment being deemed satisfied by offsets recorded in July 2024 against capital advances Liptz previously made to Rimar USA and Rimar LLC.

H. Respondent Liptz shall pay a civil money penalty in the amount of $250,000 to the Securities and Exchange Commission. Payments shall be made in the following installments: (1) due within ten [10] days of the entry of this Order, $83,333.34; (2) due within forty-five [45] days of the entry of this Order, $83,333.33; and (3) due within ninety [90] days of the entry of this Order, $83,333.33. Payments shall be applied first to post order interest, which accrues pursuant to 31 U.S.C. 3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the Staff of the Commission without further application to the Commission.

I. Respondent Boro shall pay a civil money penalty in the amount of $60,000 to the Securities and Exchange Commission. Payments shall be made in the following installments: (1) due within ten [10] days of the entry of this Order, $20,000; (2) due within forty-five [45] days of the entry of this Order, $20,000; and (3) due within ninety [90] days of the entry of this Order, $20,000. Payments shall be applied first to post order interest, which accrues pursuant to 31 U.S.C. 3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and

payable immediately at the discretion of the Staff of the Commission without further application to the Commission.

Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Respondent's name as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Brent Wilner, Esq., Associate Regional Director, Division of Enforcement, Securities and Exchange Commission, 444 South Flower Street, 9th Floor, Los Angeles, CA.

J. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a Fair Fund is created for the penalties referenced in paragraphs H and I above. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents Liptz and Boro agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents Liptz and Boro each agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondents Liptz and Boro by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondents Liptz and Boro, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondents Liptz or Boro under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondents Liptz or Boro of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary