

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**-against-**

**PROSKY, INC. and  
CRYSTAL A. HUANG,**

**Defendants,**

**and**

**T AND C PARTNERSHIP, LLC,**

**Relief Defendant.**

**COMPLAINT**

**21 Civ. 7568 ( )**

**ECF CASE  
JURY TRIAL DEMANDED**

Plaintiff Securities and Exchange Commission (“Commission”) for its Complaint against ProSky, Inc. (“ProSky” or “Company”) and Crystal A. Huang (“Huang” and with ProSky, “Defendants”) and T and C Partnership, LLC ( “Relief Defendant”), alleges as follows:

**SUMMARY**

1. Between at least February 2015 and February 2020, Defendant ProSky and its co-founder and Chief Executive Officer, Huang, made materially false and misleading misrepresentations about the Company’s financial condition and its customer base to induce investments from at least sixteen prospective and pre-existing investors and then misappropriated some investor money. Defendants provided investors, many of whom focused on investing in minority- and women-owned businesses such as ProSky, with falsified bank statements and balance sheets that overstated ProSky’s cash reserves and revenues by millions of dollars. Defendants also provided investors with falsified customer lists that contained companies which were not actual ProSky customers and which were used to support inflated revenue figures.

Thirteen of these investors ultimately invested \$5.025 million in ProSky based on Defendants' material misrepresentations.

2. ProSky and Huang diverted hundreds of thousands of dollars in investor money to Huang and her family members for their personal benefit. This included transferring at least \$371,000 to the Relief Defendant—T and C Partnership, LLC—a private company controlled by Huang and her husband, which then purportedly loaned \$235,000 of that money to Huang and her husband to purchase a residential property.

3. By engaging in the conduct alleged in this Complaint, Defendants violated and, unless restrained and enjoined, will violate again, Sections 17(a)(1), (2) and (3) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77q(a)(1), (2) and (3)] and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rules 10b-5(a), (b) and (c) thereunder [17 C.F.R. § 240.10b-5(a), (b) and (c)]. Huang is also liable as a control person of ProSky under Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)]. In the alternative, Huang aided and abetted ProSky's violations.

4. The Commission seeks entry of a final judgment enjoining Defendants from future violations of these same provisions; ordering the Defendants to each pay civil monetary penalties; prohibiting Huang from serving as an officer or director of a public company; permanently enjoining Huang from directly or indirectly, including, but not limited to, through any entity owned or controlled by her, participating in the issuance, purchase, offer, or sale of any security; provided, however, that such injunction shall not prevent her from purchasing or selling securities listed on a national securities exchange for her own personal account; and ordering ProSky, Huang, and the Relief Defendant to pay disgorgement and prejudgment interest.

**JURISDICTION AND VENUE**

5. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d), and 77v(a)] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d)(1), 78u(e), and 78aa]. In connection with the conduct described herein, Defendants directly or indirectly made use of the means or instrumentalities of interstate commerce, or of the mails, or of a facility of a national securities exchange.

6. Venue in the Southern District of New York is proper pursuant to Section 22(a) of the Securities Act [15 U.S.C. §§ 77v(a)] and Section 27(a) of the Exchange Act [15 U.S.C. § 78aa(a)] and 28 U.S.C. § 1391(b)(2). Certain of the acts, practices, and courses of business constituting the violations of law alleged in this Complaint occurred within this District. Specifically, Defendants solicited prospective investors in this District, and offers and sales of securities took place in this District.

**DEFENDANTS**

7. **ProSky, Inc.** is a private company incorporated in Delaware with its principal place of business in Lehi, Utah. ProSky purports to provide employee recruitment and development services through software that automates recruiting, evaluation, hiring, and employee development. ProSky does not have a board of directors and is controlled by its co-founder and CEO, Crystal Huang.

8. **Crystal A. Huang**, age 39, resides in Lehi, Utah. Huang founded ProSky in 2014 with her brother and serves as its Chief Executive Officer.

**RELIEF DEFENDANT**

9. **T and C Partnership, LLC** is a Utah LLC with its principal place of business in

Lehi, Utah. Huang and her husband are its sole members and Huang is its registered agent. T and C Partnership received around \$371,000 from ProSky and provided a purported \$235,000 loan to Crystal Huang and her husband which they used to purchase a piece of residential real property in Lehi, Utah.

### **FACTUAL ALLEGATIONS**

10. Defendants, each acting with scienter, perpetrated a fraud to deceive investors in connection with the offer, purchase, or sale of securities. Huang then used some of the money raised through the fraudulent offerings to unjustly enrich herself, the Relief Defendant, and others.

#### ***Defendants Offered and Sold Securities***

11. Beginning in at least February 2015 and continuing until at least February 2020 (“Relevant Period”), Defendants offered and sold securities, in the form of preferred shares in ProSky and convertible promissory notes that converted into shares in ProSky, to investors in several states, including New York, Illinois, California, Texas, Oregon, and Arizona, plus at least one investor in Japan. The investors included private equity and venture capital firms focused on investing in minority- and women-owned businesses.

12. During the Relevant Period, ProSky was struggling with limited revenue, few customers, and marginal growth prospects.

13. Investors paid money in the form of wire transfers to effectuate the purchase and sale of securities from the Defendants. In total, investors who were defrauded by Huang and ProSky paid at least \$5.025 million for ProSky’s offerings during the Relevant Period.

14. To deceive investors into purchasing shares in ProSky, Huang provided them, both orally and in writing, with financial, customer, and other information that materially

misrepresented the true state of the Company. Huang made many of these documents available to investors through an online data room that she controlled, including financial statements, pitch decks, bank statements, and customer lists. Huang also provided investors with documents through email.

15. At least 13 investors invested a total of \$5.025 million in ProSky after receiving materially false and misleading information about ProSky from Huang; these investments ranged from \$25,000 up to \$1 million. Each investor received convertible promissory notes or preferred stock in ProSky in exchange for their cash investments. In addition, three other prospective investors received the same or substantially similar false and misleading information about ProSky from Huang, but ultimately did not invest.

***Huang's Misrepresentations and Deceptive Conduct: ProSky's Finances***

16. During the Relevant Period, in connection with the offer and sales of securities, Huang made material misrepresentations, orally and in writing, and engaged in other deceptive conduct when communicating with investors about ProSky's finances. Huang's misrepresentations were material because they overstated ProSky's revenue and cash reserves, key metrics upon which investors rely when deciding whether to purchase or sell securities. The following are examples of those misrepresentations.

***Investor A***

17. On July 20, 2015, Huang emailed Investor A ProSky's purported balance sheets encompassing the period February 2015 through June 2015. The ProSky balance sheets that Huang emailed to Investor A were materially false and misleading. For example, the balance sheets overstated ProSky's cash balances by nearly \$600,000, a figure that was around 76% greater than ProSky's actual cash balance as reflected on its bank statements during the period.

Investor B

18. Investor B, the first outside investor in ProSky, invested \$100,000 in the Company in November 2014. After Investor B's initial investment, throughout 2015 and the first quarter of 2016, Defendants provided Investor B with balance sheets, pitch decks, and other documents containing materially false and misleading information. For example, in February 2015, Huang provided Investor B a pitch deck which reflected \$30,000 in monthly recurring revenue from customers. According to the Company's bank statements, ProSky received no such recurring revenue. On November 9, 2015, Huang emailed Investor B a "Q3 Update for ProSky," which falsely represented ProSky's revenues for July 2015 (\$175,000), August 2015 (\$188,000) and September 2015 (\$243,000). In truth, ProSky's bank accounts reflect total combined non-investor deposits over all three months of around \$500.

19. On November 10, 2015, Investor B emailed Huang and noted, "[I]'m confused... you have \$2.7M in the bank? And you are burning \$85k?" Huang emailed back "Yes to the first 2", even though ProSky's cash balances at the time were around \$1.9 million, or 30% less than Huang represented to Investor B. Then, on January 4, 2016, Huang emailed Investor B and falsely stated that ProSky's monthly recurring revenue had increased to \$272,000, even though ProSky's bank accounts received less than \$425 in new deposits for the months of November and December 2015 combined.

Investor C

20. Investor C was an existing ProSky shareholder which had made an initial \$100,000 investment in ProSky in June 2015. On January 9, 2018, Huang emailed Investor C an attachment labeled a "quick overview" of ProSky's 2016 and 2017 financial statements. The document contained a 2017 overview which stated that ProSky ended 2017 with over \$2.9

million in cash on hand. The overview document also represented that ProSky's 2016 and 2017 quarterly revenues ranged from \$531,000 up to \$668,000.

21. The Defendants' representations to Investor C were materially false and misleading. ProSky's combined bank account balance at the end of 2017 was around \$446,000, significantly less than the \$2.9 million set forth in the "quick overview" that Huang emailed to Investor C. In addition, ProSky's bank account statements do not reflect revenue in the \$531,000 to \$668,000 range at any point during 2016 or 2017. ProSky's 2016 and 2017 combined bank account statements show less than \$75,000 in deposits that did not originate from investors.

Investor D

22. On or around July 23, 2019, Huang provided Investor D with access to ProSky's online data room through which Huang shared ProSky balance sheets and profit and loss statements for the period January 2017 through May 2019, a pitch deck, and other documents. Investor D is located in this District. The documents Defendants provided to Investor D were materially false and misleading. For example, in the pitch deck the Defendants represented that ProSky had \$5 million in ARR (annual recurring revenue), \$4 million in cash on hand, and \$1.195 million in first quarter 2019 sales revenue. But ProSky's January 2019 bank statements reflect only around \$336,000 in cash and ProSky's cash actually *decreased* through May 2019 to a balance of around \$189,000, with total deposits from all sources into ProSky's bank accounts for the first quarter of 2019 totaling around \$7,818, less than 1% of what the Defendants had represented to Investor D. Also, the falsified balance sheets and profit and loss statements in the data room misrepresented that ProSky's monthly revenues steadily increased from \$183,000 in March 2018, up to \$493,673 in May 2019. In truth, the monthly deposits made into ProSky's bank accounts between March 2018 and May 2019 never exceeded \$4,600.

23. Investor D made an initial investment of \$500,000 in September 2019, and received 23,634 shares of preferred stock in ProSky. Thereafter, Huang kept in regular contact with Investor D. On January 8, 2020, Huang emailed Investor D a year-end update which contained materially false and misleading information. For example, Huang falsely represented in her year-end update email that ProSky “ended the year [2019] with \$6,172,840 in revenue.” In truth, apart from \$1.65 million the Defendants raised from investors, ProSky took in around \$70,000 in revenue in all of 2019. On February 20, 2020, Investor D invested an additional \$750,000 in ProSky in exchange for 35,452 preferred shares.

Investor E

24. On or about August 30, 2019, Huang provided Investor E with access to ProSky’s online data room through which Huang shared purported ProSky balance sheets, profit and loss statements for January 2019 through May 2019, and a pitch deck, among other documents. The documents Defendants provided to Investor E were materially false and misleading. For example, in the pitch deck the Defendants made the same misrepresentations about ARR, cash on hand, and first quarter 2019 sales revenue that they had made to Investor D. Also, the falsified balance sheets and profit and loss statements in the data room misrepresented that ProSky’s monthly revenues steadily increased from \$334,800 in January 2019, up to \$493,673 in May 2019. In truth, the monthly deposits made into ProSky’s bank accounts between January 2019 and May 2019 never exceeded \$4,600, including only \$15.37 in January 2019.

Investor F

25. In July 2019, Huang provided Investor F with access to ProSky’s online data room through which Huang shared purported ProSky balance sheets, profit and loss statements, bank account statements, and a pitch deck, among other documents. The documents the



Defendants provided to Investor F were materially false and misleading. For example, in the pitch deck the Defendants represented that ProSky had \$5.5 million in ARR and \$2.9 million in cash on hand, but ProSky's bank statements show that, as of July 31, 2019, the company only had around \$112,000 in cash and less than \$100,000 in non-investor deposits. A falsified May 2019 bank account statement showed that ProSky had a beginning balance of \$4,193,598.00, while ProSky's actual May 2019 bank account statement showed a balance of \$188,159.00.

Other Prospective Investors

26. Huang also provided three prospective investors with false ProSky financial information and altered ProSky bank statements. For example, in June 2019, Investor G communicated with Huang about investing in ProSky. On July 3, 2019, Huang shared materially false and misleading documents with Investor G through ProSky's data room. These documents included (i) ProSky monthly bank statements for January 2017 through May 2019, which ProSky and Huang had altered to reflect overstated cash balances that were substantially greater than ProSky's actual cash balances with the bank, and (ii) ProSky balance sheets and profit and loss statements from March 2016 through May 2019, which ProSky and Huang had falsified to reflect millions of dollars in revenue from nonexistent customers. For example, the Defendants provided Investor G with falsified bank statements and balance sheets that reflected a May 2019 cash balance in ProSky's bank accounts of around \$4,194,000, when ProSky's bank account statements show that its May 2019 cash balance was around \$188,159, a difference of approximately 2,029%. Investor G later presented Huang with a term sheet, and Huang told Investor G that it could proceed with inviting other investors to participate in a consortium. ProSky and Huang provided many of the same altered and falsified documents to two other investors contacted by Investor G. When Investor G and the two investors sought clarification of

the data, however, Huang terminated all further discussion, and the three investors did not invest in ProSky.

27. The Defendants' false and misleading statements were material to investors because they misstated the key financial metrics upon which investors rely when making investment decisions by 1,000% or more at times. A reasonable investor wants accurate and truthful financial information, including but not limited to revenue, profit, and cash balances about ProSky to make an informed investment decision. In fact, the investors who bought shares in ProSky relied on the materially false financial and other documents as part of their investment decisions.

***Huang's Misrepresentations and Deceptive Conduct: ProSky's Customers***

28. During the Relevant Period, in connection with the offer and sales of securities, Huang made material misrepresentations, orally and in writing, to investors about ProSky's customers. Huang's misrepresentations were material because they overstated the number of customers who had entered into contracts with ProSky, making it appear that the Company was growing and more successful than was actually the case.

29. For example, on or around January 2018, Investor C spoke with Huang who represented that as of January 2018, ProSky had 140 customers.

30. In or around July 2019, Investor D downloaded a pitch deck and customer list from the ProSky data room after being provided access by Huang.

31. The pitch deck downloaded by Investor D stated that ProSky had 229 customers.

32. The customer list downloaded by Investor D contained a list of ProSky's purported customers as of June 2019, which listed 226 current customers and purported monthly recurring revenue figures for each company. The customer list falsely represented that ProSky's

monthly recurring revenue increased from \$52,000 in January 2017, to \$151,000 in January 2018, to \$317,800 in January 2019, and up to \$502,830 in June 2019.

33. On or about July 29, 2019, Investor E downloaded a customer list from the ProSky data room after being provided access by Huang. The customer list identified over 200 purported ProSky customers and contained purported revenue figures for 2017 (\$1,142,000) and 2018 (around \$3,000,000), and projected revenue figures for 2019 (around \$5,500,000). Investor E also downloaded a pitch deck from the ProSky data room which stated that ProSky had 229 customers.

34. In or around July 2019, Investor F downloaded a pitch deck from the ProSky data room after being provided access by Huang. The pitch deck stated that ProSky had 229 customers. Huang also provided Investor F with a purported customer list which identified around 237 customers and contained purported monthly recurring revenue figures for the period January 2017 through January 2019. The monthly recurring revenue falsely showed steadily increasing monthly revenue starting at \$52,000 in January 2017, up to \$141,000 in January 2018, and over \$380,000 in May 2019.

Prospective Investors

35. Between July 2019 and August 2019, Huang also provided at least three prospective investors with falsified customer lists and revenue figures. For example, on July 3, 2019, Huang provided Investor G with access to ProSky's data room which contained a customer list representing that ProSky had 240 customers and, among other documents, a profit and loss statement for April 2019, which showed monthly revenue of over \$490,000, when, in truth, ProSky's bank statements show that the deposits across all of ProSky's bank accounts for that month totaled just over ten dollars.

36. The representations identified in paragraphs 28 to 35 were materially false and misleading because ProSky did not enter into contracts with the customers identified in the customers lists provided to investors and prospective investors nor did ProSky have the number of customers which the Defendants represented. During the Relevant Period, ProSky's bank records reflect revenue from only two customers—\$3,100 from a customer in September 2018 and \$150,000 from another customer which paid ProSky between December 2019 and March 2020—materially less than the more than 200 customers on the lists provided to investors.

37. The Defendants' false and misleading statements were material to investors. Information concerning customer numbers and customer contracts are material facts to investors when considering whether to purchase securities in a business that derives revenue exclusively through the production and sale of a retail product, here, a recruiting, evaluation, and employee development software. Indeed, investors who bought preferred shares in ProSky and convertible promissory notes that converted into shares in ProSky relied on the materially false information the Defendants provided about ProSky's customers as part of their investment decisions.

38. For example, the customer list Huang provided to Investor C represented that Company A purportedly contracted with ProSky in March 2019, and paid the Company \$24,000 per month. The same list also represented that Company B, one of the largest retailers in the United States, purportedly contracted with ProSky in or around November 2018 as part of a pilot program. In truth, neither Company A nor Company B ever contracted with ProSky.

39. Huang, as ProSky's CEO and control person, knew or was reckless in not knowing that each of these misrepresentations about ProSky's finances and customers was materially false and misleading. Huang was a signor on ProSky's bank accounts, issued checks on the accounts, and maintained online access to the accounts. Huang was the only ProSky

representative who communicated directly with investors concerning the Company's financial performance and the terms of any prospective investment. She emailed investors documents and written updates containing materially false and misleading financial information about ProSky, talked to investors on the phone to answer questions, and met with investors in person. Huang also listed herself as the person to contact with any questions on the last page of each of the pitch decks she provided to investors through the data room. The invites investors received to access the data room bore Huang's name and, in some instances, a message with her picture. For example, in the July 29, 2019 invite sent to Investor D, Huang wrote "Hi [Investor D], As promised, here's a brief look at part of our data room, in particular our financials. Look forward to chatting more about ProSky. Cheers, Crystal Huang."

***Huang Used Investor Funds To Benefit Herself and Her Family***

40. During the Relevant Period, Huang transferred hundreds of thousands of dollars in investor funds from ProSky's bank account and used them to pay certain personal expenses for herself and her family.

41. The Defendants represented in pitch decks provided to investors, including Investor D, Investor E, Investor F and Investor G, that ProSky would use investor funds "to fund expanded hiring, growing Enterprise market, tech research & development (predictive A.I.), and to scale to large partnerships." Instead, Huang transferred investor funds to accounts in her husband's name and paid personal expenses.

42. For example, during the Relevant Period, Huang used nearly \$20,000 from ProSky's bank account to pay credit card accounts held in her husband's name and transferred over \$20,000 to her husband's management company for no legitimate business purpose. These payments and transfers were not disclosed to investors, were used for Huang and her husband's

personal expenses, and were not legitimate business expenses related to ProSky.

43. In June 2020, ProSky transferred \$235,000 to Relief Defendant T and C Partnership. Huang then used almost all of that money to purchase a residential property in Lehi, Utah, titled in the names of Huang and her husband as joint tenants. In total, between 2019 and 2020, ProSky transferred around \$371,000 to the Relief Defendant. The Relief Defendant did not perform work for ProSky during the Relevant Period and it was not entitled to the money.

44. At no point did the Defendants disclose to investors that their funds would be used to pay for Huang or her family's personal expenses or to purchase residential real estate.

***Huang's Efforts to Conceal Her Fraud  
By Producing Fraudulent Documents to the SEC***

45. On or around September 24, 2020, the SEC issued an investigative subpoena to ProSky demanding the production of documents, including:

All contracts (including, but not limited to, business agreements, purchase orders, and contracts for services) between [ProSky] and any individual or entity Concerning ProSky products and/or services.

46. From October 2020 through January 2021, the SEC received rolling document productions from ProSky in response to the subpoena.

47. ProSky's production to the SEC included purported contracts with customers, each of which contained the text "Presented by Crystal Huang." But many of the customer contracts produced by ProSky contained forged signatures and were not actual contracts between the customers and ProSky.

48. In November 2020, ProSky also produced to the SEC a purported balance summary from an online payments processor identifying an account in the name of "ProSky" with a balance of over \$1.25 million as of "January" and a closing balance of over \$2.1 million on "November 7," but the document did not contain a year. Huang, directly or indirectly,

falsified an account identifier on the document which did not correspond to an actual account with the payments processor. And while the payments processor had two inactive accounts in the name of ProSky, neither account had completed any transactions since 2017.

***Huang Was ProSky's Control Person and Aided and Abetted ProSky's Violations***

49. Throughout the Relevant Period, Huang acted as the control person of ProSky and was a culpable participant in ProSky's fraudulent conduct. Huang was ProSky's CEO, operated ProSky without a board of directors, and was the only ProSky representative to communicate directly with customers concerning the Company's financial performance and the terms of any prospective investment.

50. ProSky violated Section 10(b) and Rule 10b-5 of the Exchange and Section 17(a) of the Securities Act and Huang aided and abetted ProSky's violations. Huang, as ProSky's CEO and control person, knew that ProSky was providing materially false and misleading financial, customer, and other information to investors and substantially assisted ProSky's violations through, among other things, her direct communications with investors about the Company, her providing investors with access to ProSky's data room which contained the materially false and misleading documents, and her sending emails to investors which contained the materially false and misleading financial, customer, and other information about the Company.

**CLAIMS FOR RELIEF**

**COUNT I**

**Violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder  
(All Defendants)**

The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 50 above, as if fully set forth herein.

51. By engaging in the conduct described above, the Defendants knowingly or recklessly, in connection with the purchase or sale of securities, directly or indirectly, by use of the means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange:

- (a) employed devices, schemes or artifices to defraud;
- (b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or
- (c) engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon persons.

52. By reason of the foregoing, ProSky and Crystal A. Huang each violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

**COUNT II**

**Violations of Section 17(a) of the Securities Act  
(All Defendants)**

53. The SEC realleges and incorporates by reference each allegation in paragraphs 1 through 50, inclusive, as if they were fully set forth herein.



54. By engaging in the conduct that is described above, the Defendants knowingly, recklessly, or negligently in connection with the offer or sale of securities, by the use of the means or instruments of transportation, or communication in interstate commerce or by use of the mails, directly or indirectly:

- a. employed devices, schemes, or artifices to defraud;
- b. obtained money or property by means of untrue statements of material facts, or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or
- c. engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

55. By engaging in the foregoing conduct, the Defendants violated, and unless enjoined will continue to violate, Securities Act Section 17(a) [15 U.S.C. § 77q(a)].

### **COUNT III**

#### **Control Person Liability Under Exchange Act Section 20(a) for Violations of Exchange Act Section 10(b) and Rule 10b-5 Thereunder (Defendant Crystal A. Huang)**

56. The SEC realleges and incorporates by reference each allegation in paragraphs 1 through 50, inclusive, as if they were fully set forth herein.

57. Through the conduct described above, ProSky directly or indirectly, by use of the means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange: (a) employed devices, schemes or artifices to defraud; (b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, practices, or courses of business which operated or would operate as a

fraud or deceit upon any person in connection with the purchase or sale of any security in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

58. When ProSky violated Section 10(b) of the Exchange Act and Rule 10b-5, Defendant Crystal Huang directly or indirectly controlled ProSky. Defendant Crystal A. Huang was therefore a “controlling person” within the meaning of Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)] with regard to ProSky

59. As alleged above, Defendant Crystal A. Huang was a culpable participant in, and directly or indirectly induced the acts constituting ProSky’s violations of the Exchange Act, and did not act in good faith.

60. By reason of the foregoing, Defendant Crystal Huang is jointly and severally liable with and to the same extent as ProSky for its violations of Section 10(b) of the Exchange Act and Rule 10b-5 and, unless enjoined, will again act as a “controlling person” in connection with such violations.

#### **COUNT IV**

#### **Aiding and Abetting Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder (Against Crystal A. Huang)**

61. The Commission realleges and incorporates by reference each allegation in paragraphs 1 through 50, inclusive, as if they were fully set forth herein.

62. By engaging in the conduct alleged above, Defendant Crystal Huang knowingly or recklessly provided substantial assistance to Defendant ProSky with respect to its violations of Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

63. By engaging in the foregoing misconduct, Defendant Crystal Huang aided and abetted, and unless enjoined will continue to aid and abet violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

**COUNT V**

**Aiding and Abetting Violations of Section 17(a) of the Securities Act  
(Against Crystal A. Huang)**

64. The Commission realleges and incorporates by reference the allegations in paragraphs 1 through 50, as if they were fully set forth herein.

65. By engaging in the conduct alleged above, Defendant Crystal A. Huang knowingly or recklessly provided substantial assistance to Defendant ProSky with respect to its violations of Securities Act Section 17(a) [15 U.S.C. § 77q(a)].

66. By engaging in the foregoing misconduct, Defendant Crystal A. Huang aided and abetted, and unless enjoined will continue to aid and abet violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

**COUNT VI**

**Unjust Enrichment Liability  
(Relief Defendant T and C Partnership, LLC)**

67. The SEC realleges and incorporates by reference each allegation in paragraphs 1 through 50, inclusive, as if they were fully set forth herein.

68. Relief Defendant T and C Partnership, LLC has obtained funds as part, and in furtherance of the securities violations alleged above, and under circumstances in which it is not just, equitable, or conscionable for this party to retain the funds. The Relief Defendant has no claim to these funds and did not receive these funds for any legitimate or business purpose. As a consequence, the Relief Defendant has been unjustly enriched.

**PRAYER FOR RELIEF**

WHEREFORE, the Commission respectfully requests that this Court enter a final judgment:

**I.**

Permanently restraining and enjoining Defendants ProSky and Crystal A. Huang from, directly or indirectly, violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

**II.**

Permanently restraining and enjoining Defendants ProSky and Crystal A. Huang from, directly or indirectly, violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)];

**III.**

Ordering Defendants ProSky and Crystal A. Huang and Relief Defendant T and C Partnership, LLC to disgorge all illicit gains, with prejudgment interest;

**IV.**

Ordering Defendant Crystal A. Huang to pay appropriate civil penalties under Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)];

**V.**

Permanently restraining and enjoining Defendant Crystal A. Huang from directly or indirectly, including, but not limited to, through any entity owned or controlled by her, participating in the issuance, purchase, offer, or sale of any security provided, however, that such injunction shall not prevent her from purchasing or selling securities listed on a national securities exchange for her own personal account;

**VI.**

Permanently barring Defendant Crystal A. Huang from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] and that is required to file reports under Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)] pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 78t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)];

**VII.**

Retaining jurisdiction over this action to implement and carry out the terms of all orders and decrees that may be entered; and

**VIII.**

Granting such other and further relief as this Court may deem just and appropriate for the protection of investors pursuant to Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)].

**JURY TRIAL DEMANDED**

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the Commission hereby demands trial by jury.

Dated: September 10, 2021

Respectfully submitted,

S/David Mislér

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