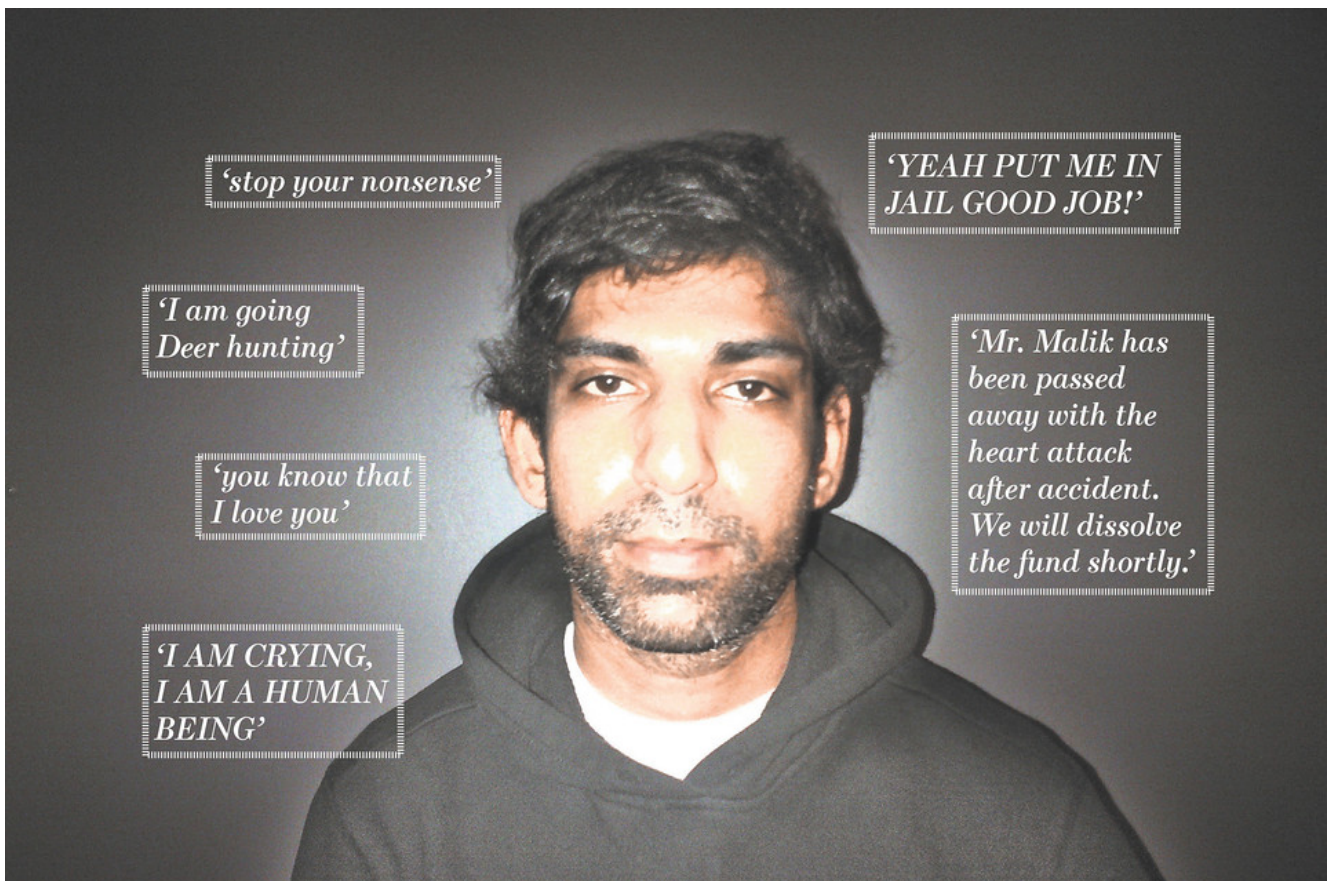


The American Dream Of Moazzam Ifzal Malik

Would-Be Financial Whiz Is Charged With Stealing From Investors

Mark Malik's fund won praise from ranking firms



Mug shot of Mark Malik. Quotes are from emails sent by Mr.

Malik to his clients. Photo: Office of the New York Attorney General

By

Jean Eaglesham

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Mark Malik seemed to have a knack for making money.

The 33-year-old New Yorker ran his own hedge fund, reporting assets of \$100 million and eye-popping returns that won plaudits from several services that rank hedge funds. He explained he had honed his skills at top investment banks and a boutique trading firm.

A \$1 billion deal to take his company public was in the works, he told investors, and he was hiring dozens of analysts and opening offices across the world, he said. In December, an industry publication reported on his successful launch of a second \$100 million fund, called Wolf Hedge Global Strategy.

Prosecutors and the SEC say that hedge funds set up by a man named Mark Mallik were part of a plan to scam investor

But Mr. Malik was a fraud, say New York prosecutors and the Securities and Exchange Commission. He only raised a fraction of the amounts he said he did, never made any real investments and used the money to pay for a lavish lifestyle, they say. The SEC accuses him of stealing more than \$700,000 from investors. If Mr. Malik is convicted, his case would show how fraudsters can exploit fund-ranking services

Investors who asked for their money back from Mr. Malik were rebuffed with email replies that ranged from affectionate (“you know that I love you”), indignant (“stop your nonsense”) and angry (“go f– yourself”), to bizarre (“I am going Deer hunting”).

“I AM CRYING, I AM A HUMAN BEING...NOT A MONEY MAKING MACHINE, I HAVE FEELINGS AND DREAMS” he emailed one investor at 10:45 p.m. in February 2014. “YEAH PUT ME IN JAIL GOOD JOB!”

Last month, prosecutors did just that.

He is currently being held on a \$1 million bail bond in the Manhattan detention center known as the Tombs. Mr. Malik has pleaded not guilty to charges of securities fraud. In a parallel civil case, the SEC charged him with stealing most of the approximately \$840,000 he raised from investors. He faces trial on 28 criminal counts and up to 20 years in prison if convicted. His lawyer declined to comment or allow his client to talk to The Wall Street Journal.

A review by the Journal of hundreds of pages of court filings and interviews with investors and others who knew Mr. Malik paint a picture of an underachieving and lonely man who allegedly tried to pull off a brazen financial scam.

Mr. Malik, whose full name is Moazzam Ifzal Malik, described himself on Twitter as a “CEO – Global Economist – Entrepreneur – Influencer.” He was actually a former waiter, security guard and New York traffic cop, according to the SEC. His claim to have graduated from the City University of New York was false, the SEC said: He has no higher-education degrees.

His supposedly extensive Wall Street career was equally fake, the SEC said. His only financial-services experience was a two-year spell in Jersey City, N.J., as a trainee at a

brokerage firm called E1 Asset Management Inc., which fired him in 2009, the SEC said. A spokesman for E1 said it was the firm's policy not to comment on former employees.

Within six months of being fired, Mr. Malik formed a hedge fund. Launched in May 2010, Wall Street Creative Partners LP had the same Queens, N.Y., address as Mr. Malik's home at that time.

It took Mr. Malik about a year to attract his first investor, according to the SEC. By that time, his fund had the new name of Seven Sages Capital LP, a crest emblazoned with a Latin motto and a new address only a block from Wall Street. The fund said it would "capitalize on mispriced assets in the market while actively managing the inherent risks."

It also had its first accolade, the SEC said, despite its lack of either investors or investments. In March 2011, financial data and media firm Bloomberg LP called Mr. Malik a "rising fund manager," based on false information he provided, the SEC said.

Bloomberg is one of a number of providers offering investors online data and rankings of hedge funds and other investments. These services, which generally don't take payments from fund managers, aren't regulated by the SEC and there is no legal requirement for the firms to ensure the information they publish is accurate or complete. The Journal's owner, Dow Jones & Co., offers an online database that performs similar services called VentureSource, which hasn't included information on Mr. Malik or his fund.

A Bloomberg spokesman declined to specify the due diligence it does on hedge funds but said its practices are consistent with industry standards. He added that it appeared from the allegations that Mr. Malik "misled a lot of people with a lot of effort—from false offering memoranda to false marketing materials to fabricated statements."

Other hedge-fund ranking services were duped as Mr. Malik's deceptions multiplied, the SEC said. At least two investors said the rankings influenced their decisions to invest with Mr. Malik. One small-business owner, who lives in Florida and Georgia, said in a court filing he "looked at funds' rankings and awards on Bloomberg.com" in late 2012 and, based partly on that information, reached out to Mr. Malik.

Mr. Malik's alleged victims—including a New York real-estate broker, a Florida-based former airline pilot and a British retired mining surveyor—invested a total of \$840,744.74 in Mr. Malik's fund, according to court filings and interviews with investors. Only about \$83,000 has been returned, the SEC said.

Mr. Malik spent the money on a "lavish lifestyle," including \$30,116 on vacation travel and \$36,124 for restaurant dining and liquor, the SEC said. The purchases allegedly funded by investors include \$25.53 in the Statue of Liberty gift shop and a \$49.99 subscription to a Muslim dating site, court filings show.

As the alleged fraud escalated, so did the awards.

BarclayHedge Ltd., a privately held Iowa company, gave Mr. Malik's fund a "Recognition Award for Excellence #1." A BarclayHedge report in August 2012 showed the fund achieving returns of 288.06% in 2010 and 189.18% in 2011, according to court filings.



BIOGRAPHY

Mark Malik is a recognized business leader known for his innovative approach and strategic vision. Mark offers a unique blend of financial, executive and global client building acumen at Wolf Hedge. As the Founder and Fund Manager of Wolf Hedge, Mark has built a premier alternative investment fund that consistently delivers results by aligning industry aptitude, client service and business excellence.

Mark acquired a reputation of drive, determination and diligence during his many years as a stockbroker and portfolio manager on Wall Street. He has over a decade of experience on Wall Street in brokerage and in management. Mark used to lead teams to manage assets over USD 5 billion at various alternative asset management firms in New York. He became a seasoned and respected manager with experience in participating in investments in over 100 publicly traded companies.

By personifying the tenets of quality, integrity, efficiency and innovation, Mark is the entrepreneurial catalyst that has fostered the appetite of ingenuity, originality, creativity and a distinct inventiveness that is uniquely found at Wolf Hedge. While Mark managed a successful team and handled a substantial portfolio of global clients, he found that the model under which he operated — commission regardless of results — to be flawed. Accordingly, he sought out a platform that would better personify his method. Mark is fully committed to a vision for his firm with the central tenants of performance, service and satisfaction.

Mark has education background from Harvard University and the City University of New York. He also has Series Licenses 7 and 63. He continues to reside in New York and maintains an active membership in the global financial community.

Sol Waksman, founder and president of BarclayHedge, said his firm made it clear to investors that it doesn't verify the information provided to it by fund managers. Hedge funds are suited to professional investors, who can afford their own due diligence, he added. "The main takeaway from this is 'let the buyer beware.'"

BarclayHedge primarily provides research to big institutional investors, he said. The firm has decided to stop offering \$45 short reports on funds, which might attract small investors, as a result of the Journal's inquiries, Mr. Waksman said.

Another hedge-fund information provider, Infovest21 LLC, in February 2013 ranked the fund among the "Top Equity Long/Short Funds" and reported its estimated assets as \$100.26 million. In fact, the fund's brokerage account on Dec. 31, 2012, held just \$269.52, the SEC said.

Infovest21's online report had a disclaimer saying its fund

information comes from managers and hasn't been independently verified. Regarding the allegedly fake information from Mr. Malik, Infovest21's president and chief executive, Lois Peltz, said: "That's why we put the disclaimer in there."

Mr. Malik's alleged fraud began to unravel as investors discovered they couldn't get their money out, court records show.

Mr. Waksman of BarclayHedge said he asked Mr. Malik for an auditor's letter, following a tip from an investor who "said that his redemption requests had not been honored and that the manager was yelling at him." After Mr. Malik "cursed us out and refused to provide" the letter, his fund was taken off the BarclayHedge database, Mr. Waksman said.

He added that he reported Mr. Malik to the SEC after he later sent BarclayHedge an auditor's letter that appeared fraudulent. According to the SEC complaint, the fund's auditor was listed as Berkowitz & Associates of Iselin, N.J. No such accountancy firm exists in that town.

Mr. Malik tried to fake his own death, the SEC said, sending an email to one investor from a nonexistent employee named Courtney that read: "Mr. Malik has been passed away with the heart attack after accident. We will dissolve the fund shortly."

Investors contacted the SEC and New York attorney general's office to complain about the fund, according to court filings. The resulting investigations appeared to touch a raw nerve.

"You idiot f— because of you SEC has opened an investigation on me," Mr. Malik told one investor in April 2014, according to court filings. The same investor was also sent an email with a clip from a werewolf movie, headed "that's what I think I am."

Mr. Malik is scheduled to appear in court again next month.

[Here.](#)