

**COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE SECRETARY OF THE COMMONWEALTH
SECURITIES DIVISION
ONE ASHBURTON PLACE, ROOM 1701
BOSTON, MASSACHUSETTS 02108**

IN THE MATTER OF:)	
)	
)	
EREZ CAPITAL LLC, EREZ MASTER LLC,)	
AND MICHAEL BENEZRA,)	
)	
RESPONDENTS.)	Docket No. E-2023-0106
)	

CONSENT ORDER

I. PRELIMINARY STATEMENT

This Consent Order (the “Order”) is entered into by the Securities Division of the Office of the Secretary of the Commonwealth of Massachusetts (the “Division”) and Erez Capital LLC (“Erez Capital”), Erez Master LLC (“Erez Master”) (collectively “Erez”) and Michael Benezra (“Benezra”) (collectively “Respondents”) with respect to the above-captioned investigation by the Enforcement Section of the Division into whether Respondents’ acts and practices constituted violations of the Massachusetts Uniform Securities Act, M.G.L. c. 110A (the “Act”), and the regulations promulgated thereunder at 950 CMR 10.00-14.413 (the “Regulations”). The Division concluded Respondents engaged in acts and practices in violation of Sections 101, 201, and 301 of the Act by (1) offering and selling unregistered securities in Massachusetts and (2) commingling investor funds for Benezra’s personal use.

On April 15, 2025, Respondents submitted an Offer of Settlement (the “Offer”) to the Division. Respondents admit the Statement of Facts set forth in Section VI below and admit the Violations of Law set forth in Section VII below, and consent to the entry of this Order by the

Division, consistent with the language and terms of the Offer, settling the above-captioned investigation (E-2023-0106) with prejudice. Pursuant to M.G.L. c. 110A, § 412(b), this Order “is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of [the Act].”

II. SUMMARY

A. Overview of Respondents’ Actions.

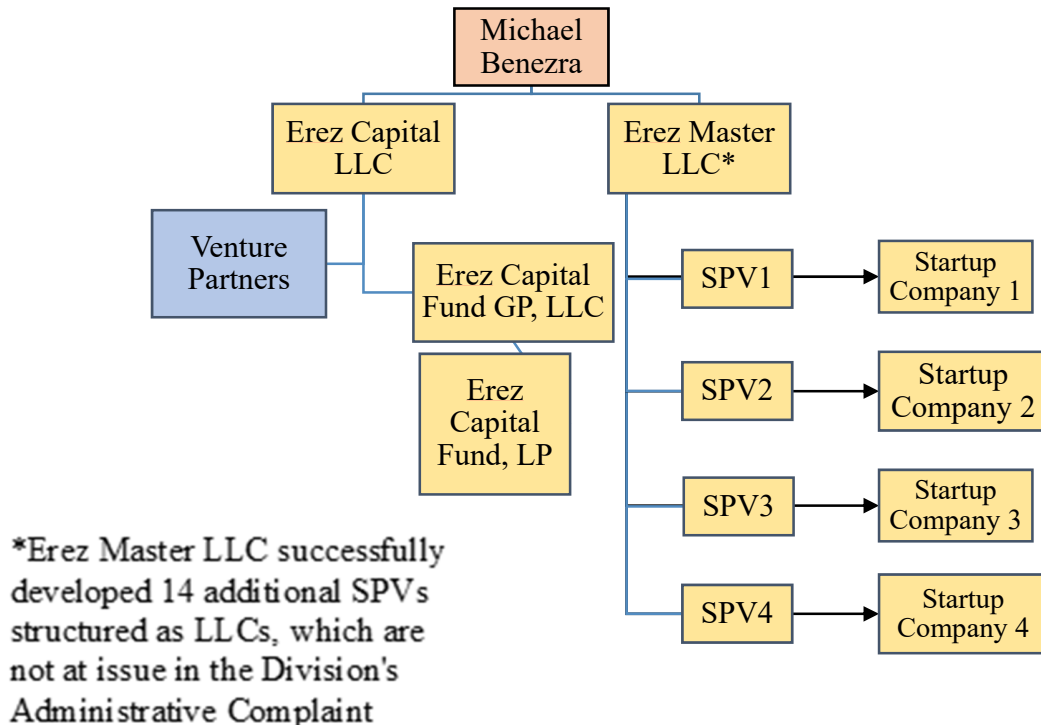
The Division commences this action following multiple Massachusetts investor complaints concerning the activities of a purported Massachusetts venture capital firm and its principal. Over the course of roughly two years, Benezra, a Massachusetts resident, recommended and sold unregistered securities to investors, including those in Massachusetts, through a structure of affiliated corporate entities. In particular, Benezra, through Erez Capital and Erez Master, the managing entity of a series of limited liability companies (the special purpose vehicles (“SPVs”)), purported to facilitate investments in at least three startup companies. Respondents’ records reflect investments of at least \$118,000 through the SPVs, with Massachusetts residents investing at least \$60,000. Benezra committed numerous acts of commingling of funds in connection with the offer and sale of securities through the SPVs resulting in Benezra using investor funds for personal expenses—including payments to a business credit card used for personal rent, frequent food deliveries, clothing and jewelry, and trips.

As Benezra’s operations grew, and there was a pressing need for additional capital to cover his lifestyle, he created a roster of venture partners (“Venture Partners”). Benezra charged Venture Partners a fee, initially \$1,000 before raising the amount to \$5,000. Benezra represented to the Venture Partners that this fee would grant individuals access to potential future investing opportunities. Benezra also claimed these fees would be used for the administrative and legal costs

of managing the Venture Partner network and SPVs. In certain instances, Erez Capital recommended that Venture Partners invest in SPVs. Venture Partners were encouraged to identify potential investment opportunities to be vetted through committees Benezra formed within Erez Capital in return for a share of management fees and carried interest. In reality, as with the direct SPV investments, Benezra either used Venture Partner payments to cover personal expenses or allocated Venture Partner payments as investments in the SPVs. In total, Venture Partners made payments to Erez totaling \$261,000. Additionally, an associate of Erez, subject to a so-called bad actor disqualification, received over \$27,000 in commissions for soliciting additional Venture Partners.

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B. Benezra Used a Corporate Structure to Engage In the Offering of Unregistered Securities and Commingling of Funds.



In July of 2022, Benezra formed Erez Capital, a self-styled venture capital firm, to invest into startup companies. Erez Capital purported to be at the forefront of capital raising efforts by means of publicly promoting the startup companies, the Venture Partners, and Venture Partner opportunities. At all relevant times, Benezra served as Manager and President of Erez Capital. In November of 2022, Benezra formed Erez Master, which manages the investments in the individual startup companies. At all relevant times, Benezra served as Managing Partner and President of Erez Master. In total, Erez Master directed the formation of eighteen limited liability companies, ultimately raising capital from investors in at least three of these entities.

In conjunction with Erez Capital, Benezra also formed a limited partnership entity, Erez Capital Fund, LP (“Erez Fund”), on July 21, 2023, and Respondents filed a notice of an exempt

offering of securities with the Securities and Exchange Commission for that limited partnership on September 25, 2023. To date, the limited partnership entity has not received any investments.

C. Erez Capital, Erez Master, and Benezra Facilitated the Offer and Sale of Unregistered Securities and Provided Unregistered Investment Advice.

Respondents' commingling of funds began with the offer and sale of securities to three (3) Massachusetts residents in a foreign health-care entity. Each of the Massachusetts investors contributed \$20,000 in capital and executed a subscription agreement granting equity in an SPV established for an Israeli-based health tech startup ("Startup Company 1"). The subscription agreements stated that Erez Capital was to use the funds to purchase Simple Agreements for Future Equity ("SAFEs")¹ in Startup Company 1. In exchange for their investments, investors received a membership interest in the SPV; the SPV in turn represented that it intended to use investor capital to obtain equity interest in Startup Company 1. According to testimony by Benezra, Erez Capital retained a 10% carried interest of the investments made in the SPVs in the event of a future exit from the investment.

Instead of actually acquiring equity interests in the health-care entity, Benezra almost immediately used funds to pay personal and business-related expenses. For example, on January 18, 2023, Massachusetts investor three contributed \$20,000. Only two days later, Benezra directed the transfer of funds from the SPV's cash management account to make payments on a business credit card. Two days later, transfers from the SPV cash management account were made to Erez Capital's business account to cover expenses charged to a Brex business credit card. In addition,

¹ Simple Agreements for Future Equity ("SAFEs") are agreements commonly entered into between an investor and the issuing company which provides the investor rights to future equity in the company upon the occurrence of defined events. *See* <https://www.sec.gov/resources-small-businesses/cutting-through-jargon-z#SAFE> (last accessed January 10, 2025).

Benezra also transferred investor funds to personal accounts, including personal brokerage accounts. By June 2023, nearly 100% of the investors' capital had been transferred out of the SPV's cash management account.

After approximately five months, when the investment was rejected by the target company and could not have been made in any event given that the account no longer had sufficient funds, the investors demanded repayment of their capital. What followed was a course of conduct employed by Benezra to cover the deficiency until repayment requested by the investors could be made. This, he accomplished, through further commingling of funds. In particular, Benezra attempted to replace the investments by transferring money between accounts and using Venture Partner fees. Erez Capital repeated this cycle of diverting investor capital from each of the three additional SPVs.

In each instance, Erez Capital solicited and sold interests in SPVs to invest in startup companies. Nevertheless, as with the initial investment entity, Benezra used investor funds to pay business and personal expenses. For example, following a \$10,000 investment intended for a startup company involving an AI-generated real estate platform, Benezra instead made purchases at clothing stores and transfers to his personal brokerage account.

In certain instances, Benezra solicited investments in the SPVs through e-mails to various individuals. For example, in connection with SPV1, Benezra asked a third party to solicit additional investors for SPV1, including a draft e-mail for use with the terms of the investment. In connection with SPV2, Benezra distributed an e-mail to fourteen (14) potential investors soliciting investment in an early-stage fintech company, as well as soliciting investments through a webinar. In another e-mail, Benezra solicited investments in various offerings, provided details regarding the offerings, and represented Erez Capital's deal pipeline.

Subsequent to the commencement of the Division's investigation, Benezra retained legal counsel. However, prior to, neither Benezra, Erez Capital, nor Erez Master applied for any securities registrations or filed for an exemption from securities registration. Moreover, none of the securities issued through the SPVs are registered or exempt from registration (due to lack of SEC Form D submissions and Blue-Sky filings) under relevant federal or state securities laws. Erez Fund, the only entity that filed for an exemption from registration, never raised any capital or invested in any underlying portfolio company.

III. JURISDICTION AND AUTHORITY

1. The Division has jurisdiction over matters related to securities pursuant to the Act and Regulations.
2. The Offer was made and this Order is entered in accordance with the Act and Section 10.10 of the Regulations.
3. The acts and practices that were the subject of the above-referenced investigation occurred within Massachusetts.

IV. RELEVANT TIME PERIOD

4. Except as otherwise expressly stated, the acts and practices described herein occurred during the approximate time period of July 12, 2022 to the date of the Offer (the “Relevant Time Period”).

V. RESPONDENTS

5. Erez Capital LLC (“Erez Capital”) is a limited liability company (“LLC”) organized under the laws of the state of Delaware on July 12, 2022 and located at 233 Hancock Street, Suite 401, Dorchester, MA 02125.

6. Erez Master LLC (“Erez Master”) is a limited liability company (“LLC”) organized under the laws of the state of Delaware on November 1, 2022 and located at 233 Hancock Street, Suite 401, Dorchester, MA 02125.

7. Michael Benezra (“Benezra”) is a natural person with a last known address in Dorchester, Massachusetts. Benezra was the Manager and President of Erez Capital, Managing Partner and President of Erez Master, and executive officer for Erez Fund throughout the Relevant Time Period. Benezra has never been registered as a broker-dealer, broker-dealer agent, investment advisor, or investment advisor representative to sell or recommend securities in Massachusetts.

VI. STATEMENT OF FACTS

A. Benezra Forms Various Erez Entities Utilized in the Offer and Sale of Securities.

8. On July 12, 2022, Benezra caused Erez Capital to be incorporated.

9. Erez Capital is a business that raises capital to be invested in startups and early-stage companies.

10. Following the creation of Erez Capital, Benezra formed an affiliated investment vehicle, Erez Fund.

11. On September 25, 2023, Erez filed a Form D with the Securities and Exchange Commission for the Erez Fund. However, no such registration was made with the Massachusetts Securities Division.
12. Benezra did not raise capital through the Erez Fund.
13. Benezra directed Erez Capital to promote separate limited liability companies as a mechanism to pool investor funds and make equity investments in underlying startup companies.
14. To this end, on November 1, 2022, Benezra formed Erez Master as the managing entity of the SPVs, which were created to facilitate direct investments in individual startup companies.
15. Erez also created a roster of Venture Partners.
16. Benezra charged Venture Partners a fee, initially \$1,000 before raising the amount to \$5,000 in the summer of 2023.
17. Benezra represented that this fee would grant Venture Partners access to potential future investing opportunities. Benezra also represented that the proceeds from the fees charged would cover the administrative and legal costs for managing the Venture Partner network.
18. In certain instances, Erez Capital recommended that Venture Partners invest in SPVs.
19. Venture Partners were also encouraged to identify potential SPV investors in return for a share of management fees.
20. Erez Master formed eighteen SPVs using a legal services website, at least three of which later received funds from investors.

B. Benezra Agrees to Form SPV1 for Three Massachusetts Investors.

21. In 2022, a Massachusetts resident (“Investor 1”) contacted Benezra seeking assistance in making an investment in a foreign healthcare startup company (“Startup Company 1”).
22. Erez Master, in turn, formed a limited liability company (“SPV1”) to facilitate an investment in Startup Company 1 focused on developing technology for early detection of certain diseases.
23. Benezra established a cash management account to pool investor funds intended to purchase equity in Startup Company 1.
24. To solicit additional investors for SPV1, Benezra drafted an e-mail with terms of the investment and requested a third party forward the e-mail to their contacts.
25. In addition to Investor 1, two further Massachusetts residents were sold securities in SPV1.
26. Benezra entered into subscription agreements with each of the Massachusetts residents, granting equity in the SPV entities and stating their investment funds would be used by Erez to purchase equity interests in the startup company at a future date.
27. Benezra informed the Massachusetts residents their funds would be held in an interest-bearing account that would yield a 5% interest rate, which funds would ultimately be owed to the investors along with their equity interests.
28. On or about December 22, 2022, Investor 1 executed a SAFE in the amount of \$20,000.
29. On or about the same date, Investor 1 transferred \$20,000 to the SPV1 cash management account for future equity in SPV1.
30. On or about January 6, 2023, a resident of Boston, Massachusetts (“Investor 2”) executed a SAFE in the amount of \$20,600.

31. On or about the same date, Investor 2 transferred \$20,600 to the SPV1 cash management account in exchange for a \$20,000 future interest in SPV1 and to pay associated administrative costs.
32. On or about January 18, 2023, a resident of Wellesley, Massachusetts (“Investor 3”) executed a SAFE in the amount of \$20,600.
33. On or about the same date, Investor 3 transferred \$20,600 to the SPV1 cash management account in exchange for a \$20,000 future interest in SPV1 and to pay associated administrative costs.
34. Benezra had exclusive access to the SPV1 cash management account, other than the financial institution hosting the account.
35. Benezra never utilized the funds invested in SPV1 to obtain an equity interest in Startup Company 1.
36. The target company declined the investment given that it acquired funding through other sources. Even if the target company were willing to accept funding from SPV1, SPV1’s cash management account was depleted, given that between January 20, 2023 and June 30, 2023, Benezra did not segregate the funds, instead using the funds himself.
37. Benezra also transferred funds between the Erez Capital primary cash account and other later-formed SPV accounts.
38. By July 2023, the SPV1 cash management account had a \$0 balance.
39. On or about January 31, 2024, Benezra closed the SPV1 cash management account.
40. Following the receipt of the initial subpoena from the Division, Benezra returned funds to the SPV1 investors, including the accrued interest.

41. Since the SPV1 investors' funds had been spent by Benezra and Erez, the funds were returned with payments made by individuals to Erez Capital in the form of fees and a \$50,000 transfer from an IRA.

42. Benezra never caused a registration statement to be filed for the securities issued by SPV1.

43. Benezra never caused a notice of exemption from registration to be filed for the securities issued by SPV1 with either the Securities and Exchange Commission or the Division.

C. Benezra Forms SPV2.

44. In 2022, Benezra formed a limited liability company ("SPV2") as a series of Erez Master to facilitate an investment in a startup company focused on early access to earned wages ("Startup Company 2").

45. Benezra established a cash management account to pool investor funds intended to purchase equity in Startup Company 2.

46. In an effort to solicit investments in SPV2, Erez Capital sent a memorandum to its Venture Partners which recommended they make an investment in SPV2.

47. Benezra also joined Startup Company 2's CEO in a webinar promoting Startup Company.

48. On or about December 8, 2022, Startup Company 2's CEO transferred \$15,300 to the Erez Capital primary cash account with the expectation it would be used to invest in the SPV2 cash management account.

49. Of the \$15,300, Benezra transferred only \$10,000 from the Startup Company 2's CEO to the SPV2 cash management account on or about December 9, 2022.

50. Between January 2023 and June 2023, Benezra used the \$10,000 to pay the Erez Capital business credit card which included numerous charges, including those made at a hotel, a night

club, as well as food delivery services, and transferred the remaining funds to the SPV1 cash management account.

51. By July 2023, the SPV2 cash management account had a \$0 balance.

52. Benezra was the only person who had access to the SPV2 cash management account, other than the financial institution hosting the account.

53. Based on documents provided to the Division, on or about August 14, 2023, a Venture Partner (“Venture Partner 1”) transferred \$5,000 to Erez Capital with the understanding it would be a Venture Partner fee.

54. Benezra provided documents to the Division which stated Venture Partner 1 had made a \$5,000 investment in Startup Company 2.

55. Despite such representations to the Division, such investment did not occur and Venture Partner 1 should not have been listed in any capitalization documents, which have since been amended following counsel’s review of the representations made by Benezra to the Division.

56. Bank records indicate Benezra never transferred the \$5,000 to the SPV2 cash management account nor purchased an equity interest in Startup Company 2 on behalf of Venture Partner 1 in the amount of \$5,000.

57. Instead, Benezra used the funds for expenses at clothing establishments, food delivery services, transferred funds to a personal account, and paid a commission to an associate of Erez who sought out investors and Venture Partners on behalf of Erez. Unrelated to the Division’s investigation, the associate, in 2019, (1) pled guilty to tax evasion and making a false statement on an immigration document in connection with his involvement in a Ponzi scheme; and (2) entered into a settlement agreement with the Department of Business Oversight of the State of California

following a desist and refrain order finding the associate made material misrepresentations and omissions in connection with the sale and offering of an unregistered virtual currency.

58. Based on documents provided to the Division, on or about September 21, 2023, a Venture Partner (“Venture Partner 2”) transferred \$5,000 to Erez Capital with the understanding it would be a Venture Partner fee.

59. Benezra provided documents to the Division which stated Venture Partner 2 had made a \$5,000 investment in SPV2.

60. Despite such representations to the Division, such investment did not occur and Venture Partner 2 should not have been listed in any capitalization documents, which have since been amended following counsel’s review of the representations made by Benezra to the Division.

61. Bank records indicate Benezra never transferred the \$5,000 to the SPV2 cash management account nor purchased an equity interest in Startup Company 2 on behalf of Venture Partner 2.

62. Instead, Benezra used the funds to pay rent for his personal residence and membership fees for a private social club.

63. On or about November 8, 2023, Venture Partner 1 transferred an additional \$2,000 to Erez Capital with the understanding it would be used by SPV2 to invest in Startup Company 2.

64. Following the \$2,000 investment, Benezra again did not hold the funds for investment and instead he transferred investor funds to his personal brokerage account.

65. On or about January 31, 2024, Benezra closed the SPV2 cash management account.

66. Benezra never caused a registration statement to be filed for the securities issued by SPV2.

67. Benezra never caused a notice of exemption from registration to be filed for the securities issued by SPV2 with either the Securities and Exchange Commission or the Division.

D. Benezra Forms SPV3.

68. In 2023, Benezra formed a limited liability company (“SPV3”) as a series of Erez Master to facilitate an investment in a startup company focused in AI-generated property reports (“Startup Company 3”).
69. Benezra failed to create a separate cash management account to pool funds to invest in Startup Company 3, instead using an Erez Capital bank account.
70. Based on documents provided to the Division, on or about June 14, 2023, a Venture Partner (“Venture Partner 3”), a Massachusetts resident, transferred \$1,000 to Erez Capital as a Venture Partner fee.
71. Benezra provided documents to the Division which stated that Venture Partner 3 had made a \$1,000 investment in Startup Company 3.
72. Despite such representations to the Division, such investment did not occur and Venture Partner 3 should not have been listed in any capitalization documents, which have since been amended following counsel’s review of the representations made by Benezra to the Division.
73. On or about June 15, 2023, Venture Partner 1 transferred \$1,000 to Erez Capital with the understanding it would be used by Benezra to purchase an equity interest for Venture Partner 1 in Startup Company 3.
74. Benezra never transferred the amount of \$1,000 to purchase an equity interest in Startup Company 3 on behalf of Venture Partner 1 or Venture Partner 3.
75. Instead, Benezra used Venture Partner 1’s and Venture Partner 3’s investments for expenses, including purchases at a department store and food delivery services.
76. On or about November 7, 2023, an investor transferred \$10,000 to Erez Capital with the understanding it would be used by Benezra to purchase an equity interest in Startup Company 3.

77. Benezra never transferred the \$10,000 to purchase an equity interest in Startup Company 3 on behalf of the investor.

78. Instead, Benezra used the investor's \$10,000 for personal expenses at clothing stores and transferred funds to his personal brokerage account, only later refunding the investor at the investor's request utilizing later acquired funds.

79. Benezra never caused a registration statement to be filed for the securities issued by SPV3.

80. Benezra never caused a notice of exemption from registration to be filed for the securities issued by SPV3 with either the Securities and Exchange Commission or the Division.

VII. VIOLATIONS OF LAW

Count I – Mass. Gen. Laws c. 110A, § 101

81. Section 101 of the Act provides:

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly

(1) to employ any device, scheme, or artifice to defraud,

(2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, or

(3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

M.G.L. c. 110A, § 101.

82. Respondents' acts and practices, as described above, constitute violations of M.G.L. c. 110A, § 101.

Count II – Mass. Gen. Laws c. 110A, § 201

83. Section 201 of the Act provides:

(a) It is unlawful for any person to transact business in this commonwealth as a broker-dealer or agent unless he is registered under this chapter.

(b) It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered. The registration of an agent is not effective during any period when he is not associated with a particular broker-dealer registered under this chapter or a particular issuer. When an agent begins or terminates a connection with a broker-dealer or issuer, or begins or terminates those activities which make him an agent, the agent as well as the broker-dealer or issuer shall promptly notify the secretary.

(c) It is unlawful for any person to transact business in this commonwealth as an investment adviser or as an investment adviser representative unless he is so registered under this chapter.

[...]

M.G.L. c. 110A, § 201.

84. Respondents' acts and practices, as described above, constitute violation(s) of M.G.L. c. 110A, § 201.

Count III – Mass. Gen. Laws c. 110A, § 301

85. Section 301 of the Act provides:

It is unlawful for any person to offer or sell any security in the commonwealth unless:

- (1) the security is registered under this chapter;
- (2) the security or transaction is exempted under section 402; or
- (3) the security is a federal covered security.

M.G.L. c. 110A, § 301.

86. Respondents' acts and practices, as described above, constitute violation(s) of M.G.L. c. 110A, § 301.

VIII. STATUTORY BASIS FOR RELIEF

Section 407A of the Act provides, in pertinent part:

(a) If the secretary determines, after notice and opportunity for hearing, that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order issued thereunder, he may order such person to cease and desist from such unlawful act or practice and may take such affirmative action, including the imposition of an administrative fine, the issuance of an order for an accounting, disgorgement or rescission or any other such relief as in his judgment may be necessary to carry out the purposes of [the Act].

M.G.L. c. 110A, § 407A.

IX. PUBLIC INTEREST

Consistent with the purposes fairly intended by the policy and provisions of M.G.L. c. 110A, the entry of this Order is necessary, appropriate, in the public interest, and for the protection of investors.

X. ORDER

IT IS HEREBY ORDERED:

- A. Respondents shall permanently cease and desist from further acts and practices in violation of the Act and Regulations;
- B. Respondents shall provide a verified accounting of all proceeds that were received as a result of the wrongdoing described above;
- C. Respondents shall offer rescission to all SPV investors who have not already been rescinded by Respondents, including interest, pursuant to the following terms:
 - 1. Drafts of all rescission offers (“Draft Rescission Offers”) shall be provided to the Division within fourteen (14) days of the entry of this Order, and shall comply with the following terms:
 - a. Draft Rescission Offers shall include the docket number and contact information for the Division;
 - b. Draft Rescission Offers shall not be unacceptable to the Division; and

- c. Within fourteen (14) days of the Division's written notice that the finalized rescission offers are not unacceptable to the Division, Respondents shall make written offers of rescission ("Rescission Offer Letter");
2. The Rescission Offer Letters shall comply with the following terms:
 - a. Include terms of mailing;
 - b. Method of payment;
 - c. How long offer will remain open; and
 - d. Terms of any undeliverable mailings;
 - i. For undeliverable mailings, Respondents shall pay for all reasonable costs associated with identifying a secondary address.
3. Within thirty (30) days of the expiration of the Rescission Offer Letter, Respondents shall prepare and submit to the Division, to the attention of Theresa M. Klobucher, a report ("Rescission Report") detailing the results of all offers, which shall include, at a minimum: (1) identification and mailing address of those who accepted offers; (2) dates, amounts, and methods of payment for all rescission payments made pursuant to accepted offers; (3) identification and mailing address of those who rejected offers; (4) detailed description of any objections received by Respondents in response to the Rescission Offer Letter; and (5) identification and mailing address of those for whom Respondents received no response.
4. Along with the Rescission Report, Respondents shall provide to the Division, to the attention of Theresa M. Klobucher: (1) copies of all written offers; (2) copies of all accepted offers; (3) evidence of all rescission payments made pursuant to accepted offers; (4) copies of all rejected offers; (5) all other related documents, including,

but not limited to, all documents related to any objections received by Respondents in response to the Rescission Offer Letter.

D. Respondents shall inquire of all Venture Partners previously identified as SPV shareholders as to whether they invested in any Erez SPV. Respondents shall offer rescission to all such individuals who provide evidence of their investment in any Erez SPV, who have not already been rescinded by Respondents, including interest, pursuant to the following terms:

1. Drafts of all letters to Venture Partners seeking verification of investor status (“Venture Partner Letter”) shall be provided to the Division within fourteen (14) days of the entry of this Order, and shall comply with the following terms:
 - a. Venture Partner Letters shall include the docket number and contact information for the Division;
 - b. Venture Partner Letters shall not be unacceptable to the Division; and
 - c. Within three (3) days of the Division’s written notice that the finalized venture partner letters are not unacceptable to the Division, Respondents shall deliver the Venture Partner Letters to the Venture Partners.
2. Within fourteen (14) days of receiving a response to the Venture Partner Letters from a Venture Partner indicating investor status, Respondents shall deliver to the Venture Partner a Rescission Offer Letter.
3. The Rescission Offer Letters shall comply with the following terms:
 - a. Include terms of mailing;
 - b. Method of payment;
 - c. How long offer will remain open;
 - d. Terms of any undeliverable mailings; and

e. For undeliverable mailings, Respondents shall pay for all reasonable costs associated with identifying a secondary address.

4. Within thirty (30) days of the expiration of the Rescission Offer Letter, Respondents shall prepare and submit to the Division, to the attention of Theresa M. Klobucher, a report ("Rescission Report") detailing the results of all offers, which shall include, at a minimum: (1) identification and mailing address of those who accepted offers; (2) dates, amounts, and methods of payment for all rescission payments made pursuant to accepted offers; (3) identification and mailing address of those who rejected offers; (4) detailed description of any objections received by Respondents in response to the Rescission Offer Letter; and (5) identification and mailing address of those for whom Respondents received no response.
5. Along with the Rescission Report, Respondents shall provide to the Enforcement Section, to the attention of Theresa M. Klobucher: (1) copies of all written offers; (2) copies of all accepted offers; (3) evidence of all rescission payments made pursuant to accepted offers; (4) copies of all rejected offers; (5) all other related documents, including, but not limited to, all documents related to any objections received by Respondents in response to the Rescission Offer Letter.

E. Respondents, jointly and severally, shall pay an administrative fine in the amount of five hundred thousand dollars (\$500,000.00) (USD) to the Commonwealth of Massachusetts. Payment shall be made pursuant to the installment schedule in Section X (E) (4)-(6) below. Payment shall be:

1. Made by wire transfer, certified check, bank cashier's check, United States postal money order, or bank money order;

2. Made payable to the Commonwealth of Massachusetts;
3. Either hand-delivered or mailed to One Ashburton Place, Room 1701, Boston, Massachusetts 02108, or wired per Division instructions; and submitted under cover letter or other documentation that identifies the payor making the payment and the docket number of the proceedings. Additionally, Respondents shall provide the Division, to the attention of Theresa M. Klobucher, with written notice of the form of payment and timing of payment at least twenty-four (24) hours prior to the payment;
4. A payment in the amount of seventy-five thousand dollars (\$75,000.00) (USD) shall be made within sixty (60) days of the entry of this Order;
5. A payment in the amount of four hundred twenty-five thousand dollars (\$425,000.00) (USD) shall be made within one hundred eighty (180) days of the entry of this Order. So long as Respondents remain in compliance with the terms of this Order and Respondents' financial condition has not materially changed, the Division agrees to waive payment of the portion of the administrative fine described in this paragraph.

F. Benezra shall be barred for a period of three (3) years from registering in Massachusetts as, associating or affiliating with, or acting as a(n) broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, Securities and Exchange Commission-registered investment adviser, an investment adviser exempted from registration, a person relying on an exclusion from the definition of investment adviser or broker-dealer in any capacity, issuer, issuer-agent, or as a partner with management and/or control capabilities, officer, director, or control person of any of the foregoing, other than with respect to activities of Erez and its affiliates,

subsidiaries, and managed entities, including any special purpose vehicle, not related to investment, banking, tax, accounting, or any activity conducted in connection with capital raising;

G. Benezra shall be barred for a period of three (3) years from offering or selling securities in violation of the Act and Regulations. This bar shall not prevent Benezra from transferring equity interests in any Erez entity to replacement managers not unacceptable to the Division as identified pursuant to Section X (H);

H. Erez shall identify replacement manager(s) who are not unacceptable to the Division to manage all business of Erez, Erez Master, Erez Capital, and any associated special purpose vehicle for a period of at least three (3) years;

I. For purposes of this Order, the last day of the time period so computed is to be included unless it is a Saturday, Sunday, or legal holiday or any other day on which the Division is not open for regular business, in which event the period shall run until the end of the next following business day;

J. Respondents shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal, or local tax for any amounts that Respondents shall pay pursuant to this Order;

K. Respondents shall not seek or accept, directly or indirectly, reimbursement or indemnification, including, but not limited to, any payments made pursuant to any insurance policy, with regard to any amount that Respondents shall pay pursuant to this Order;

L. If Respondents are the subject of a voluntary or involuntary bankruptcy petition within one (1) year of the entry this Order, Respondents shall provide written notice to the Division within five (5) days of the date of the petition;

M. Any fine, penalty, and/or money that Respondents shall pay in accordance with this Order is intended by Respondents and the Division to be a contemporaneous exchange for new value

given to Respondents pursuant to 11 U.S.C. § 547(c)(1)(A) and is, in fact, a substantially contemporaneous exchange pursuant to 11 U.S.C. § 547(c)(1)(B);

N. Respondents agree that if they fail to comply with any of the terms set forth in this Order, the Division may institute an action to have this agreement declared null and void. Additionally, Respondents agree that, after notice and an opportunity for hearing, and the issuance of an order finding that Respondents have not complied with this Order, the Division may move to have this Order declared null and void, in whole or in part, and re-institute the associated proceeding that had been brought against Respondents;

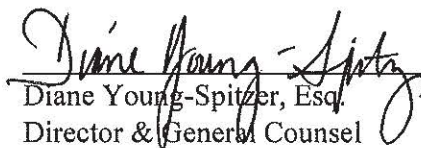
O. Respondents agree and understand that its failure to fully comply with any of the terms set forth in this Order is a violation of the Act and Regulations, and the Division may take action seeking compliance of any such terms or any such relief as may be necessary to carry out the purposes of the Act and Regulations; and

P. For good cause shown, the Division may agree to extend any of the procedural dates set forth above. Respondents shall make any requests for extensions of the dates set forth above in writing to the Division.

XI. WAIVER

Respondents waive any right to contest this Order, including whether this Order is fair, reasonable, and in the public interest, any right to a hearing, to written findings of fact, conclusions of law, or to any other process provided by the Act and Regulations, and waive any right to judicial review of this Order under M.G.L. c. 110A, § 411 and M.G.L. c. 30A, § 14(7).

**WILLIAM FRANCIS GALVIN
SECRETARY OF THE COMMONWEALTH**


Diane Young-Spitzer, Esq.
Director & General Counsel
Securities Division
Office of the Secretary of the Commonwealth
John W. McCormack Building, 17th Floor
One Ashburton Place
Boston, MA 02108

Dated: April 16, 2025