

- [Global 20](#)
- [Law360 400](#)
- [Diversity Snapshot](#)
- [Practice Group Partner Rankings](#)
- [Practice Groups of the Year](#)
- [Pro Bono Firms of the Year](#)
- [Rising Stars](#)
- [Trial Aces](#)
- [Site Menu](#)
- [Join the Law360 team](#)
- [Search legal jobs](#)
- [Learn more about Law360](#)
- [Read testimonials](#)
- [Contact Law360](#)
- [Sign up for our newsletters](#)
- [Site Map](#)
- [Help](#)

The Road To 60 Votes: Confirming Neil Gorsuch
[Follow Law360's up-to-the-minute coverage.](#)

NJ Investment Manager Denies KIT Digital Fraud

Share us on: By [Stewart Bishop](#)

Law360, New York (January 10, 2017, 9:53 PM EST) -- A New Jersey investment manager on Friday denied charges that he aided his brother and others in mismanaging millions of dollars in investments from video software company [KIT Digital Inc.](#), losses which contributed to the company's spiral into bankruptcy.

Irfan Amanat, the manager of a Dubai-based investment vehicle called Enable Invest Ltd., pled not guilty to conspiracy and fraud charges before U.S. District Judge Paul G. Gardephe in Manhattan. Irfan Amanat's brother, [Enable principal Omar Amanat](#), and former KIT Digital Inc. CEO Kaleil Isaza Tuzman also pled not guilty Tuesday to a superseding indictment in the case.

Irfan is accused of being part of two interrelated schemes in which he falsely told auditors and investors in 2009 through 2012 that Enable had millions of dollars on behalf of KIT and hedge fund Maiden Capital, when in actuality the investments were lost due to bad trading and misappropriation of the funds.

An attorney for Irfan, Jill Shellow, declined to comment after the hearing.

Prosecutors say that in 2008 and 2009, Irfan and Omar raised over \$10 million for investment vehicles, including Enable, from investors such as KIT's Isaza Tuzman and Maiden Capital owner Stephen E. Maiden, on behalf of their respective companies. Irfan lost more than \$5.5 million of this money due to poor trading, while Omar — with the knowledge of his brother — used over \$3 million for his own personal use, according to Manhattan U.S. Attorney Preet Bharara's office.

According to court filings by the government, while Irfan knew his brother was illegally dipping into Enable accounts, he only issued weak warnings, telling Omar “do not confuse capital from new investors as profits” and “by constantly spending more than we are making, you are using all the liquidity.”

Knowing that the money was gone, Irfan nonetheless helped Omar, Maiden and Isaza Tuzman hide the losses from investors in public filings by providing false account statements to KIT Digital and Maiden, according to prosecutors.

At KIT Digital, chief financial officer Robin Smyth and Isaza Tuzman also allegedly cooked up an accounting fraud in 2010 that preemptively reported revenue from licensing contracts for software that had yet to be developed. Isaza Tuzman is also accused of manipulating KIT Digital's stock.

Isaza Tuzman, who holds dual U.S. and Colombian citizenship, was in Colombia when he was arrested and later extradited to the U.S. On Tuesday, Isaza Tuzman's attorney, Silvia L. Serpe of Serpe Ryan LLP, told Judge Gardephe they would be seeking discovery based on "outrageous government conduct" which occurred in connection with Isaza Tuzman's incarceration in Columbia, and a motion to dismiss based on the alleged misdeeds may be forthcoming.

Serpe didn't elaborate on the government's purported misconduct, saying Isaza Tuzman "a number of things we can describe under seal to this court," that "continues to affect him to this day."

Smyth, Maiden and KIT Digital ex-president Gavin Campion have pled guilty for their roles in the scheme. According to court documents, Maiden and Campion are cooperating with prosecutors.

Irfan is represented by Jill Shellow. Isaza Tuzman is represented by Silvia L. Serpe and Paul W. Ryan of Serpe Ryan LLP, as well as [Gibson Dunn](#). Omar is represented by Eric M. Creizman and Caroline J. Polisi of [Creizman LLC](#).

The government is represented by Andrea M. Griswold and A. Damian Williams.

The case is U.S. v. Tuzman et al., case number 1:15-cr-00536 in the U.S. District Court for the Southern District of New York.

—Additional reporting by Jody Godoy. Editing by Joe Phalon.

[View comments](#)

0 Comments

Add Comment

- [Add to Briefcase](#)
- [Printable Version](#)
- [Rights/Reprints](#)
- [Editorial Contacts](#)

Related

Sections

- [Bankruptcy](#)
- [New Jersey](#)
- [New York](#)
- [Securities](#)
- [Technology](#)
- [White Collar](#)

Law Firms

- [Creizman LLC](#)