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New York Immigration Law Firm Files for Sanctions Against SEC for Flawed Case

Rare motion seeks dismissal of claims, reimbursement of legal fees

NEW YORK (Sept. 17, 2026) — Attorneys for New York immigration attorney Mona Shah and her law firm, now Mona Shah & Partners PLLC have filed a motion for sanctions against the U.S. Securities and Exchange Commission (SEC) in the United States District Court for the Southern District of New York.

Motions of this kind against a federal agency are rare. The motion, filed Wednesday under Rule 11 of the Federal Rules of Civil Procedure, asks the court to dismiss the SEC's claim against the Shah defendants and to award them attorneys' fees and court costs. Rule 11 requires that any lawyer, including an SEC lawyer, who signs a complaint must investigate the facts first and have evidence supporting the factual claims the complaint makes. Attorneys for Shah contend the SEC failed to do so in this case.

Shah runs a small immigration practice (named Mona Shah and Associates PLLC at the time of the SEC filing) doing work related to the EB-5 Immigrant Investor Program, a U.S. government initiative that grants permanent residency to foreign nationals who invest capital in a U.S. business and create 10 full-time jobs for American workers.

The SEC began probing her firm in February 2023 as part of a broader investigation into EB-5 securities offerings structured and operated by NuRide Transportation Group, LLC. The Queens transportation company, founded in 2014, was one of the first to focus on providing wheelchair accessible vehicles for New Yorkers.

To grow the business, NuRide raised money from foreign investors under the EB-5 program. Through those offerings, NuRide raised more than $66 million from foreign investors seeking permanent residency in the U.S.

Shah's firm became involved when it originally put the project documents together and filed the investors' EB-5 applications. She has no ownership, management role nor any operational control in any of the NuRide businesses. No finding of liability has been entered against her or her firm.

(more)

The SEC sued the Shah parties in November 2023 on a single count of selling unregistered securities. The charge rests on one allegation: that in each of three of five EB-5 offerings , at least one investor's eligibility form “indicated” the investor was not “accredited” — meaning that investor did not meet the financial thresholds required for the registration exemption the offerings relied on.

According to the motion, however, four months before it filed the suit, the SEC took Shah's testimony under oath, and she described the investor files her firm maintained — tax returns, bank statements, source-of-funds memoranda and subscription agreements — and where they were kept. Shah contends in the filing that these investor records would have disproved the allegations. The SEC follow-up subpoena, served three days later, requested the firm's internal policies and a document checklist but notably did not request the investor files.

The motion further states that in December 2025 — more than two years after SEC’s filing — it responded to requests for admission by acknowledging that whether the investors were accredited "remains the subject of discovery" and that it had "not received sufficient supporting documents" to resolve the question. In January 2026, the Shah defendants voluntarily produced more than 72,000 pages of investor records the SEC had not requested. On September 10, 2026 — after being served with this motion under Rule 11's safe-harbor provision — the SEC served amended responses, converting its earlier answers to denials.

Shah’s attorneys say this amended response confirms that the SEC did not have the necessary evidence to support the claims in its original lawsuit, as required under Rule 11.

“I sat for testimony under oath and told them exactly what we kept on every investor and where those files were," Shah said. “Nobody ever asked to see them, even after that testimony. Three years later, I am still defending a case those files would have resolved even before the lawsuit was even filed.

“This unfair SEC charge has been devastating to my firm and to the hundreds of investors who trusted the EB-5 system,” Shah said. “Before the SEC filed its complaint, approvals were awarded in more than 74 NuRide cases. Every denial came after the complaint was filed, and the notices cite the SEC case. This is unjust.”

“Rule 11 exists so that plaintiffs, including a federal agency plaintiff, cannot accuse someone first and look for the evidence afterward,” said Nicolas Morgan, founder and president of The Investor Choice Advocates Network (ICAN Law) and a former SEC trial counsel. ICAN Law recently joined the case as Shah’s co-counsel.

“The commission was told under oath where these records were,” Morgan said. “It did not ask for them, and filed the lawsuit anyway. We are asking the court to say plainly that the rule applies to the government too.”

The motion asks the court to dismiss the Section 5 claim for the Shah defendants, to award attorneys' fees and costs and to grant other relief the court deems appropriate. The Shah defendants have requested oral argument.

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About ICAN: The Investor Choice Advocates Network is a nonprofit public interest litigation organization that serves as a legal advocate and voice for small investors and entrepreneurs. ICAN seeks to expand access to markets by challenging government overreach and regulatory barriers that limit who is allowed to participate in them.