IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Civil Action No.: 25-cv-02821

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Plaintiff,

v.

VUKOTA CAPITAL MANAGEMENT, LLC,
VCM GLOBAL ASSET MANAGEMENT LTD., AND
TOMISLAV VUKOTA,

Defendants.

COMPLAINT

Plaintiff United States Securities and Exchange Commission (the "SEC") alleges as follows against Defendants Tomislav "Tom" Vukota ("Vukota"), Vukota Capital Management, LLC ("VCM"), and VCM Global Asset Management Ltd. ("VGAM") (collectively "Defendants"):

SUMMARY

1. Vukota and the two investment adviser entities he controlled, VCM and VGAM, negligently breached their fiduciary duties and made material misrepresentations to private funds controlled by Vukota (the "Private Funds") and investors who purchased limited partnerships in those funds. As a result of this misconduct, Vukota, VCM, and VGAM collectively received more than $6.9 million of ill-gotten proceeds.

2. The Defendants engaged in three distinct types of negligent misconduct. First, from at least 2017 through May 2022, Vukota and VCM caused various Private Funds they advised to make short-term loans to VCM at unfavorable, below-market rates to, among other things, cover cash shortfalls at other Private Funds. The Private Funds' partnership agreements prohibited these loans, and neither the practice of providing such loans or the resulting conflict of interest was disclosed to the Private Funds' investors.

3. Second, during February and March 2021, Vukota and VCM drafted and sent misleading letters to the investors in four of the Private Funds in connection with Vukota's attempt to buy the investors' interests in these funds. The buyout letters failed to disclose Vukota's conflicts of interest in connection with the proposed transactions, and Vukota and VCM failed to obtain investors' consent to those conflicts.

4. Third, from at least 2017 through 2023, Vukota and VGAM made material misstatements in marketing and offering materials for the Vukota Multi-Strategy Fund ("VMSF"). Those materials misleadingly claimed that the fund was audited (it was not), inflated the assets under management ("AUM") (by at least $20 million), misstated the fund's investment strategy (stating it was a public markets fund when it had significant investments in private assets), and misstated VGAM's filing status as an exempt reporting adviser (stating it had filed as an exempt reporting adviser when it had not).

5. As a result of the conduct described herein, Defendants violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)]; Defendants Vukota and VCM violated Section 206(2) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. § 80b-6(2)]; and Defendants Vukota and VGAM violated

Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8].

6. Unless Defendants are restrained and enjoined, they will continue to violate these statutes and rules. The SEC seeks permanent injunctions against each of the Defendants enjoining them from future violations of the above securities laws; disgorgement of Defendants' ill-gotten gains from the unlawful activity set forth in this Complaint, together with prejudgment interest; civil penalties against Defendants pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)]; and such other relief that the Court may deem appropriate.

JURISDICTION AND VENUE

7. 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 209(d), 209(e), and 214 of the Advisers Act [15 U.S.C. §§ 80b-9(d), 80b-9(e), and 80b-14].

8. Venue lies in this Court pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], Section 214 of the Advisers Act [15 U.S.C. § 80b-14], and 28 U.S.C. § 1391(b). Defendants conducted business in this district and VCM was, at times relevant to this Complaint, located in this district. Numerous investors who invested in the Private Funds are located in this district, and many of the acts, practices, transactions, and courses of business alleged in this Complaint occurred within this district.

9. In connection with the transactions, acts, practices, and courses of business described in this Complaint, Defendants, directly or indirectly, made use of the means or instrumentalities of interstate commerce, of the mails, or of the means or instruments of transportation or communication in interstate commerce.

10. Defendants entered into tolling agreements to toll the running of any statute of limitations against them from January 7, 2022 through November 7, 2025.

DEFENDANTS

11. **Tomislav "Tom" Vukota ("Vukota")**, age 52, is a former resident of Centennial, Colorado who has resided in Nassau, The Bahamas since 2017. He is the founder and Chief Executive Officer ("CEO") of VCM and VGAM and manages VCM's and VGAM's investment activities. He is not registered with the Commission in any capacity.

12. **Vukota Capital Management, LLC ("VCM")** is a New York limited liability company with its principal place of business in Greenwood Village, Colorado. VCM is an unregistered investment adviser and, from at least 2017 to the present, it offered investments in and advised alternative investments, including the Private Funds. VCM was founded by and is 100% owned by Vukota, who also serves as its CEO.

13. **VCM Global Asset Management Ltd. ("VGAM")** is a Bahamian International Business Company, with its principal place of business in Nassau, The Bahamas. VGAM began reporting with the Commission as an exempt reporting adviser in December 2022 and reports that it advises two funds, including VMSF, with total combined assets of approximately $35 million. VGAM was founded by and is 100% owned by Vukota, who also serves as its CEO.

RELATED ENTITY

14. **Vukota Multi-Strategy Fund ("VMSF")** is a non-United States feeder fund formed in 2013 that Vukota and VGAM advise for a 2% management fee and 20% performance fee. When VGAM began reporting as an exempt reporting adviser to the Commission in December 2022, it listed VMSF as one of two funds it managed as an investment adviser. Between 2017 and 2023, the assets in VMSF varied between $4 million and $14 million.

FACTS

I. Defendants Are Investment Advisers and Owed Fiduciary Duties to Their Clients.

A. *Vukota and VCM Acted as Investment Advisers to the Private Funds.*

15. Starting in at least 2014, Vukota and VCM began offering and selling limited partnership interests in the Private Funds. The Private Funds invested primarily in real estate. The Private Funds were structured as limited partnerships and each Private Fund had a general partner entity that Vukota owned and controlled.

16. VCM advised the Private Funds regarding all investment decisions. As VCM's sole owner and control person, Vukota advised and directed all aspects of the Private Funds. Vukota and VCM received compensation from the Private Funds in the form of monthly advisory fees and performance fees.

17. Each Private Fund that Vukota and VCM advised used a Private Placement Memorandum ("PPM") to offer interests in the fund to investors.

18. The PPMs provided, among other things, that "[t]he Partnership's operations are similar to an investment company as defined under the Investment Company Act, because the Partnership engages in the business of purchasing securities for investment."

19. A Limited Partnership Agreement ("LPA"), which was provided to investors, governed each Private Fund. These LPAs contemplated that each Private Fund would invest in securities. For example, the LPAs noted that "[s]hort-term securities and other similar interest bearing assets and property owned by the Partnership shall be registered in the Partnership's name or 'street name'. . . ."

20. Many of the Private Funds also invested in short-term loans with VCM. The notes issued pursuant to the short-term loans are securities under Advisers Act Section 202(a)(18), and Vukota and VCM provided investment advice concerning the notes.

21. As investment advisers, Vukota and VCM owed fiduciary duties to the Private Funds, including a duty to: (1) provide investment advice in the best interest of their clients, based on their clients' objectives; and (2) make full and fair disclosure of all conflicts of interest that might incline them, consciously or unconsciously, to render advice that is not disinterested such that their clients can provide informed consent to the conflicts.

B. Vukota and VGAM Acted as Investment Advisers to a Pooled Investment Vehicle, VMSF.

22. VMSF is a multi-strategy fund that invests primarily in securities.

23. VMSF qualifies as a pooled investment vehicle as defined in Rule 206(4)-8(b) of the Advisers Act. VMSF's outstanding securities are beneficially owned by fewer than 100 persons and VMSF is not making or proposing to make a public offering.

24. Vukota and VGAM advised VMSF, a pooled investment vehicle, regarding all investment decisions, including the value of securities and the advisability of investing in, purchasing, or selling securities. As a result of these activities, Vukota and VGAM received compensation from VMSF in the form of management and performance fees.

25. As investment advisers, Vukota and VGAM owed fiduciary duties to VMSF, including the fiduciary duties enumerated above in paragraph 21.

II. Defendants Offered and Sold Securities.

26. Defendants offered and sold investments that are "securities" as defined in Section 2(a)(1) of the Securities Act and Section 202(a)(18) of the Advisers Act.

27. Section 2(a)(1) of the Securities Act and Section 202(a)(18) of the Advisers Act define "security" to include, among other things, any "note," "bond," or "investment contract."

28. From at least 2014 to 2020, Vukota and VCM offered and sold limited partnership interests in numerous Private Funds.

29. From at least 2014 to 2023, Vukota and VGAM offered and sold limited partnership interests in VMSF.

30. Each of these limited partnership interests in the Private Funds and VMSF is an investment contract. Investors invested money into the funds, each of which is a common enterprise in which investor monies were pooled, with the expectation of earning profits based upon the efforts of the fund managers, and with profits tied to the performance of the fund investments.

III. Vukota and VCM Violated Section 206(2) of the Advisers Act and Sections 17(a)(2) and 17(a)(3) of the Securities Act by Improperly Causing Certain Private Funds to Make Loans to VCM.

31. Vukota and VCM managed and controlled numerous Private Funds. Investors purchased limited partnership interests in the Private Funds after receiving various offering documents, including a PPM and LPA. The Private Funds' LPAs had provisions that limited how money in the Private Funds could be invested.

32. From at least 2014 to 2022, Vukota and VCM operated an extensive lending program that they routinely used as a means of short-term financing for many of the Private Funds they controlled and to pay for VCM's operations (the "Short-Term Loan Program"). On a regular basis, Vukota and VCM caused loans to be made by various of the Private Funds at below market rates to VCM and other entities, and Vukota and VCM failed to disclose the fact that these loans were being made.

33. Most of the funding for the loans in the Short-Term Loan Program came from the Private Funds. These loans were sometimes made through VCM (money went from one Private Fund to VCM and then to another Private Fund), and at other times money was transferred directly from one fund to another but was still considered a loan to and from VCM. In 2017, this

was documented when Vukota created a Master Loan Agreement confirming that the Private Funds were making loans to VCM.

34. VCM also solicited loans from outside investors to provide an additional source of funding for the Short-Term Loan Program. These lenders were compensated with varying interest rates. VCM kept internal records tracking the indebtedness of the Private Funds and interest accruals.

35. Vukota created the Short-Term Loan Program and, with VCM, exercised complete control over it. Vukota set all material terms of the Short-Term Loan Program, including interest rates, duration, and payoff timing.

36. Vukota either approved specific loans from various Private Funds or provided authority to the VCM Chief Financial Officer to make the loans.

37. By 2017, Vukota and VCM had established a practice of making loans from Private Funds to VCM, with at least seven different Private Funds making loans to VCM.

38. By 2022, at least 26 different Private Funds had made loans to VCM as part of the Short-Term Loan Program.

39. Vukota determined the interest rates paid by the Private Funds to VCM, with the Private Funds paying no interest on the loans in 2017, an annual interest rate of 5% in 2018, and an annual interest rate of 3% between 2019-2022.

40. Vukota caused all Private Fund loans to be repaid by May 2022.

A. Vukota and VCM Failed to Disclose the Short-Term Loans, Which Were Prohibited by the Private Funds' Limited Partnership Agreements.

41. Vukota had final approval over the PPMs and LPAs for the Private Funds (collectively, the "Offering Documents") issued from 2014 through 2020.

42. Despite being a well-established practice by 2017, Vukota and VCM did not disclose the Short-Term Loan Program in the Private Funds' Offering Documents.

43. Moreover, Vukota and VCM made loans from Private Funds whose LPAs prohibited the loans for at least two reasons.

44. First, 17 of the Private Funds that made loans to VCM via the Short-Term Loan Program had LPAs containing specific provisions that stated these funds were not allowed to take on additional debt beyond the loan used to buy the property or loan money to any other person or property.

45. Second, the LPAs for all of the Private Funds that made loans to VCM pursuant to the Short-Term Loan Program had a provision requiring any transactions with affiliated parties "be on terms no less favorable to the [fund] than are generally afforded to unrelated parties in comparable transactions." Here, however, the low interest rates paid by VCM to the Private Funds (ranging from 0% to 5% annually) were lower than the rates VCM paid for other similar loans it obtained during the same period, which generally ranged from 8% to 12% annually. If VCM had paid market interest rates of 8% to 12% on the loans made pursuant to the Short-Term Loan Program, the Private Funds that made those loans would have received additional profits above the low 0% to 5% interest rates paid by VCM, and Vukota and VCM would have been required to pay additional money for the loans.

46. From the above negligent conduct, Vukota and VCM received approximately $1,297,133 of ill-gotten proceeds through receipt of loans at below-market rates.

B. *Vukota and VCM Violated Section 206(2) of the Advisers Act by Advising the Private Funds to Make Improper Loans.*

47. Vukota and VCM negligently breached their fiduciary duty to the Private Funds by violating specific LPA provisions that barred the short-term loans and by having numerous Private Funds lend money to VCM at unfavorable, below-market rates.

48. In addition, causing the Private Funds to make the short-term loans to VCM created a conflict of interest that was not disclosed to the Private Funds or consented to by the Private Funds or their limited partners.

49. The loans created a conflict between the Private Funds, which had an interest in receiving high interest on loans of their funds, and VCM, which had an interest in paying as little as possible to borrow money. Moreover, Vukota, who caused the loans to occur and set the loan terms, also had a conflict of interest in light of his ownership of VCM.

50. The Private Funds were managed by general partners owned by Vukota. The Private Funds did not have Boards of Directors or Trustees to evaluate potential conflicts. And because Vukota and VCM were conflicted, they could not give consent on behalf of the Private Funds to engage in the Short-Term Loan Program.

51. In connection with the Short-Term Loan Program, Vukota and VCM were negligent because reasonable investment advisers would have acted consistent with their fiduciary duties, which required that they exercise reasonable care to comply with the provisions of the LPA and to provide notice regarding, and obtain consent for, conflicted transactions.

C. *Vukota and VCM Violated Sections 17(a)(2) and 17(a)(3) of the Securities Act in Connection with the Improper Loans.*

52. Vukota and VCM knew that they were operating the Short-Term Loan Program, yet they negligently failed to disclose this practice in the Offering Documents transmitted to investors in the Private Funds from 2017 to 2020.

53. From at least 2017 through 2020, Vukota and VCM made false and misleading statements in the Private Fund's Offering Documents regarding the Short-Term Loan Program.

54. First, all the Private Fund LPAs provided that any agreements or contracts entered into by the general partners to the Private Funds with related persons or entities "shall be on terms no less favorable to the Partnership than are generally afforded to unrelated parties in comparable transactions."

55. A reasonable investor would have understood from this statement that any loans made by the Private Funds to VCM would be on terms no less favorable to the Private Funds than loans made to unrelated parties in comparable transactions.

56. This statement in the LPAs was misleading because Vukota and VCM caused the Private Funds to make loans at below-markets rates to VCM, and thus the loans were made on less favorable terms than loans to unrelated parties in comparable transactions.

57. Vukota and VCM should have known this statement was misleading because they were responsible for making the loans and should have been aware of the LPA provision requiring loans to be made on terms no less favorable than loans to unrelated parties in comparable transactions.

58. The short-term loans were material to investors because they directly impacted the availability of free cash flow that could have been distributed to investors or used to improve the properties in which the funds invest, and also affected annual operating results because the loans were made at below-market interest rates. The statement that loans "shall be on terms no less favorable to the Partnership than are generally afforded to unrelated parties in comparable transactions" was material because a reasonable investor would expect the fund to receive fair terms regardless of whom the loans were with.

59. Second, 17 Private Fund LPAs had provisions stating that the fund "will not buy or hold evidence of indebtedness issued by any other person (other than cash or investment grade securities" and that "[i]t will not acquire obligations or securities of its partners, members, shareholders, or Affiliates, as applicable."

60. A reasonable investor would have understood from this provision that the Private Funds would not lend money to VCM, an affiliated entity.

61. The statement in the LPAs was misleading because Vukota and VCM caused the Private Funds to make loans to VCM when making such loans was not allowed under the applicable LPAs.

62. Vukota and VCM should have known this statement was misleading because they made the loans and should have been aware of the provision barring loans to an affiliated entity.

63. The short-term loans were material to investors because they directly impacted the availability of free cash flow that could have been distributed to investors or used to improve the properties in which the funds invest, and also affected annual operating results because the loans were made at below-market interest rates. The statements that the fund "will not buy or hold evidence of indebtedness issued by any other person (other than cash or investment grade securities" and that "[i]t will not acquire obligations or securities of its partners, members, shareholders, or Affiliates, as applicable" were material because a reasonable investor would expect the fund would limit its indebtedness.

64. Vukota and VCM obtained money or property as a result of these false statements from the management and performance fees paid by the Private Funds.

65. Vukota and VCM acted negligently because a reasonable investment adviser would not have made false and misleading statements in the Offering Documents.

IV. Vukota and VCM Violated Section 206(2) of the Advisers Act by Failing to Disclose Conflicts of Interest Concerning Buyout Transactions Relating to Four Private Funds.

66. In early 2021, Vukota and VCM advised at least 14 funds that each owned a single multifamily property. Four of these funds owned properties in Colorado Springs, Colorado (the "CS Funds"). The properties held by the CS Funds were among the best performing properties in VCM's portfolio. At that time, Vukota decided that he wanted to acquire the limited partnership interests in the CS Funds from the existing investors.

67. In February and March 2021, Vukota sent letters to the limited partners in the four CS Funds detailing terms under which the investors could sell their partnership interests. The letters were dated: (a) February 10 and 18, 2021, to the limited partners of the Villages at Woodmen ("Woodmen Fund"); (b) March 1, 2021, to the limited partners of the Chestnut Springs Apartments ("Chestnut Fund"); (c) March 2, 2021, to the limited partners of the Wind River Place ("Wind River Fund"); and (d) March 23, 2021, to the limited partners of the Residence at Austin Bluffs ("Austin Bluffs Fund") (together, the "Buyout Letters").

68. The Buyout Letters, which were from the CS Funds' general partners and signed by Vukota, provided information concerning the performance, operations, and value of the underlying properties, and each letter concluded by asking investors to return a form indicating whether they were interested in selling their interest.

69. Vukota and VCM's former Director of Asset Management drafted the Buyout Letters. Each letter was approximately two-pages long and was not reviewed by legal counsel. Vukota directed and controlled the drafting and content of the Buyout Letters, and he emailed them to investors.

70. Other than the Buyout Letters, investors were not provided with any other information in connection with the buyouts.

71. As described in more detail below, the Buyout Letters that Vukota signed were misleading and failed to disclose conflicts of interest.

72. As an adviser to the CS Funds, VCM was aware that the Buyout Letters were misleading and did not disclose conflicts of interest, but VCM failed to take any steps to disclose conflicts of interest to investors.

A. The Buyout Letters Omitted Material Information.

73. The Buyout Letters were misleading because they negligently omitted material facts, failing to provide a complete picture of the CS Funds, in terms of operations and value. The letters did not provide complete information regarding at least four topics: (1) Vukota as the buyer; (2) pending refinances; (3) certain financial metrics; and (4) third-party value indicators. The misleading information provided to investors made it impossible for them to provide informed consent to the conflicted buyout transactions and resulted in investors selling their interest at artificially depressed prices based on incomplete information.

1. Omission of Material Information in Three of the Four Buyout Letters Relating to Vukota Being the Buyer.

74. Vukota bought the limited partnership interests purchased through the buyouts. However, in three of the four Buyout Letters Vukota and VCM did not disclose to investors that Vukota was the buyer.

75. In the Woodmen Fund buyout letter, Vukota wrote that "the General Partner of the Partnership is selling the Partnership to a new investor group."

76. In the Chestnut Fund and Wind River Fund buyout letters, Vukota wrote: "[t]he General Partner plans on bringing in new investors to replace investors that wish to exit."

77. These statements failed to disclose that Vukota was the buyer and instead indicated that "new investor[s]" would be identified by the General Partner to purchase the CS Funds' investors' interests.

2. Omission of Material Information Relating to Refinance Transactions.

78. In early December 2020, Vukota and VCM submitted refinance applications for the four properties held by the CS Funds. The applications required substantial application fees, much of which were nonrefundable.

79. Upon completion of the refinances, they offered potential material benefits for the funds for at least two reasons.

80. First, each fund was expected to receive substantially more cash from the refinances than was needed to pay off the existing debt, resulting in net cash to the fund (totaling millions of dollars for each fund). The net cash would be paid to the fund and could either be distributed to the limited partners per the LPAs or could be held by the fund and used for fund purposes, such as renovations to the properties.

81. Second, following the refinances, monthly debt-related expenses would decrease significantly due to: (1) lower interest rates; (2) a five-year interest-only repayment term; and (3) the payoff of preferred equity for three of the properties.

82. As alleged above, Vukota sent the Buyout Letters in February and March 2021. The refinances all closed within one to three weeks after the date of each letter.

83. Notwithstanding the significance of the refinances to the CS Funds and how close to completion they were, the Woodmen Fund buyout letter did not mention the pending refinance. Additionally, the other three Buyout Letters omitted to state that significant steps had been taken towards completing the refinances and that the properties would receive significant net cash and would have lower debt-related monthly expenses once the refinances were

completed, but, instead, only stated that "our plan is to pursue a value-add strategy by refinancing the property."

3. Misstatements Concerning Financial Metrics.

84. In the Buyout Letters, Vukota made several misleading statements regarding the underlying properties' financial performance, in each case reflecting performance that was weaker than the actual performance.

85. In the Woodmen Fund buyout letter, Vukota wrote that the property had "negative funds from operations of $85,689," when, in fact, other documents revealed that the number was a positive figure. The number cited by Vukota in the letter was for a different metric, known as available funds from operations ("AFFO").

86. In the Wind River Fund buyout letter, Vukota wrote: "net operating income growth has slowed." However, net operating income at the Wind River Fund was at an all-time high and growth had accelerated for the most recent year-over-year period.

87. In the Chestnut Springs Fund buyout letter, Vukota wrote "[AFFO] has been minimal. This is largely due to COVID-19 and the associated evictions moratorium, which has caused rents to stay flat and has increased delinquency substantially." However, the statement was misleading because AFFO decreased largely due to one-time capital expenditures at the property that were unrelated to the pandemic.

4. Omission of Material Value Indicators.

88. In each of the Buyout Letters, Vukota assigned a value to the underlying CS Fund property and used that value as the basis for the calculations presented to investors, resulting in the buyout price for each limited partnership interest.

89. In the Buyout Letters, Vukota and VCM presented the property values to investors as a reasonable estimate of the value of each property, and each letter included three comparable sales to support the value.

90. The property values presented by Vukota and VCM in the letters, however, were materially below recent broker estimates of value ("BOVs"), appraisals of the properties, and, for the Woodmen Fund, a recent letter of intent to purchase the property.

91. At the request of Vukota and VCM, two reputable commercial real estate firms prepared BOVs for each of the CS Funds' properties using the funds' internal financial metrics in the months prior to the refinances, and in one case (the property underlying the Austin Bluffs Fund) just weeks before the refinance closed. Each BOV resulted in materially higher prices than the buyout offers.

92. In addition, lenders, in connection with the refinances, had appraisals prepared for the CS Funds' properties before the Buyout Letters were sent. These appraisals also resulted in materially higher prices than the buyout offers.

93. Finally, an institutional buyer sent Vukota an unsolicited letter of intent, dated December 18, 2020, to purchase the Woodmen Fund's asset for a price that significantly exceeded the asset value presented to investors in the buyout letter. Vukota and VCM received the letter but did not respond to it and did not inform investors about the higher offer.

94. Vukota and VCM received the BOVs, appraisal values, and the letter of intent and were aware of the valuations contained in them prior to sending the Buyout Letters but did not inform investors about these value indicators in the Buyout Letters.

B. Vukota and VCM Failed to Disclose Vukota's Conflicts of Interest Relating to the Buyouts.

95. The CS Funds were managed by general partners owned by Vukota. The CS Funds did not have Boards of Directors or Trustees in place to evaluate potential conflicts arising from the buyout transactions. Therefore, Vukota and VCM were required to disclose and obtain consent from the limited partners in the CS Funds for any conflicted transactions.

96. Vukota's role as the intended purchaser and buyer of the limited partnership interests of the CS Funds through the buyouts created conflicts of interest that were not disclosed to the CS Funds or their limited partners, nor did the funds or their limited partners provide consent.

97. Vukota's position as the buyer, which in three of the funds was undisclosed, created a conflict between his personal interest in completing the buyouts and his responsibility to act in the CS Funds' best interests.

98. Vukota's interests conflicted with the interests of the CS Funds in at least three ways.

99. First, Vukota had an incentive to pursue the refinances regardless of whether the refinances were in the best interest of the CS Funds. Vukota had insufficient liquidity to purchase the CS Funds' limited partnership interests, and he used significant portions of the distributed proceeds from the refinances to pay for the buyouts. Accordingly, he could not have completed the buyouts without first completing the refinances. However, the refinances carried significant costs to the CS Funds in the form of lender fees and costs, origination fees, and prepayment penalties or defeasance costs, which may have made the refinances not in the interest of the CS Funds.

100. Second, Vukota had an incentive to immediately distribute the money from the refinances so he could use the money to pay for the buyouts when it may have been in the funds' best interest to use the money for other purposes, such as making improvements at the properties. Notably, in the Buyout Letters, Vukota and VCM told investors that the CS Funds did not anticipate distributions due to plans to make capital improvements at the properties.

101. Finally, because Vukota wanted to buy the limited partners' interests in the CS Funds, he had an incentive not to sell the CS Funds' properties prior to refinancing, because doing so would have prevented Vukota from completing the buyouts. This was true even if selling the CS Funds' properties would have been beneficial for the funds, both in maximizing value for the funds and avoiding the significant expense associated with refinancing.

102. As discussed above, Vukota and VCM obtained BOVs and appraisals with higher valuations than those set forth in the Buyout Letters, and in one instance received a letter of intent from a prospective buyer. These value indicators potentially suggested favorable market conditions for sale, yet none of this information was shared with the limited partners, and Vukota had a disincentive to pursue a sale prior to, or instead of, closing the refinances, so he could complete the buyouts before moving forward with sales.

103. Accordingly, regardless of how Vukota intended to pay for the buyouts, Vukota's role as the buyer created a conflict between his personal interest in completing the buyouts and the CS Funds' interests in maximizing the value of their assets because it set Vukota on a path to refinance the properties, which may not have been in the funds' best interests.

104. From the above course of conduct, Vukota received approximately $5,600,000 of ill-gotten proceeds.

C. Vukota and VCM Breached their Fiduciary Duties in Violation of Section 206(2) of the Advisers Act in Connection with the Buyout Transactions.

105. Vukota's role in the buyouts created a conflict of interest that was not disclosed to the CS Funds or their limited partners or consented to by the funds or their limited partners.

106. Vukota had a conflict of interest with the CS Funds because he had an incentive to: (1) pursue the refinances for his own benefit, regardless of whether this was best for the CS Funds; (2) immediately distribute money from the refinances so he could use the money to pay for the buyouts when it may have been in the funds' best interest to use the money for other purposes, such as making improvements at the properties; and (3) avoid selling the CS Funds' assets until he could complete the buyouts.

107. Because Vukota and VCM were conflicted, they could not give consent on behalf of the CS Funds to engage in the buyouts.

108. Moreover, because the Buyout Letters contained materially false and misleading statements, alleged above, the limited partners could not, and did not, give informed consent.

109. Vukota and VCM acted negligently because a reasonable investment adviser would not engage in conflicted transactions without making the required disclosure and obtaining informed consent.

V. Vukota and VGAM Violated Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder and Sections 17(a)(2) and 17(a)(3) of the Securities Act by Making False and Misleading Statements to Investors and Prospective Investors in VMSF.

110. VMSF is a multi-strategy non-United States feeder fund formed in 2013 that invests primarily in securities. Vukota and VGAM have advised VMSF from 2017 to the present.

A. *Vukota and VGAM Provided False and Misleading Statements to Investors and Prospective Investors in VMSF.*

111. Vukota and VGAM made false and misleading statements to investors and prospective investors in VMSF's marketing materials from at least 2017 through 2023 ("Marketing Decks") and in VMSF's PPM, dated January 1, 2022 ("2022 VMSF PPM").

112. First, the Marketing Decks stated that VMSF had an auditor and provided the specific name of the auditing firm.

113. A reasonable investor would have understood from this statement that VMSF had an auditor.

114. The statement in the Marketing Decks relating to the auditor was misleading because, from 2017 to 2023, VMSF had not engaged an auditor and had not been audited for many years. The last audit that VMSF received was for the period ending December 31, 2014.

115. Second, the Marketing Decks contained a chart stating that VMSF had a "Strategy AUM" of $35 million.

116. A reasonable investor would have understood from this statement that VMSF had at least $35 million in AUM.

117. The statement in the Marketing Decks relating to AUM was misleading because VMSF never had more than $14.1 million of AUM.

118. Third, the Marketing Decks stated that the "Fund Objective" was "to construct public market portfolios that generate stable risk-adjusted returns while prioritizing preservation of capital."

119. A reasonable investor would have understood from this statement that VMSF invested its assets entirely in the public markets.

120. The statement in the Marketing Decks relating to VMSF's portfolio was misleading because private investments, including loans made to affiliated entities, comprised a substantial portion of the fund, ranging from 37% to 63% between 2017 and 2023.

121. From 2017 through 2023, the Marketing Decks were revised multiple times, but the same false and misleading statements remained in them throughout that period.

122. The Marketing Decks were sent to Vukota for his review and Vukota personally sent out the Marketing Decks on multiple occasions.

123. Starting in January 2022, Vukota and VGAM also sent the 2022 VMSF PPM, which was the principal offering document for VMSF, to potential investors.

124. The 2022 VMSF PPM stated that VGAM has "filed with the SEC as an Exempt Reporting Adviser."

125. A reasonable investor would have understood from this statement that VGAM had filed as an exempt reporting adviser.

126. The January 2022 statement in the 2022 VMSF PPM that VGAM had filed as an exempt reporting adviser was misleading because that did not occur until nearly a year later, in December 2022.

127. Vukota reviewed and approved the 2022 VMSF PPM.

128. These statements in the Marketing Decks and PPM listed above were material because they are essential facts regarding VMSF and therefore would have been important to investors.

129. From the above course of conduct, Vukota and VGAM received money in the amount of approximately $46,079 of ill-gotten proceeds through management and performance fees on VMSF.

B. Vukota and VGAM Violated Sections 17(a)(2) and 17(a)(3) of the Securities Act by making False and Misleading Statements in VMSF's Marketing Materials and PPM.

130. From at least 2017 through 2023, Vukota and VGAM offered and sold limited partnership investments, that are securities in the form of investment contracts, in VMSF.

131. From at least 2017 to 2023, Vukota and VGAM sent the Marketing Decks to investors and prospective investors that contained misleading statements concerning the fund's strategy, whether it was audited, and the amount of AUM. Also, starting January 2022, Vukota and VGAM sent the 2022 VMSF PPM to investors and prospective investors that contained misleading statements concerning VGAM's status as an exempt reporting adviser.

132. Vukota and VGAM were negligent because a reasonable investment adviser would have ensured the marketing and offering materials did not contain misleading statements prior to public dissemination.

C. Vukota and VGAM Violated Section 206(4) of the Advisers Act and Rule 206(4)-8 Thereunder by making False and Misleading Statements in VMSF's Marketing Materials and PPM.

133. VMSF is a multi-strategy fund that invests primarily in securities and it qualifies as a pooled investment vehicle as defined in Rule 206(4)-8(b) of the Advisers Act. VMSF's outstanding securities are beneficially owned by fewer than 100 persons and it is not making or proposing to make a public offering.

134. Vukota and VGAM advised VMSF, a pooled investment vehicle, regarding all investment decisions, including the value of securities and the advisability of investing in, purchasing, or selling securities.

135. From at least 2017 to 2023, Vukota and VGAM sent the Marketing Decks to investors and prospective investors that contained misleading statements concerning the fund's strategy, whether it was audited, and the amount of AUM. Also, starting January 2022, Vukota

and VGAM sent the 2022 VMSF PPM to investors and prospective investors that contained misleading statements concerning VGAM's status as an exempt reporting adviser.

136. Vukota and VGAM were negligent because a reasonable investment adviser would have ensured the marketing and offering materials did not contain misleading statements prior to public dissemination.

FIRST CLAIM FOR RELIEF
Section 206(2) of the Advisers Act
(Against Vukota and VCM)

137. The SEC realleges and incorporates by reference paragraphs 1 through 136 as though fully set forth herein.

138. At all times relevant to the Complaint, Vukota and VCM acted as investment advisers to the Private Funds and the CS Funds.

139. As a result of the negligent conduct alleged herein, Vukota and VCM, while acting as investment advisers, by the use of the mails or means or instrumentality of interstate commerce, directly or indirectly engaged in a transaction, practice, or course of business which operated as a fraud or deceit upon a client or prospective client.

140. By virtue of the foregoing, Vukota and VCM, directly or indirectly, violated, and unless enjoined, will again violate Section 206(2) of the Advisers Act [15 U.S.C. § 80b-6(2)].

SECOND CLAIM FOR RELIEF
Section 206(4) of the Advisers Act and Rule 206(4)-8 Thereunder
(Against Vukota and VGAM)

141. The SEC realleges and incorporates by reference paragraphs 1 through 136 as though fully set forth herein.

142. At all times relevant to the Complaint, Vukota and VGAM acted as investment advisers to the VMSF, which is a pooled investment vehicle as defined in Rule 206(4)-8(b) of the Advisers Act [17 C.F.R. § 275.206(4)-8(b)].

143. Vukota and VGAM, while acting as investment advisers to a pooled investment vehicle, by use of the mails or means or instrumentality of interstate commerce, directly or indirectly engaged in acts, practices, or courses of business which were fraudulent, deceptive, or manipulative. Vukota and VGAM directly or indirectly: (a) made untrue statements of material fact or omitted to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, to investors or prospective investors in a pooled investment vehicle; or (b) otherwise engaged in acts, practices, or courses of business that were fraudulent, deceptive, or manipulative with respect to investors or prospective investors in a pooled investment vehicle.

144. By virtue of the foregoing, Vukota and VGAM directly or indirectly, violated, and unless enjoined, will again violate Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-8 [17 C.F.R. § 275.206(4)-8] thereunder.

THIRD CLAIM FOR RELIEF
Sections 17(a)(2) and 17(a)(3) of the Securities Act
(Against All Defendants)

145. The SEC realleges and incorporates by reference paragraphs 1 through 136 as though fully set forth herein.

146. Defendants, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, acting at least negligently: (1) obtained money or property by means of an untrue statement of material fact or omission to state a material fact necessary in order to make the

statements made, in light of the circumstances under which they were made, not misleading; and (2) engaged in one or more actions, transactions, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

147. By virtue of the foregoing, Defendants, directly or indirectly, violated and, unless restrained and enjoined, will again violate Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

RELIEF SOUGHT

WHEREFORE, the SEC respectfully requests that this Court:

I.

Find that Defendants committed the violations alleged in this Complaint;

II.

Enter an injunction, in a form consistent with Rule 65 of the Federal Rules of Civil Procedure, permanently restraining and enjoining Defendants from violating, directly or indirectly, the laws and rules they are each alleged to have violated in this Complaint;

III.

Order Defendants to disgorge all ill-gotten gains, together with pre-judgment interest, derived from the activities set forth in this Complaint;

IV.

Order Defendants to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)]; and

V.

Grant such other and further relief as this Court may deem just and proper.

JURY DEMAND

The SEC demands a trial by jury on all claims so triable.

Respectfully submitted, September 9, 2025

/s Gregory A. Kasper
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