

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 7021 / October 2, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22769

In the Matter of

**CITYVEST CAPITAL INC.,
CV MANAGER LLC, and
ALAN P. DONENFELD,**

Respondents.

**ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTIONS 203(e), 203(f) AND 203(k) OF
THE INVESTMENT ADVISERS ACT OF
1940, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS
AND A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940 (the “Advisers Act”) against CityVest Capital Inc. (“CityVest”), CV Manager LLC (“CV Manager”), and Alan P. Donenfeld (“Donenfeld”) (collectively, “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting the findings herein, except as to the Commission’s jurisdiction over Respondents and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondents' Offers, the Commission finds¹ that:

Summary

1. This matter arises out of breaches of fiduciary duty by investment advisers CityVest, CV Manager, and their part-owner and sole operator, Donenfeld, by taking undisclosed loans from funds they advised. CityVest and Donenfeld created "access funds," which invested in third-party real estate funds, and sold pro rata membership interests in the access funds to individual investors. From December 2018 through December 2022, CityVest raised approximately \$47 million across approximately 15 different access funds.

2. Between July 2019 and May 2025 (the "Relevant Period"), Respondents borrowed \$425,000 from three of the access funds (collectively, the "Three Access Funds"²) at points when the Three Access Funds did not owe CityVest any fees. Respondent Donenfeld, who signed the loan agreements on behalf of both the Three Access Funds and CityVest, caused CityVest to take the loans in part, to meet CityVest's operating expenses, including payroll. These loans were ultimately repaid in full, including interest that was fully paid by July 2, 2025. Nonetheless, the loans from the Three Access Funds to CityVest, and their use to cover CityVest's operating expenses, including payroll, created material conflicts of interest. Those conflicts of interest were not fully and fairly disclosed to or consented to by the Three Access Funds and their investors.

3. As a result of this conduct, Respondents willfully³ violated Section 206(2) of the Advisers Act.

Respondents

4. CityVest is a Delaware corporation, with its primary place of business in New York, New York. CityVest creates and acts as the investment adviser to access funds that invest in third-party real estate funds. CityVest identifies and performs due diligence relating to the access

¹ The findings herein are made pursuant to Respondents' Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

² Fund names are anonymized for purposes of this Order.

³ "Willfully," for purposes of imposing relief under Sections 203(e) and (f) of the Advisers Act, "means no more than that the person charged with the duty knows what he is doing." *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). The decision in *The Robare Group, Ltd. v. SEC*, which construed the term "willfully" for purposes of a differently structured statutory provision, does not alter that standard. 922 F.3d 468, 478-79 (D.C. Cir. 2019) (setting forth the showing required to establish that a person has "willfully omit[ted]" material information from a required disclosure in violation of Section 207 of the Advisers Act).

fund investments, and it collects management fees from the access funds. During the Relevant Period, CityVest had as much as \$47 million in assets under management. CityVest has never been registered with the Commission.

5. CV Manager, a Delaware corporation, is a wholly owned subsidiary of CityVest. As enumerated in the access fund offering materials, CV Manager is the manager of each of the 15 access funds. CV Manager has never been registered with the Commission.

6. Donenfeld, age 69 and resident of New York, New York, solely runs and is part-owner of CityVest. Donenfeld, through CV Manager and CityVest, acts as the investment adviser to the access funds. Donenfeld previously held Series 14, 24, 63, 79, and 99 registrations that he terminated in November 2022.

Background

7. As part-owner of CityVest and the CEO and manager of CityVest and CV Manager, Donenfeld was responsible for creating and managing access funds and identifying the third-party funds in which the access funds invested. In addition, Donenfeld exercised control over CityVest's bank accounts, payroll and expenses.

8. The operating agreement for each access fund specified that the manager was responsible for its own overhead and personnel-related expenses, and conferred certain general and specific powers to CityVest and CV Manager, including authority "on the [Access] Fund's behalf to make all decisions as to . . . the borrowing of money and the granting of security interests in the Fund's assets (including loans from Members)." The fund documents provided to investors did not disclose that the access funds could make loans to CityVest.

9. Following investment in the third-party funds, the access funds relied on distributions from the third-party funds to pay fees owed to CityVest. Depending on the timing of the distributions, CityVest at times experienced cash shortages. During periods of illiquidity, CityVest at times borrowed money from the access funds to cover operating expenses, including to pay Donenfeld.

Access Fund 1: CityVest Takes the First Loan

10. In or about December 2018, Respondents began raising money for the initial access fund Respondents created and advised ("Access Fund 1"). On December 19, 2018, Respondents executed a loan agreement between Access Fund 1, CityVest and CV Manager, and signed by Donenfeld on behalf of all three parties, that stated CityVest could take loans from Access Fund 1 "up to the amount of cash on hand at any time."

11. By January 2019, Respondents had raised approximately \$1.4 million for Access Fund 1. Approximately \$700,000 was invested forthwith in the underlying third-party fund, while the other half remained in Access Fund 1's bank account, awaiting investment. In July 2019, Donenfeld, on behalf of CityVest, CV Manager and Access Fund 1, executed a promissory note for

a loan of \$100,000 from Access Fund 1 to CityVest. CityVest then took the \$100,000 loan from the \$700,000 awaiting investment in the third-party fund on July 10, 2019, when Donenfeld transferred \$100,000 from Access Fund 1's bank account to CityVest's bank account, which, at the time, had a negative balance of \$828.05. Once the loan proceeds were deposited into CityVest's bank account, Donenfeld promptly used the funds to pay third parties for certain CityVest expenses, including advertising expenses and payroll.

**Access Fund 2: CityVest Takes Additional Loans to Repay
the Access Fund 1 Loan and Pay CityVest's Operating Expenses Including Payroll**

12. On September 20, 2019, upon a capital call by the third-party fund for the investment of Access Fund 1's remaining \$700,000, CityVest repaid the \$100,000 Access Fund 1 loan by taking a \$150,000 loan which comprised the entirety of an investment made the day prior by an investor ("Investor A") in another, newly created access fund ("Access Fund 2"). Respondents executed a loan agreement between Access Fund 2, CityVest and CV Manager with the same terms as the earlier loan agreement between Respondents and Access Fund 1. After depositing Investor A's money in Access Fund 2's bank account, based on this loan agreement, Donenfeld, on behalf of CityVest, CV Manager and Access Fund 2, executed a promissory note for the loan. Donenfeld did not tell Investor A that the money Investor A invested was being used in this manner. Respondents then used the money from Access Fund 2 to repay the loan from Access Fund 1 without interest at that point.

13. Between November 2019 and January 2020, while CityVest was still raising money for Access Fund 2, CityVest took additional loans totaling \$40,000 from Access Fund 2 based on promissory notes that Donenfeld signed on behalf of CV Manager and Access Fund 2. Again, the money was used to pay CityVest's operating expenses, including payroll. The fund documents provided to investors did not state that the access fund could make loans to CityVest.

14. On March 17, 2020, three days before Access Fund 2's investment in the underlying third-party fund, CityVest repaid all of the outstanding Access Fund 2 loans without interest, upon receiving an investment in CityVest from a third-party investor.

15. One of the investors solicited in December 2019 for Access Fund 2 invested \$75,000 ("Investor B"). Investor B mistakenly made his check payable to CityVest, rather than Access Fund 2. Donenfeld emailed the investor stating he would deposit the funds into CityVest's bank account and then transfer the funds to the Access Fund 2 bank account. Investor B's check was deposited into CityVest's bank account on or around December 13, 2019. This money was used to pay CityVest's operating expenses, including payroll, rent and advertising expenses. This money was repaid to Access Fund 2 on March 17, 2020 (along with the repayment of the loans as discussed in Paragraph 14 above). The use of Investor B's investment to pay CityVest's expenses was not disclosed to or approved by Investor B, nor was it authorized by fund documents. There was no loan agreement or promissory note associated with the transaction, and no interest was paid thereon.

Access Fund 3: CityVest Takes Loans from Access Fund 3

16. CityVest and Donenfeld raised approximately \$5.9 million for another access fund, which closed on December 31, 2020 (“Access Fund 3”). The entirety of the \$5.9 million (minus fees disclosed in the investor documents) was invested in the designated third-party fund. On several occasions, the third-party fund made distributions to investors, including Access Fund 3.

17. On October 15, 2024, Donenfeld, on behalf of Access Fund 3 and CityVest, executed a loan agreement that specified that the proceeds of a loan could be used “for any purpose.”

18. On October 11, 2024, the third-party fund made a distribution of \$103,000 to Access Fund 3. Five days later, CityVest took a loan of \$30,000 from Access Fund 3. In December 2024, the third-party fund made another distribution to Access Fund 3 – of approximately \$484,000 – and on May 7, 2025, CityVest took another \$30,000 loan from Access Fund 3. These loans were over and above fees owed by Access Fund 3 to CityVest. For both loans, Donenfeld signed promissory notes on behalf of CityVest and Access Fund 3. On July 29, 2025, Donenfeld repaid the outstanding loans.

Interest Payments on the Loans

19. On July 2, 2025, CityVest paid \$789.04 in interest on the Access Fund 1 loan. CityVest caused the interest on the Access Fund 2 loan to be netted against amounts that were owed by the fund to CityVest for fund expenses when the Access Fund 2 wound down in the end of 2023. Finally, CityVest paid \$4,305 in interest on the Access Fund 3 loan between October 2024 and July 2025.

20. Those conflicts of interest associated with the loans were not fully and fairly disclosed to or consented to by the Three Access Funds and their investors.

Violations

21. Section 206(2) of the Advisers Act prohibits investment advisers from directly or indirectly engaging “in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.” Proof of scienter is not required to establish a violation of Section 206(2) of the Advisers Act, but rather a violation may rest on a finding of negligence. As a result of the conduct described above, Respondents willfully violated Section 206(2) of the Advisers Act.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondents’ Offers.

Accordingly, pursuant to Sections 203(e), 203(f) and 203(k) of the Advisers Act, it is hereby ORDERED that:

A. Respondents cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act.

B. Respondents are censured.

C. Respondent CityVest shall, within 30 days of the entry of this Order, pay a civil money penalty in the amount of \$10,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Securities Exchange Act of 1934 (“Exchange Act”) Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

D. Respondent Donenfeld shall, within 30 days of the entry of this Order, pay a civil money penalty in the amount of \$10,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717. In imposing this penalty, the Commission considered Respondent Donenfeld’s financial and personal circumstances.

Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondents may pay by certified check, bank cashier’s check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Alan Donenfeld and CityVest Capital Inc., as Respondents in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Sheldon Pollock, Division of Enforcement, Securities and Exchange Commission, 100 Pearl Street, Suite 20-100, New York, NY 10004.

E. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent CityVest and Respondent Donenfeld agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondents by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent Donenfeld, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent Donenfeld under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent Donenfeld of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary