

inconsistent with the Future Fractal trading strategy that he had marketed to investors when soliciting their investments.

2. In offering materials, communications to investors and prospective investors, and in-person meetings, Kumar made numerous materially false and misleading representations about fundamental aspects of Future Fractal, including that: (a) he would employ an investment strategy based on a proprietary algorithmic options trading strategy that he created and back-tested; (b) the options trading strategy was designed to track the performance of the S&P 500 Index or the Nasdaq-100 Index by trading solely in two specific Index-Based ETFs (hereinafter, “Index-Based ETF A” and “Index-Based ETF B”); (c) any risk of loss would be capped at approximately 25% of the amount invested; (d) no trade would exceed 5% of Future Fractal’s assets under management (“AUM”), with a maximum drawdown of 25%; (e) if there was a drawdown greater than 25% at any point, investors would be completely reimbursed up to 75% of their contributed capital, and (f) Future Fractal had achieved a 15.7% rate of return during its first week of trading. Investors sent their funds to bank and brokerage accounts in the name of Future Fractal. After trading in Future Fractal’s brokerage account for approximately four weeks, Kumar subsequently transferred the majority of those funds to a brokerage account in his own name, which he did not disclose to investors.

3. Starting on Future Fractal’s second day of active trading on or about January 30, 2024, and continuing through February 2024, Kumar made increasingly risky trades in securities other than Index-Based ETF A and Index-Based ETF B contrary to his representations to investors that he would only trade in those two ETFs and that he would employ his purported proprietary algorithmic options trading strategy. Further, Future Fractal did not generate a return

of 15.7% during its first week of trading; in fact, Future Fractal lost approximately \$470,000 of the Fund's assets trading outside of its investment strategy by the end of February 2024.

4. Beginning in or around late February 2024, through early March 2024, Kumar transferred more than \$5.6 million of Future Fractal's funds to personal accounts he controlled, including \$5.4 million that he transferred to his own personal brokerage account and \$250,000 that he transferred to a nominee account he controlled and that was not in the name of Future Fractal. And after transferring most of Future Fractal's assets into personal accounts he controlled, Kumar continued to place trades that were inconsistent with the trading strategy he had marketed to investors in soliciting their investments, resulting in virtually a total loss of Future Fractal's assets. Over the course of four trading days in mid-March 2024, Kumar lost approximately 98% of the Future Fractal assets that he had transferred into his personal accounts by executing trades that were outside the represented investment strategy for Future Fractal, investing the vast majority of the funds in Issuer A, a publicly traded crypto-asset technology company focused on Bitcoin mining. After these trades resulted in a nearly complete loss, Kumar then lied to investors about what caused the loss, providing them with fabricated trading records and telling them the loss was due to a combination of trades made within Future Fractal's represented investment strategy and the failure of a non-existent stop-loss order to prevent further losses.

5. Beginning in May 2024, Kumar solicited mostly new investors to invest in a second fund, Arcane, which purported to invest in crypto assets, equities, and options. Kumar again made materially false and misleading representations to investors about Arcane's investment strategy and risk limits. Specifically, Kumar claimed in offering materials, among other things, that the "worst case expected return" was 1.2x (which represented a 20% gain to the

investors), and that 99% of Arcane’s assets would be used for investment purposes. Further, Kumar orally represented to an investor prior to his investing that the maximum risk of loss was 10-20% of Arcane’s capital, while at least 80% of Arcane’s assets would be held in cash. In addition, Kumar told an Arcane investor that his prior fund had earned a 30-40% return, even though the only prior fund he managed—Future Fractal—did not yield a positive return, much less a 30-40% return. In total, Kumar and Arcane raised approximately \$1.8 million from 10 investors, of which at least \$300,000 was used to make unauthorized payments to a Future Fractal investor for losses sustained in Future Fractal—a separate fund—along with a \$20,000 payment to satisfy a debt Kumar owed to a third party unrelated to the Funds. After making these unauthorized payments, Kumar transferred the remaining Arcane assets—approximately \$1.3 million—to his personal accounts, which he did not disclose to investors.

6. By committing the acts alleged in this Complaint, Kumar violated the antifraud provisions of the federal securities laws; specifically, Section 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77q(a)] and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. In addition, Kumar violated Sections 206(1), (2), and (4) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§ 80b-6(1), (2), and (4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8].

7. The Commission brings this action against Defendant Kumar seeking: (a) injunctive relief; (b) disgorgement of ill-gotten gains; (c) pre-judgment interest on those ill-gotten gains; (d) a civil penalty; and (e) all other equitable and ancillary relief to which the Court determines that the Commission is entitled.

II. JURISDICTION AND VENUE

8. This case involves the offer and sale of limited liability company (“LLC”) interests, which are investment contracts, and, thus, securities under Section 2(a)(1) of the Securities Act [15 U.S.C. § 77b] and Section 3(a)(10) of the Exchange Act [15 U.S.C. § 78c]. Thus, the Court has jurisdiction over this action under Sections 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(d) and 77v(a)] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa]. The Commission brings this action under Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)], seeking to permanently restrain and enjoin Defendant from engaging in the acts and practices alleged herein.

9. In addition, Kumar served as an investment adviser as that term is defined in Section 202(a)(11) of the Advisers Act. Thus, the Court also has jurisdiction over this action under Sections 209(c) and 214 of the Advisers Act [15 U.S.C. §§ 80b-9(c) and 80b-14].

10. Kumar, directly and indirectly, made use of the mails or of the means and instrumentalities of interstate commerce in connection with the acts, omissions, transactions, practices, and/or courses of business alleged herein.

11. Venue is proper because a substantial part of the events or omissions giving rise to the claims occurred within the Northern District of Oklahoma, including but not limited to Kumar’s sales of securities, misrepresentations, acts, practices, transactions, and courses of business. Further, Kumar resides in Tulsa, Oklahoma, which is served by this Division.

12. Kumar engaged in the acts, omissions, transactions, practices, and/or courses of business described in this Complaint in connection with the offer, purchase, and/or sale of securities.

**III.
DEFENDANT**

13. Krish Kumar resides in Tulsa, Oklahoma. At all relevant times, Kumar has been, directly and indirectly, the sole manager and sole decision maker of the Funds, both of which he founded.

**IV.
RELEVANT ENTITIES**

14. Future Fractal Investments LLC is an Oklahoma LLC with its principal place of business in Tulsa, Oklahoma. Future Fractal is an investment fund that Kumar established in January 2023. At all times, Kumar has served as the sole managing member and investment adviser of Future Fractal.

15. Arcane Resonance Fund, LLC is a Michigan LLC with its principal place of business in Bloomfield Hills, Michigan. Arcane is an investment fund that Kumar established in August 2024. At all times, Kumar has effectively served as the sole manager and investment adviser of Arcane through a separate entity of which Kumar is the sole managing member.

**V.
STATEMENT OF FACTS**

A. Background

16. Kumar was raised in Tulsa, Oklahoma. He claims, among numerous other accomplishments, to have earned a near-perfect SAT score and to be Valedictorian of his high school class and a three-time Oklahoma state tennis champion. While in college, he interned for a private investment firm in Tulsa and a private equity firm in Chicago.

1. Kumar's First Fund: Future Fractal

17. On January 6, 2023, Kumar, who was 19 years old and a freshman in college at the time, created Future Fractal, which was his first investment fund. At all times, Kumar was

the only person associated with Future Fractal, serving as its founder, sole managing member, and investment adviser. On or before December 23, 2023, Kumar alone drafted and approved Future Fractal's Prospectus, which he subsequently provided to all investors to describe Future Fractal's strategy and his actions in furtherance of that strategy. Future Fractal's Operating Agreement expressly granted Kumar "exclusive veto power over any and all decisions" and empowered him, as the fund manager, to run all the "day-to-day operations, including execution of investment business." For managing Future Fractal, the Prospectus provided that Kumar was entitled to receive an annual 0.5% fee from Future Fractal based on the AUM, in addition to a performance fee tied to various tiers of potential Future Fractal profits.

18. Between January 26, 2024, and March 6, 2024, Kumar used connections he had developed from his upbringing in Tulsa to raise approximately \$6 million for Future Fractal from at least 13 investors. In oral representations during in-person meetings, calls, and videoconferences, and in written materials such as the Future Fractal Prospectus, Kumar represented to prospective investors that he planned to use an algorithmic options trading strategy—that he had purportedly developed and back-tested—to exclusively trade in Index-Based ETF A and Index-Based-ETF B, two broad-based exchange-traded funds. Based on Kumar's representations, investors sent funds to either a Future Fractal bank or brokerage account, both of which were controlled by Kumar.

19. From January 30, 2024, through the end of February 2024, Kumar made investments contrary to his representations to investors regarding the specific types of investments and limitations in the percentage of the AUM to be invested. These trading activities resulted in a loss to Future Fractal investors of approximately \$470,000.

20. Beginning in or around late February 2024, through early March 2024, Kumar transferred nearly \$5.4 million of Future Fractal’s assets to his personal brokerage account, and \$250,000 to a nominee brokerage account that Kumar controlled and that was not in the name of Future Fractal. After Future Fractal’s assets were transferred into personal accounts he controlled, Kumar continued to execute trades inconsistent with the represented investment strategy and ultimately lost virtually all of Future Fractal’s assets. At all times, Kumar met the definition of an investment advisor under Section 202(a)(11) of the Advisers Act. In offering materials and representations to investors, Kumar described how he made all investment decisions on behalf of the Funds, and he expected to receive compensation of management fees for his role as an investment adviser to the Funds.

2. *Kumar’s Second Fund: Arcane*

21. Beginning in May 2024, only months after transferring Future Fractal’s assets into personal accounts he controlled, Kumar set out to launch his second investment fund called Arcane. Arcane was purportedly focused on trading in crypto assets, as well as a variety of securities, including options, using a mathematical arbitrage strategy Kumar had purportedly developed. At all times, Kumar was the only person associated with Arcane. He was Arcane’s founder, sole manager (though a separate entity Kumar also exclusively controlled and managed), and sole decision-maker. Kumar contributed to, reviewed, and approved Arcane’s Private Placement Memorandum (“PPM”), Pitch Deck, and Operating Agreement prior to dissemination to investors. At all times, Kumar was acting as an investment adviser to Arcane.

22. Arcane’s Operating Agreement gave Kumar “the exclusive right to manage” Arcane’s “day-to-day activities,” including, without limitation, the right to take “any other action related to [its] operations in any way.” Arcane’s Operating Agreement further authorized Kumar

to receive up to a 1% management fee on Arcane's AUM and provided for Kumar to receive a performance fee tied to various tiers of potential Arcane profits.

23. Between May 2024 and February 2025, Kumar and Arcane raised approximately \$1.8 million from 10 investors. Most of them had not previously invested in Future Fractal and were predominately parents of Kumar's college friends.

24. The majority of Arcane investors sent their investments to a bank account in the name of Future Fractal, from which Kumar used \$300,000 to pay a Future Fractal investor for losses that investor had previously sustained in Future Fractal and \$20,000 to satisfy a debt Kumar owed to an individual unrelated to either of the Funds. Kumar subsequently transferred Arcane's remaining assets into his personal bank account, and then into his personal account at a crypto asset trading platform. By March 11, 2025, Kumar informed Arcane investors that Arcane was down approximately 80% of its value.

B. Kumar Defrauded Future Fractal's Investors.

25. In the course of the Future Fractal offering, Kumar made numerous materially false and misleading representations to investors regarding Future Fractal's investment strategy, transfers of fund assets, returns, and his actual trading activities. He also lied in an attempt to conceal his fraudulent scheme.

1. *Misrepresentations About Future Fractal's Investment Strategy and Returns*

a. *False and Misleading Statements in Offering Materials*

26. In communications with investors and in Future Fractal's offering materials, Kumar represented that he would implement a relatively conservative options investment strategy using a proprietary high-frequency algorithm that he purportedly created and back-tested. Specifically, Kumar represented that Future Fractal would only trade in Index-Based ETF A and Index-Based ETF B options, which, in turn, were designed to track the performance

of the S&P 500 Index and the Nasdaq-100 Index, respectively. Also, Kumar represented in offering materials that any risk of loss would be capped at approximately 25% of the amount invested and, further, that no trade would exceed 5% of Future Fractal's AUM.

27. Kumar memorialized Future Fractal's representations in the Future Fractal Prospectus dated December 27, 2023, which Kumar provided to existing and prospective investors before they agreed to invest. For example, the Prospectus stated:

- “[Future Fractal] will appropriately manage risk and never allow for more than a 25% drawdown. Given there is a drawdown greater than 25% at any point, Investors will be completely reimbursed up to 75% of their contributed capital.”
- “Future Fractal's primary objective is to generate aggressive market returns through the purchase of 0-1 DTE options contracts. We take advantage of explosive price movements while sharply mitigating risk.”
- “We will only purchase [Index-Based ETF A] and [Index-Based ETF B] options with less than 10% of the total volume being [Index-Based ETF B]. These provide the best market liquidity and spread between the ‘bid’ and the ‘ask.’ Indexes will also perform well with the algorithm due to stability and high volume.”
- “We will only use up to 5% of the AUM per trade, and there will be a maximum drawdown of 20% per trade. The account will never go below 75% of the starting value.”

28. These representations were materially false, and Kumar, as the sole person engaging in the trading activity at issue, knew, or was reckless in not knowing, that they were false.

b. Kumar Disregarded Future Fractal's Investment Strategy Promised to Investors and Misappropriated Future Fractal's Assets.

29. Kumar made false and misleading representations to investors in offering materials and other communications. These include, among other things, that: (1) Future Fractal would only purchase Index-Based ETF A and Index-Based ETF B options based on Kumar's algorithmic trading strategy that he developed and back-tested; (2) any risk of loss would be limited by only using 5% of the Future Fractal's AUM per trade and a maximum drawdown of

20% per trade; and (3) Future Fractal would use volatile options that expired no more than one day after the purchase of the option (i.e., “0-1 DTE options”). Kumar did not intend to abide by these promises to investors, as demonstrated by his actual trading activities prior to his transfer of Future Fractal’s assets to personal accounts he controlled.

30. Starting on January 30, 2024—Future Fractal’s second day of active trading—and continuing through the end of February 2024, Kumar traded Future Fractal assets in securities other than Index-Based ETF A and Index-Based ETF B. Records from Future Fractal’s accounts indicate that, in fact, Kumar never traded in Index-Based ETF A, with limited trading in Index-Based ETF B.

31. Kumar never disclosed to investors his transfer of the Future Fractal assets from Future Fractal accounts to personal accounts or accounts not in the name of Future Fractal, as further described in paragraph 20 above. Kumar also made false and misleading representations regarding Future Fractal’s trading strategy and position limitations promised to investors. Between March 11 and 14, 2024, Kumar, after transferring Future Fractal assets to personal accounts, bought 33,009 option contracts in Issuer A for approximately \$5,845,040. This constituted 80% of the outstanding trading volume for options on Issuer A in the market for that period. This trade was contrary to representations in the Future Fractal Prospectus identified above, including: (a) the limitation of trading exclusively in Index-Based ETF A and Index-Based ETF B; (b) the limitation to a 25% drawdown of the Future Fractal’s assets; and (c) the cap of 5% of AUM for single trades. At the time he made these trades, Kumar understood that he was betting nearly 100% of the remaining Future Fractal assets on one trade in Issuer A.

32. Moreover, these Issuer A option contracts that Kumar purchased on March 11, 2025, were scheduled to expire on Friday, March 15. Therefore, these were not 0-1 DTE options as represented in the Future Fractal Prospectus.

c. Kumar's False Statements about Future Fractal's Returns

33. Even before trading in contravention of his represented trading strategy, Kumar made false and misleading representations to investors about profits he had purportedly generated for Future Fractal. As part of Kumar's solicitation for additional Future Fractal investors, on February 3, 2024, Kumar sent an email to more than 30 existing and prospective investors wherein he made false and misleading representations regarding the initial returns purportedly achieved by Future Fractal. In that email, addressed to "Investor (sic) and Potential Investors," Kumar boasted that "[t]hrough careful navigation and discipline" Future Fractal generated a positive return of 15.7% in its very first week of trading—from January 29, 2024, through February 2, 2024. He also included a chart reflecting that Future Fractal's first-week return was roughly 15 times greater than the returns earned by other indices during the same time period. After sending this email, Future Fractal received 12 additional investments, all but two from new investors, which raised an additional \$4.7 million for Future Fractal.

34. Kumar knew, or was reckless in not knowing, that his February 3, 2024 representations regarding Future Fractal's trading results was false and misleading. On the day Kumar sent this email, the only account in which Future Fractal traded securities was a brokerage account in the name of Future Fractal. Only Kumar had authority over this account and access to its account statements. Trading analysis in the brokerage account indicates Future Fractal did not generate a positive return of 15.7% in its first week of trading. Rather, Future Fractal incurred losses of approximately \$1,200 (0.09%) for the week.

35. Moreover, reporting Future Fractal's performance compared to market indexes is additionally deceptive because Kumar and Future Fractal did not trade in Index-Based ETF A and Index-Based ETF B. Thus, comparing Future Fractal's purported performance with market indexes reinforced the false representation that Future Fractal's trading strategy was limited to trades in discrete index-based ETFs.

36. By the end of February 2024, Kumar had lost approximately \$470,000 of Future Fractal's assets in the Future Fractal brokerage account by trading outside the specific trading strategy he had represented to investors. Kumar subsequently proceeded to transfer the remaining Future Fractal assets from Future Fractal's brokerage account to a brokerage account in Kumar's name and a nominee brokerage account that Kumar accessed.

2. *Kumar Lied to Future Fractal Investors About Future Fractal's Losses.*

37. In an effort to conceal his fraud, in a March 14, 2024 email titled "Explanation and Evidence of Loss," Kumar reported to Future Fractal investors a loss of \$6,207,269, representing approximately a 98% drawdown in funds. Contrary to what actually occurred, Kumar misrepresented that the losses resulted from options trades in Index-Based ETF B and the failure of a stop-loss order to be entered. As evidence of the Index-Based ETF B trades that purportedly caused the loss, Kumar attached to the email screenshots of the transactions, presumably from Future Fractal's brokerage statement, purporting to show specific trades in Index-Based ETF B.

38. However, other than disclosing the trading loss to Future Fractal investors, everything else that Kumar wrote to investors in his March 14, 2024 email was false: (a) his trading in Issuer A was the sole cause of loss and not any trading in Index-Based ETF B; (b) there was no failure of a requested stop-loss to be executed as to his fictitious trading in Index-Based ETF B; and (c) he never placed a stop-loss order on his actual trading in Issuer A.

Further, the screenshot that Kumar included in his March 14, 2024 email—which purported to show his trading in Index-Based ETF B—was a fabrication. Kumar photoshopped the image to create the appearance of actual trades in Index-Based ETF B. And Kumar never disclosed that he had transferred a majority of Future Fractal’s assets into personal brokerage accounts he controlled and made these trades from those accounts.

39. On the same day that Kumar sent his fraudulent email to Future Fractal’s investors (March 14, 2024), Kumar separately texted a Future Fractal investor, blaming the loss on Index-Based ETF A trades. Kumar’s statement in this text to the investor was not true. The 98% drawdown was not caused by trading in Index-Based ETF A options.

C. Kumar Defrauded Arcane’s Investors.

40. In May 2024, Kumar started raising additional investor funds for what would later become Arcane. Kumar solicited investors with additional false and misleading representations to existing and prospective investors regarding Arcane’s investment strategy, Arcane’s returns, and the use of Arcane investor funds.

1. Kumar Misrepresented Arcane’s Investment Strategy and Future Fractal’s Prior Returns.

41. In July and August 2024, an Arcane investor collectively invested more than \$450,000 in Arcane. During May and June 2024, in oral communications soliciting this investor’s funds, Kumar represented that the maximum risk of loss was 10-20% of Arcane’s capital, while at least 80% of Arcane’s assets would be held in cash. Kumar further provided the investor with offering materials—including a PPM and a Pitch Deck—setting forth Arcane’s mathematical arbitrage strategy. The investment strategy detailed how Arcane would purportedly invest in crypto assets based on Kumar’s proprietary algorithm, which, in turn, had purportedly analyzed an extensive dataset that adhered to the Arcane’s mathematical framework.

Kumar claimed to have conducted over 100,000 simulations with each one of them demonstrating “zero cases of principal loss.” In the offering materials provided to investors and prospective investors, Kumar represented that the “[w]orst case expected return” was 1.2x the value of their investment, which Kumar represented as a 17% gain on investment.

42. Kumar also told the investor that he had run another fund—presumably Future Fractal, because that was the only other fund that Kumar had run—which did not yield the returns he had hoped for, yielding a positive return of *only* between 30-40%. However, as detailed in paragraphs 25 to 32 above, after he transferred the Future Fractal assets into personal accounts he controlled, Kumar lost approximately 98% of the remaining assets.

43. Kumar provided Arcane’s investors with weekly commentaries on the profit-and-loss status of their investments. From Arcane’s first weekly correspondence with investors in early September 2024 through January 20, 2025, Kumar reported, with an occasional minor dip, an upward trend of positive returns for Arcane, culminating with news of a net cumulative gain of 33.07%. However, on January 30, 2025, Kumar told investors that Arcane was down in value approximately 10% of its assets. Less than two weeks later, during the week of February 11, 2025, Kumar informed Arcane’s investors that Arcane had a negative cumulative return of 22.17%. Kumar further reported that this loss was due to a “shift in strategy” he made the week before to invest mostly in meme coins.

44. According to at least one investor, Kumar did not tell investors that he was going to change the Arcane’s strategy. This investor called Kumar and then learned for the first time that Arcane might be at least 70% long in illiquid meme coins. The investor demanded that Kumar disclose to all Arcane investors exactly what Arcane’s investments were. In response, Kumar told the investor that Arcane’s exact holdings were confidential and proprietary, and that

he would not disclose the holdings. By March 11, 2025, Kumar reported to investors that Arcane was down approximately 80%.

2. *Kumar Used Arcane Assets to Pay Future Fractal Investors.*

45. In Arcane's PPM, Kumar represented to investors that approximately 99% of investor funds would be used for investments with approximately 1% to be used for professional (e.g., legal, audit, tax) and operational expenses. Kumar knew, or was reckless in not knowing, that these representations were false.

46. Kumar commingled Arcane investor funds with Future Fractal investor funds in a bank account in the name of Future Fractal that Kumar had previously opened in February 2024. Arcane investor funds were then used for unauthorized purposes, including to make an unauthorized payment to a Future Fractal investor. For example, financial statements and Kumar's sworn testimony confirm that, on November 4, 2024, within just days of receiving the \$450,000 principal investment from an Arcane investor, Kumar paid \$300,000 of those investor funds to a Future Fractal investor who had requested his principal back following Future Fractal's collapse. Previously, on November 2, 2024, in text messages to the Future Fractal investor that he repaid, Kumar lied about the source of the reimbursements, telling the Future Fractal investor that the source of funds came from trading in meme coins. In addition, Kumar used \$20,000 of Arcane investor funds to satisfy debt Kumar owed to a third party that was unaffiliated with either of the Funds.

47. As a result of his conduct, Kumar misappropriated more than \$5.6 million Future Fractal assets and more than \$1.3 million Arcane assets by transferring these Funds' assets to personal accounts he controlled. Kumar has repaid approximately \$681,000 to investors.

**V.
CLAIMS FOR RELIEF**

FIRST CLAIM FOR RELIEF

Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]

48. Plaintiff re-alleges and incorporates paragraphs 1-47 of this Complaint by reference as if set forth verbatim in this Claim.

49. By engaging in the acts and conduct alleged herein, Defendant Kumar, directly or indirectly, in connection with the purchase or sale of securities, by the use of any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange, knowingly or with recklessness:

- a. employed a device, scheme, or artifice to defraud; and/or
- b. made an untrue statement of material fact, or omitted 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/or
- c. engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit upon any person.

50. By reason of the foregoing, Defendant Kumar violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §§ 240.10b-5].

SECOND CLAIM FOR RELIEF

Violations of Section 17(a) of the Securities Act [15 U.S.C. §77q(a)]

51. Plaintiff re-alleges and incorporates paragraphs 1-47 of this Complaint by reference as if set forth verbatim in this Claim.

52. By engaging in the acts and conduct alleged herein, Defendant Kumar, 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 the use of the mails, has:

- a. knowingly or with recklessness employed a device, scheme, or artifice to defraud; and/or
- b. knowingly, with recklessness, or negligently obtained money or property by means of an untrue statement of a material fact or an 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/or
- c. knowingly, with recklessness, or negligently engaged in a transaction, practice, or course of business which operated or would operate as a fraud or deceit upon the purchaser.

53. By reason of the foregoing, Defendant Kumar has violated, and unless restrained and enjoined will continue to violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

THIRD CLAIM FOR RELIEF

Violations of Sections 206(1) and (2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and 80b-6(2)]

54. Plaintiff re-alleges and incorporates paragraphs 1-47 of this Complaint by reference as if set forth verbatim in this Claim.

55. At all relevant times, Defendant Kumar was an investment adviser under Advisers Act Section 202(a)(11) [15 U.S.C. § 80b-2(a)(11)]. As such, Kumar owed the Funds a fiduciary duty of utmost good faith and had an affirmative duty to make full and fair disclosures of all material facts, as well as a duty to act in the Funds' best interests.

56. By engaging in the conduct described above, Kumar, while acting as an investment adviser, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly: (a) knowingly or with recklessness employed a device, scheme, or artifice to defraud any client or prospective client, and (b) knowingly, with recklessness, or negligently engaged in a transaction, practice, or course of business which operated as a fraud or deceit upon any client or prospective client.

57. By reason of the foregoing, Kumar has violated, and unless restrained and enjoined will continue to violate, Sections 206(1) and (2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and (2)].

FOURTH CLAIM FOR RELIEF

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

58. Plaintiff re-alleges and incorporates paragraphs 1-47 of this Complaint by reference as if set forth verbatim in this Claim.

59. At all relevant times, Defendant Kumar was an investment adviser under Advisers Act Section 202(a)(11) [15 U.S.C. § 80b-2(a)(11)].

60. Future Fractal is a “pooled investment vehicle” as defined in Rule 206(4)-8(b) [17 C.F.R. § 275.206(4)-8(b)].

61. Defendant, while acting as an investment adviser, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, engaged in acts practices, or courses of business which were fraudulent, deceptive, or manipulative. Defendant, directly or indirectly, knowingly, recklessly, or negligently: (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.

62. By reason of the foregoing, Defendant has violated, and unless restrained and enjoined will continue to violate, Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder. [15 U.S.C. § 80b-6(4); 17 C.F.R. § 275.206(4)-8].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court enter a Judgment:

63. Permanently restraining and enjoining Defendant Kumar from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Sections 206(1), (2), and (4) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and (2)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8];

64. Restraining and enjoining Defendant Kumar, for a period of five years, from: (i) directly or indirectly, including, but not limited to, through any entity owned or controlled by him, participating in the issuance, purchase, offer, or sale of any security, provided, however, that such injunction shall not prevent him from purchasing or selling securities for his own personal account; and (ii) directly or indirectly acting as or being associated with any investment adviser, pursuant to Sections 21(d)(1) and 21(d)(5) of the Exchange Act, Section 20(b) of the Securities Act, and Section 209(d) of the Advisers Act. For purposes of this paragraph, a person is associated with an investment adviser if such person is a partner, officer, or director of such investment adviser (or performs similar functions), or directly or indirectly controls or is controlled by such investment adviser, including any employee of such investment adviser;

65. Ordering Defendant Kumar to disgorge all ill-gotten gains he received as a result of the conduct alleged herein, together with pre-judgment interest on those amounts, pursuant to Sections 21(d)(3), 21(d)(5) and 21(d)(7) of the Exchange Act [15 U.S.C. §§ 78u(d)(3), 78u(d)(5), and 78u(d)(7)];

66. Ordering Defendant Kumar to pay a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)]; and

67. Granting such other and further relief as this Court may determine to be just and necessary.

Dated: March 26, 2026

Respectfully submitted,

/s/ Patrick Disbennett
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