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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

VINCENT J. CAMARDA, JAMES E. MCARTHUR, AND A.G. MORGAN FINANCIAL ADVISORS, LLC,

Defendants.

COMPLAINT

26 Civ. 1986 ( )

JURY TRIAL DEMANDED

Plaintiff Securities and Exchange Commission (the "SEC" or the "Commission"), for its Complaint against Defendants Vincent J. Camarda ("Camarda"), James E. McArthur ("McArthur"), and A.G. Morgan Financial Advisors, LLC ("A.G. Morgan") (collectively, "Defendants"), alleges as follows:

SUMMARY

1. From approximately June 2020 through at least December 2023 (the "Relevant Period"), Defendants fraudulently induced hundreds of their financially unsophisticated and elderly

clients to move large portions of their savings into high-risk private equity funds. Defendants knew investing in the funds was highly risky, but falsely told their clients the investments were safe. When the high-risk funds failed, many investors lost all of the money they invested—which, for some, was their entire life savings.

2. Specifically, during the Relevant Period, Defendants raised at least $138 million from at least 431 investors by soliciting them to purchase securities, in the form of promissory notes, issued by five private equity funds that Defendants Camarda and McArthur created, managed, and owned (collectively, the "Funds").

3. None of these securities offerings were registered with the Commission.

4. Defendants Camarda and McArthur, as investment adviser representatives and the principals of Defendant A.G. Morgan, a registered investment adviser, falsely told their individual advisory clients—many of whom were retired or near retirement—that the Funds were conservative and safe investments that would generate monthly distributions at an annualized interest rate of 9% or 11%. Defendants also provided at least some of their clients offering memoranda that falsely represented that the Funds would invest in several diverse areas.

5. Contrary to Defendants' representations, four of the Funds invested entirely in a single, high-risk mining venture and one of the Funds invested entirely in a start-up, drive-thru coffee shop company owned and operated by Defendant Camarda's son.

6. While they were recommending the Funds to their clients, Defendants also failed to disclose their significant conflicts of interest—namely, that Defendants received large, undisclosed payments in connection with the Funds' investments in the mining company, and that the sole purpose of the fifth Fund was to finance Defendant Camarda's son's coffee shop company.

7. In addition, although Defendant Camarda was not authorized to make personal use of client money, throughout 2023, he misappropriated approximately $1 million invested in the Funds

by transferring that client money to his personal bank account.

8. In or around January 2024, the Funds stopped making interest and principal payments to investors after the mining and coffee shop companies defaulted, and Defendants' scheme collapsed.

9. As a result of Defendants' fraud, investors collectively lost approximately $123 million in unreturned principal and millions of dollars more in anticipated interest payments. Defendants, by contrast, collectively received at least $2.97 million from the undisclosed payments from the mining company, in addition to the approximately $1 million that Defendant Camarda misappropriated.

VIOLATIONS

10. By virtue of the foregoing conduct and as alleged further herein, Defendants violated Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c) and 77q(a)]; 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]; and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. §§ 80b-6(1) and 80b-6(2)].

11. Unless Defendants are restrained and enjoined, they will engage in the acts, practices, transactions, and courses of business set forth in this Complaint or in acts, practices, transactions, and courses of business of similar type and object.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

12. The SEC brings this action pursuant to the authority conferred upon it by Securities Act Sections 20(b) and 20(d) [15 U.S.C. §§ 77t(b) and 77t(d)]; Exchange Act Section 21(d) [15 U.S.C. § 78u(d)]; and Advisers Act Sections 209(d) and 209(e) [15 U.S.C. §§ 80b-9(d) and 80b-9(e)].

13. The SEC seeks a final judgment: (a) permanently enjoining Defendants from engaging in the acts, practices, and courses of business alleged against them herein and from violating Securities Act Sections 5(a), 5(c) and 17(a), Exchange Act Section 10(b) and Rule 10b-5 thereunder, and Advisers Act Sections 206(1) and 206(2); (b) permanently enjoining Camarda and McArthur from directly or

indirectly, including, but not limited to, through any entity owned or controlled by Camarda and/or McArthur, participating in the issuance, purchase, offer, or sale of any security; provided, however, that such injunction shall not prevent them from purchasing or selling securities for their own personal accounts; (c) permanently enjoining Camarda and McArthur from directly or indirectly, acting as or being associated with any broker, dealer, or investment adviser; (d) ordering Defendants to disgorge all ill-gotten gains they received as a result of the violations alleged herein and to pay prejudgment interest thereon pursuant to Exchange Act Sections 21(d)(3), 21(d)(5) and 21(d)(7) [15 U.S.C. §§ 78u(d)(3), 78u(d)(5) and 78u(d)(7)]; (e) ordering Defendants to pay civil money penalties pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)], Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)], and Advisers Act Section 209(e) [15 U.S.C. § 80b-9(e)]; and (f) ordering any other and further relief the Court may deem just and proper.

JURISDICTION AND VENUE

14. This Court has jurisdiction over this action pursuant to Securities Act Section 22(a) [15 U.S.C. § 77v(a)], Exchange Act Section 27 [15 U.S.C. § 78aa], and Advisers Act Section 214 [15 U.S.C. § 80b-14].

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

16. Venue is proper in the Eastern District of New York pursuant to Securities Act Section 22(a) [15 U.S.C. § 77v(a)], Exchange Act Section 27 [15 U.S.C. § 78aa], and Advisers Act Section 214 [15 U.S.C. § 80b-14]. During the Relevant Period, A.G. Morgan's principal place of business was in Massapequa, New York, in Nassau County; Camarda resided in Amityville, New York, in Suffolk County; and McArthur resided in Mount Sinai, New York, also in Suffolk County. In addition, Defendants transacted business in the Eastern District of New York, and certain of the acts, practices,

transactions, and courses of business alleged in this Complaint occurred within this District, including that Defendants' operations were primarily located in Nassau County, New York and several investors in the Funds resided in Nassau and Suffolk County, New York.

DEFENDANTS

17. **Camarda**, age 62, resides in Amityville, New York. During the Relevant Period, he was the sole owner, CEO, Chairman, and a registered investment adviser representative of A.G. Morgan. Camarda held Series 7, 24, 63, and 66 licenses and, from April 2014 until September 2020 and from March 2021 until June 2022, was a registered representative of several registered broker-dealers.

18. **McArthur**, age 56, resides in Mount Sinai, New York. During the Relevant Period, he was the President and a registered investment adviser representative of A.G. Morgan. McArthur held Series 6, 7, and 63 licenses and, from April 2014 until September 2020 and from March 2021 until June 2022, was a registered representative of several registered broker-dealers.

19. **A.G. Morgan** is a New York limited liability company formed in 2014 with its principal place of business in Massapequa, New York. A.G. Morgan has been registered with the Commission as an investment adviser since January 2015.

RELEVANT ENTITIES

20. **Omni Diversified Fund, LLC** ("Omni Diversified Fund") is a Delaware limited liability company with its principal place of business in Massapequa, New York. The Omni Diversified Fund was formed in May 2020. Its sole owner, manager and investment adviser is Omni Diversified Fund Manager, LLC.

21. **Omni Diversified Fund Manager, LLC** ("Omni Diversified Fund Manager") is a Delaware limited liability company with its principal place of business in Massapequa, New York. The Omni Diversified Fund Manager was formed in May 2020. During the Relevant Period, the Omni

Diversified Fund Manager was owned and operated by Camarda and McArthur.

22. **Omni Diversified Fund III, LLC** ("Omni Diversified Fund III") is a Delaware limited liability company with its principal place of business in Massapequa, New York. The Omni Diversified Fund III was formed in October 2020. Its sole owner, manager and investment adviser is Omni Diversified Fund III Manager, LLC.

23. **Omni Diversified Fund III Manager, LLC** ("Omni Diversified Fund III Manager") is a Delaware limited liability company with its principal place of business in Massapequa, New York. The Omni Diversified Fund III Manager was formed in October 2020. During the Relevant Period, the Omni Diversified Fund III Manager was owned and operated by Camarda and McArthur.

24. **Windsor Capital Fund, LLC** ("Windsor Fund") is a Delaware limited liability company with its principal place of business in Massapequa, New York. The Windsor Fund was formed in September 2020. Its sole owner, manager and investment adviser is Windsor Capital Fund Manager, LLC.

25. **Windsor Capital Fund Manager, LLC** ("Windsor Fund Manager") is a Delaware limited liability company with its principal place of business in Massapequa, New York. The Windsor Fund Manager was formed in September 2020. During the Relevant Period, the Windsor Fund Manager was owned and operated by Camarda and McArthur.

26. **Windsor Capital Fund II, LLC** ("Windsor Fund II") is a Delaware limited liability company with its principal place of business in Massapequa, New York. The Windsor Fund II was formed in October 2020. Its sole owner, manager and investment adviser is Windsor Capital Fund II Manager, LLC.

27. **Windsor Capital Fund II Manager, LLC** ("Windsor Fund II Manager") is a Delaware limited liability company with its principal place of business in Massapequa, New York. The Windsor Fund II Manager was formed in October 2020. During the Relevant Period, the Windsor

Fund II Manager was owned and operated by Camarda and McArthur.

28. **Wilshire Capital Fund, LLC** ("Wilshire Fund") is a Delaware limited liability company with its principal place of business in Massapequa, New York. The Wilshire Fund was formed in March 2021. Its sole owner, manager and investment adviser is Wilshire Capital Fund Manager, LLC.

29. **Wilshire Capital Fund Manager, LLC** ("Wilshire Fund Manager") is a Delaware limited liability company with its principal place of business in Massapequa, New York. The Wilshire Fund Manager was formed in March 2021. During the Relevant Period, the Wilshire Fund Manager was owned and operated by Camarda and McArthur.

30. **Millennium Holdings Limited LLC** ("Millennium") is a Wyoming limited liability company with its principal place of business in Cheyenne, Wyoming. Millennium is a purports to specialize in operations management related to mining coal, rare earth elements, and limestone. Millennium was formed in May 2008.

31. **Buzz'd Express Coffee Enterprises** ("Buzz'd") is a drive-thru coffee shop located in North Bellmore, New York. Buzz'd was formed in February 2021 as a New York limited liability company. It is wholly owned by Camarda's son.

FACTS

32. During the Relevant Period, Defendants, in soliciting investments in the Funds, defrauded their individual advisory clients by making and disseminating materially false and misleading statements regarding the risks associated with investing in the Funds, the Funds' objectives and investment practices, and Defendants' conflicts of interest. Defendants also violated the securities offering registration provisions of the federal securities laws by offering and selling unregistered securities when no exemption from registration applied.

I. Defendants Acted as Investment Advisers

A. Defendants Acted as Investment Advisers to Their Individual Clients

33. Throughout the Relevant Period, A.G. Morgan was registered with the Commission as an investment adviser.

34. A.G. Morgan purportedly provided financial planning and investment advisory services to individuals and business entities.

35. Camarda and McArthur, in turn, were registered investment adviser representatives of A.G. Morgan.

36. Camarda and McArthur also held themselves out as investment advisers to individual advisory clients.

37. Additionally, Camarda and McArthur each provided investment advice about securities to individual advisory clients.

38. For advisory services, Defendants charged their individual clients fixed, hourly, and/or asset-based fees.

39. Accordingly, Defendants were at all relevant times investment advisers to individual A.G. Morgan clients under Advisers Act Section 202(a)(11) [15 U.S.C. § 80b-2(a)(11)].

B. Camarda and McArthur Acted as Investment Advisers to the Funds

40. Between May 2020 and March 2021, Camarda and McArthur formed the Funds; namely, the Omni Diversified Fund, the Omni Diversified Fund III (together, the "Omni Diversified Funds"), the Windsor Fund, the Windsor Fund II (together, the "Windsor Funds"), and the Wilshire Fund.

41. Camarda and McArthur served as the CEO and President, respectively, of the Funds.

42. Each Fund was solely owned and managed by its respective fund manager—i.e., the Omni Diversified Fund Manager, the Omni Diversified Fund III Manager, the Windsor Fund

Manager, the Windsor Fund II Manager, and the Wilshire Fund Manager (collectively, the "Fund Managers").

43. According to the Funds' offering documents, each Fund Manager was "responsible for the overall management of the [Fund] and [would] make all investment decisions in its sole discretion on behalf of the [Fund]."

44. Camarda and McArthur owned, operated, and controlled the Fund Managers.

45. As the owners of the Fund Managers, Camarda and McArthur were entitled to receive, and did receive, compensation for their advisory services to the Funds.

46. Accordingly, Camarda and McArthur were at all relevant times investment advisers to the Funds under Advisers Act Section 202(a)(11) [15 U.S.C. § 80b-2(a)(11)].

C. Defendants' Duties as Investment Advisers

47. As investment advisers, Defendants owed their advisory clients (including both individual and Fund clients) a fiduciary duty to act in their best interests, which included a duty of loyalty and a duty of care.

48. Defendants' duty of loyalty required that they act with the utmost good faith and make full and fair disclosure of all material facts and employ reasonable care to avoid misleading clients. Defendants' duty to disclose all material facts included their duty to disclose all conflicts of interest that might have incentivized them to render investment advice that was not disinterested. To satisfy their duty of loyalty, Defendants were required to, among other things, adequately disclose any such conflicts of interest to their clients and obtain the clients' informed consent to the conflict.

49. Defendants' duty of care included their duty to provide investment advice that was in the best interest of their clients, based on their clients' objectives.

II. Defendants' Fraudulent Conduct

A. The Fund Offerings

50. During the Relevant Period, Defendants offered investors the opportunity to invest in the Funds by purchasing promissory notes issued by the Funds (the "Notes").

51. The terms of each of the Notes were set forth in several documents; namely, a "Confidential Offering Memorandum," which was accompanied by a "Subscription Agreement," "Investor Questionnaire," "Form of Promissory Note," and "Notice of Acceptance" (collectively, the "Offering Documents").

52. The Offering Documents varied in length from approximately 67 to 86 pages.

53. According to the Offering Documents, investors (i.e., the Note holders) agreed to loan money to the applicable Fund in exchange for that Fund's promise to repay the Note's principal amount plus interest of 9% or 11% per year (depending on the principal amount of the Note).

54. The Form of Promissory Note stated that each Note was for either a 6-month or 18-month term, "subject to automatic renewal and extension for subsequent [terms of the same length] unless and until the [investor] provides prior written notice of their intent not to renew."

55. McArthur signed, on behalf of the Funds, the Subscription Agreement, Form of Promissory Note, and Notice of Acceptance included within the Offering Documents.

56. The Confidential Offering Memorandum for each Fund offering also provided McArthur's telephone number and email address, and stated that he would:

> be available upon request to answer questions concerning the terms of this Offering, to provide any reasonably requested information necessary to verify the accuracy of the information contained in this Memorandum and to provide such other information reasonably requested by prospective investors as they deem necessary for the purposes of considering an investment in the [Fund].

57. During the Relevant Period, Defendants collectively solicited and induced at least 431 investors to invest in the Funds, raising at least $138 million.

58. To make their investments in the Funds, many investors transmitted their investments by wire transfer to bank accounts held by the Funds.

B. Defendants Made Materially False and Misleading Statements and Omissions Concerning the Risks Associated with Investing in the Funds

59. Many of the prospective investors whom Defendants solicited to invest in the Funds by purchasing the Notes were already A.G. Morgan advisory clients.

60. Camarda and McArthur solicited prospective investors through in-person and telephone communications.

61. In soliciting investments, Camarda and McArthur discussed with many potential investors the risk profile of the Funds, generally giving prospective investors the impression that the Funds were conservative, safe, and low-risk investments.

62. Below in paragraphs 63 through 78 are non-exhaustive, illustrative examples of how Defendants misrepresented the risks associated with investing in the Funds to investors.

63. In September 2020, Investor 1 (a retired teacher) invested $41,900 in the Windsor Fund.

64. Before Investor 1 invested in the Windsor Fund, Camarda represented to Investor 1 that her investment was safe.

65. In September 2020, Investor 2 (a resident of Nassau County, New York) invested $200,000 in the Omni Diversified Fund.

66. Before Investor 2 invested in the Omni Diversified Fund, Camarda represented to Investor 2 that an investment in the Omni Diversified Fund was a sure thing.

67. In November 2020, Investor 3 (a resident of Florida) invested $40,000 in the Omni Diversified Fund III.

68. Before Investor 3 invested in the Omni Diversified Fund III, McArthur represented to Investor 3 that his money was invested in a no risk, secure fund and the money was safe.

69. In March 2021, Investor 4 (a widow with three young children) invested $195,000 in the Windsor Fund II.

70. Before Investor 4 invested in the Windsor Fund II, McArthur represented to Investor 4 that the Windsor Fund II was low risk.

71. In April 2022, Investor 5 and his wife invested $124,000 in the Windsor Fund II.

72. Before Investor 5 invested in the Windsor Fund II, Camarda represented to Investor 5 and his wife that there was no risk to their investment and that Investor 5 and his wife would never lose their money.

73. In August 2022, Investor 6 (a resident of North Carolina) invested $7,000 in the Wilshire Fund.

74. Before Investor 6 invested in the Wilshire Fund, Camarda represented to Investor 6 that his investment was safe and that he could not lose his principal.

75. In September 2022, Investor 7 (a resident of Suffolk County, New York) invested $10,500 in the Wilshire Fund.

76. Before Investor 7 invested in the Wilshire Fund, Camarda represented to Investor 7 that her investment in the Wilshire Fund was conservative and safe.

77. In December 2021 and May 2022, Investor 8 (a resident of Nassau County, New York) invested approximately $148,000 in the Wilshire Fund and, in November 2023, Investor 8 separately invested $591,000 in the Omni Diversified Fund.

78. Before Investor 8 invested in the Wilshire and Omni Diversified Funds, Camarda represented to Investor 8 that there was no risk to his investment and it was less risky than investing in the stock market.

79. Camarda's and McArthur's representations to investors regarding the risk profile of the Funds were false and misleading because, in fact, these investments were highly risky.

80. Among other things, the Confidential Offering Memoranda indicated that the Notes were unsecured loans to the Funds and that the Funds would invest in highly speculative, high-risk business ventures that had a high propensity for total failure.

81. In addition, each Fund invested in only one high-risk business venture and did not diversify its investments across businesses or industries, compounding the risk attributable to investing in the Funds.

82. Indeed, the Confidential Offering Memoranda stated that an investment in the Funds through purchasing the Notes "involve[d] a high degree of risk," and that "each investor's risk with respect to this Offering includes the potential for a complete loss of his or her investment."

83. Notwithstanding this risk discussion in the Confidential Offering Memoranda, Camarda and McArthur schemed to mislead investors about these risks through several forms of fraudulent and misleading conduct, which routinely exploited the trust of their advisory clients.

84. As a general matter, investors were not aware of the sections in the Confidential Offering Memoranda that identified the Funds' risks because, when recommending investments in the Funds, Camarda and McArthur knowingly or recklessly omitted any discussion of those risks in breach of their fiduciary duties as investment advisers.

85. When Camarda and McArthur did discuss the Funds' risk profile with their clients, they orally represented that the Funds were safe investments.

86. For example, before investing $591,000 in the Omni Diversified Fund in November 2023, Investor 8 did not read the risk warnings in the Confidential Offering Memorandum because Camarda told him that the investment was safe, and he trusted Camarda's advice.

87. Similarly, before investing $150,000 in the Omni Diversified Fund III in October 2020, Investor 9, who was 78 years old at the time, was unaware of the risk warnings in the Confidential Offering Memorandum because McArthur informed him that the investment was conservative, and

he trusted McArthur's investment recommendation.

88. As another example, before Investor 10 (a resident of Suffolk County, New York) decided to invest $9,500 in the Windsor Fund II in December 2021, Camarda did not discuss with her the risks associated with the investment. She agreed to invest without fully understanding the nature of the investment because she trusted Camarda, her long-time investment adviser.

89. In the relatively few instances when prospective investors inquired about the Confidential Offering Memoranda's risk language, Camarda minimized those written warnings so as to maintain the false and misleading impression for such investors that investing in the Funds was low risk.

90. For example, before investing $8,500 in the Omni Diversified Fund in March 2022, Investor 6, who wished to make a low-risk investment, asked Camarda about the risk warnings contained in the Confidential Offering Memorandum. Camarda falsely and misleadingly responded that Investor 6's money would be secure and that his principal would not be at risk of loss. As a long-time advisory client of Camarda, Investor 6 trusted Camarda's oral representations despite the Confidential Offering Memorandum's risk warnings.

91. In addition, some investors did not even receive the Confidential Offering Memoranda containing the written risk warnings before investing in the Funds.

92. For example, before Investor 11 invested approximately $660,000 in the Windsor Fund II in March 2021, Camarda represented to Investor 11 that an investment in the Windsor Fund II was not risky.

93. Camarda did not provide the full package of Offering Documents to Investor 11 before she invested. Instead, Camarda mailed Investor 11 signature pages to sign without a Confidential Offering Memorandum or any other document that contained a discussion of the risks associated with investing in the Windsor Fund II.

94. As experienced investment advisers, Camarda and McArther knew or recklessly disregarded the inherent risks associated with investing in the Funds.

95. As the Funds' CEO and investment adviser, who also provided the Offering Documents to some investors, Camarda knew or recklessly disregarded the risks described in the Confidential Offering Memoranda and that they contradicted his oral statements to prospective investors.

96. As the Funds' President and investment adviser, who also signed the Subscription Agreement, Form of Promissory Note, and Notice of Acceptance included within the Offering Documents, McArthur likewise knew or recklessly disregarded the risks described in the Confidential Offering Memoranda and that they contradicted his oral statements to prospective investors.

97. Camarda's and McArthur's misrepresentations and omissions to prospective investors regarding the risks associated with investing in the Funds were important to investors' decisions to invest in the Funds. Among other things, many investors—especially those who were retired or near retirement—communicated to Camarda and McArthur that they wished to invest their money conservatively, in low-risk investments, and would not have invested in the Funds had they known that their principal was at risk of significant or total loss.

C. Defendants Misrepresented the Funds' Objectives and Investment Practices

98. Defendants also made material misrepresentations concerning the Funds' objectives and investment practices through the Confidential Offering Memoranda, which they disseminated to many prospective investors during in-person meetings or through the mail.

99. The Confidential Offering Memoranda represented that the Funds would make diverse investments.

100. For example, the Confidential Offering Memoranda for the Windsor Funds stated that the Windsor Funds would "make investments directly or indirectly primarily in several diverse areas:

(a) mining and precious metals, (b) residential, mixed-use and commercial real estate, (c) merchant cash advances and (d) financial planning firms."

101. In addition, the Confidential Offering Memoranda for the Omni Diversified Funds stated that the Omni Diversified Funds would "make investments in companies operating in the mining industry."

102. The Confidential Offering Memoranda for the Omni Diversified and Windsor Funds further provided that the Funds' investment practices would involve "the careful selection of investments across a range of opportunities within the mining industry."

103. Similarly, the Confidential Offering Memorandum for the Wilshire Fund stated that the Wilshire Fund would "provide unsecured loans to borrowers seeking to finance the acquisition, development and/or construction of drive through food service companies as well as the acquisition, development and sale of food service facilities."

104. The Confidential Offering Memorandum for the Wilshire Fund further provided that the Wilshire Fund's investment practices would involve "the careful selection of investments across a range of opportunities within the food service industry."

105. In fact, contrary to the Confidential Offering Memoranda's representations in paragraphs 100 to 104 above, the Funds' investments were not diversified. Instead, each Fund invested in a single company.

106. The Omni Diversified and Windsor Funds invested solely in a single mining company: Millennium.

107. The Wilshire Fund invested solely in Camarda's son's drive-thru coffee shop company: Buzz'd.

108. In fact, Camarda and McArthur formed the Wilshire Fund for the sole purpose of funding Buzz'd.

109. Defendants knew or recklessly disregarded that the Confidential Offering Memoranda's statements regarding the Funds' purported investment diversification were false and misleading, and contained material omissions, because, among other things, Camarda and McArthur made the Funds' investment decisions and controlled the Funds' bank accounts.

110. The misrepresentations in the Confidential Offering Memoranda regarding diversification were important to investors' decisions to invest in the Funds. Indeed, Defendants' misrepresentations in this regard further misled investors into believing they were making conservative investments.

D. Defendants Failed to Fully and Fairly Disclose Their Conflicts of Interest in Recommending the Funds

111. Defendants also failed to fully and fairly disclose their substantial conflicts of interest in recommending the Funds, through the disclosures set forth in paragraphs 112 to 116 below or otherwise.

112. The Confidential Offering Memoranda for all five Funds contained the following statements regarding conflicts of interest:

- "Potential conflicts of interest may arise in the course of our operations involving affiliate companies, as well as their interests in other potential unrelated activities."
- "The [Fund's] manager and advisor may work on other projects, and conflicts of interest may arise in allocating management time, services or functions among affiliates."
- "[T]here is a risk of a conflict of interest between the interest of our management and key technical personnel, and the interest of the [Fund], as well as their interests in other potential unrelated activities."

113. The Confidential Offering Memorandum for the Wilshire Fund also included the following representations regarding conflicts of interest:

- "The [Fund] anticipates that [the] borrowers [to which the Fund will provide loans] may include officers of the [Fund], co-owners of the Manager and/or

their respective family members."

- "[T]he Manager and its principals may receive addition benefits through associated persons (family affiliation)."

114. In addition, the Confidential Offering Memoranda for all five Funds purported to disclose the manner in which the Fund Managers and Defendants would be compensated by the Funds.

115. With regard to "executive compensation," the Confidential Offering Memoranda for all five Funds stated that the Fund Manager would "receive compensation for its service to the [Fund] in the form of pro rata distributions and/or a percentage of proceeds from this Offering."

116. The Confidential Offering Memoranda for all five Funds also stated that Camarda and McArthur would each "receive his pro rata distributions from the Manager, as one of its members" and "may be compensated directly by the [Fund] for his service as CEO … [and] President," respectively.

i. Defendants Failed to Disclose Their Substantial Financial Interest in Recommending the Omni Diversified and Windsor Funds

117. Camarda and McArthur used the proceeds from the Omni Diversified and Windsor Fund offerings to purchase (on behalf of the Omni Diversified and Windsor Funds) promissory notes issued by Millennium (the "Millennium Notes"), which paid a higher interest rate (17%) than the Omni Diversified and Windsor Fund Notes' 9% or 11% interest rate.

118. McArthur signed the Millennium Notes as President of the Omni Diversified and Windsor Funds.

119. Camarda and McArthur used the 17% interest payments that the Omni Diversified and Windsor Funds received from Millennium pursuant to the Millennium Notes to make the 9% or 11% interest payments due to investors under the Omni Diversified and Windsor Fund Notes.

120. Camarda and McArthur, as the owners of the Omni Diversified and Windsor Fund

Managers, kept for themselves the 6% or 8% difference (the "Spread") between the 17% interest the Funds received on the Millennium Notes and the 9% or 11% interest paid to investors on the Omni Diversified and Windsor Fund Notes.

121. Camarda received 90% of the Spread and McArthur received 10%.

122. Upon receipt, Camarda generally transferred a portion of his share of the Spread to A.G. Morgan.

123. During the Relevant Period, Defendants collectively earned at least $2.97 million from the Spread.

124. Defendants did not disclose to investors, through the Offering Documents or otherwise, and pursuant to their duties as investment advisers, that Defendants had a significant financial interest in recommending the Omni Diversified and Windsor Funds to their individual advisory clients (i.e., that they would receive the Spread).

ii. Defendants Failed to Disclose That the Wilshire Fund was a Vehicle to Raise Money for Camarda's Son's Business Venture

125. Defendants used the proceeds from the Wilshire Fund offering to purchase (on behalf of the Wilshire Fund) promissory notes issued by Buzz'd (the "Buzz'd Notes"), which paid varying interest rates.

126. Camarda signed the Buzz'd Notes as CEO of the Wilshire Fund.

127. Camarda's son signed the Buzz'd Notes as CEO of Buzz'd.

128. Camarda and McArthur used the interest paid on the Buzz'd Notes to make the 9% or 11% interest payments due to investors under the Wilshire Fund Notes.

129. Because Camarda's son directly benefited from the Wilshire Fund's investments in Buzz'd, Defendants had a conflict of interest that made their recommendations to individual advisory clients to invest in the Wilshire Fund not disinterested.

130. However, Defendants did not disclose to investors, through the Wilshire Fund

Offering Documents or otherwise, and pursuant to their duties as investment advisers, that the Wilshire Fund was formed to invest, and did invest, solely in Camarda's son's business venture.

131. Defendants also did not disclose to investors, through the Wilshire Fund Offering Documents or otherwise, and pursuant to their duties as investment advisers, that Camarda's son was the sole owner and CEO of Buzz'd.

132. Although the Wilshire Fund Confidential Offering Memorandum stated that the Fund "may" make loans to family members of the Wilshire Fund Manager's owners, Defendants knew or recklessly disregarded that the Wilshire Fund was formed by Defendants for the sole purpose of investing in Buzz'd.

III. Defendants' Scheme Collapses and Camarda Misappropriates Client Funds

133. In or around April 2023, Camarda became aware of funding issues at Millennium that could impact Millennium's ability to pay interest due to the Omni Diversified and Windsor Funds under the Millennium Notes.

134. Nevertheless, from April 2023 through December 2023, Camarda continued to recommend the Omni Diversified and Windsor Funds to individual advisory clients, and continued to describe such investments as safe and conservative.

135. For example, in July 2023, before Investor 12 invested $400,000 in the Windsor Fund II, Camarda represented to Investor 12 that the Windsor Fund II was a low-risk investment.

136. Similarly, in November 2023, before Investor 13 invested $770,000 in the Omni Diversified Fund, Camarda represented to Investor 13 that the Omni Diversified Fund was safe.

137. At approximately the same time that Camarda became aware of funding issues at Millennium, he began to divert offering proceeds to his personal bank account instead of using the proceeds for Fund investments (i.e., to purchase Millennium Notes).

138. From April 2023 through December 2023, on at least 14 occasions, Camarda

transferred offering proceeds from the Omni Diversified and Windsor Funds' bank accounts to his personal bank account.

139. For example, on or around April 10, 2023, Investor 14 invested $60,500 in the Omni Diversified Fund. Within three days, Camarda transferred all of that money to his personal bank account.

140. On or around April 25, 2023, Investor 15 invested $65,000 in the Omni Diversified Fund III. Within seven days, Camarda transferred all of that money to his personal bank account.

141. On or around November 25, 2023, Investor 13 invested $770,000 in the Omni Diversified Fund. Within two days, Camarda transferred $400,000 of that money to his personal bank account.

142. On or around December 25, 2023, Investor 16 invested $49,500 in the Windsor Fund II. Within two days, Camarda transferred all of that money to his personal bank account.

143. From April 2023 to December 2023, Camarda transferred at least $1,028,500 in proceeds from Omni Diversified and Windsor Fund offerings to his personal bank account.

144. The Offering Documents did not authorize Camarda to transfer offering proceeds to his personal bank account.

145. In or around January 2024, Millennium stopped making interest and principal payments to the Omni Diversified and Windsor Funds under the Millennium Notes.

146. Consequently, in or around January 2024, the Omni Diversified and Windsor Funds ceased making consistent distributions to investors pursuant to the Omni Diversified and Windsor Fund Notes. The Omni Diversified and Windsor Funds made irregular and infrequent payments to investors until approximately August 2024, when such payments stopped entirely.

147. Similarly, in or around November 2023, Buzz'd stopped making interest payments to the Wilshire Fund under the Buzz'd Notes.

148. As a result, in or around January 2024, the Wilshire Fund stopped making regular interest payments to investors pursuant to the Wilshire Fund Notes. The Wilshire Fund made sporadic interest payments to investors until approximately May 2024, when such payments stopped entirely.

149. Ultimately, investors in the Funds collectively lost approximately $123 million in unreturned principal due under the Notes, and millions of dollars more in anticipated interest payments due under the Notes.

IV. Defendants Offered and Sold Unregistered Securities

150. The Notes were "securities" for purposes of the securities offering registration provisions of the federal securities laws.

151. The Confidential Offering Memoranda for all five Funds referred to the Notes as "unsecured debt securities."

152. As evidenced by the business plans outlined in the Confidential Offering Memoranda, Defendants sold the Notes for the purported purpose of financing investments to be made by the Funds.

153. Most investors purchased the Notes by transmitting the principal cash amount to bank accounts held by the Funds (many through wire transfers), which comingled investor funds for the purpose of making investments on behalf of the Funds and generating investment returns.

154. Based on Camarda's and McArthur's oral representations and the Offering Documents, investors understood that the Funds would generate their promised interest payments through returns from the Funds' investment of their money.

155. Investors thus purchased the Notes reasonably expecting to earn profits in the form of such interest payments.

156. None of the Fund offerings were registered with the Commission.

157. No exemption from such registration applied to the Omni Diversified Fund, Omni

Diversified Fund III, or Windsor Fund II offerings.

158. Defendants raised approximately $35 million from over 100 investors in the Omni Diversified Fund offering, approximately $29 million from over 100 investors in the Omni Diversified Fund III offering, and approximately $66 million from over 100 investors in the Windsor Fund II offering.

159. Many of the investors who invested in the Omni Diversified Fund, Omni Diversified Fund III, and Windsor Fund II offerings were elderly and financially unsophisticated and had no prior relationship with the Funds or one another.

160. As alleged above in paragraphs 83 to 93, Defendants also schemed to deter potential investors from fully reviewing and understanding the Offering Documents associated with the Omni Diversified Fund, Omni Diversified Fund III, and Windsor Fund II offerings.

161. In addition, the Confidential Offering Memoranda for these Funds incorrectly claimed that the Fund offerings were exempt from registration under Rule 506(b) of Regulation D under the Securities Act (17 C.F.R. § 230.506(b)) ("Rule 506(b)").

162. Contrary to the requirements of Rule 506(b), more than 35 non-accredited investors participated in each of the Omni Diversified Fund, Omni Diversified Fund III, and Windsor Fund II offerings.

163. Indeed, Defendants' own internal records indicate that the Omni Diversified Fund, Omni Diversified Fund III, and Windsor Fund II offerings exceeded the 35 non-accredited investor limit required to meet the Rule 506(b) registration exemption.

164. The Omni Diversified Fund, Omni Diversified Fund III, and Windsor Fund II offerings also were not exempt from registration under Rule 506(b) because at least one non-accredited investor who participated in each offering did not have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks associated with investing in the Funds.

165. Further, Defendants did not reasonably believe that the non-accredited investors who participated in the Omni Diversified Fund, Omni Diversified Fund III, and Windsor Fund II offerings met the sophistication requirements of the Rule 506(b) exemption.

166. For example, in approximately October 2020, Defendants solicited Investor 9 to invest in the Omni Diversified Fund III. At the time of his investment in the Omni Diversified Fund III, Investor 9 was 78-year-old retiree who was inexperienced in business and financial matters.

167. Similarly, in approximately June 2021, Defendants solicited Investor 17 to invest in the Windsor Fund II. At the time of his investment in the Windsor Fund II, Investor 17 was employed as a project manager at an architectural firm and was relatively new to financial investing.

168. As another example, in approximately March 2022, Defendants solicited Investor 18 to invest in the Omni Diversified Fund. At the time of her investment in the Omni Diversified Fund, Investor 18 was a 71-year-old retiree who was inexperienced in business and financial matters.

169. Because Investors 9, 17, and 18 were individual A.G. Morgan clients for many years, Defendants, as their investment advisers, were familiar with their level of sophistication in financial and business matters.

170. Moreover, although the Offering Documents included an Investor Questionnaire, which purported to describe the investor's knowledge and experience in financial and business matters, Investors 9, 17, and 18, among other investors, did not complete the Investor Questionnaire before agreeing to invest in the Omni Diversified Fund, Omni Diversified Fund III, and Windsor Fund II.

171. Instead, Defendants provided Investors 9, 17, and 18, among other investors, with Investor Questionnaires that had already been completed on their behalf, which overstated the investors' level of knowledge and experience in financial and business matters.

172. Accordingly, Defendants knew or recklessly disregarded that certain of their clients

did not have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks associated with investing in the Funds.

FIRST CLAIM FOR RELIEF
Violations of Securities Act Section 17(a)

173. The SEC re-alleges and incorporates by reference here the allegations in paragraphs 1 through 172.

174. By engaging in the conduct described in paragraphs 1-2, 4-9, 32-149 above, Defendants, directly or indirectly, in the offer or sale of securities and by the use of the means or instruments of transportation or communication in interstate commerce or the mails, (i) knowingly or recklessly employed one or more devices, schemes or artifices to defraud, (ii) knowingly, recklessly, or negligently obtained money or property by means of one or more untrue statements of a material fact or omissions of 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 (iii) knowingly, recklessly, or negligently engaged in one or more transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

175. By reason of the foregoing, Defendants, directly or indirectly, violated—and, unless enjoined, will again violate—Securities Act Section 17(a) [15 U.S.C. § 77q(a)].

SECOND CLAIM FOR RELIEF
Violations of Exchange Act Section 10(b) and Rule 10b-5 Thereunder

176. The SEC re-alleges and incorporates by reference here the allegations in paragraphs 1 through 172.

177. By engaging in the conduct described in paragraphs 1-2, 4-9, 32-149 above, Defendants, directly or indirectly, in connection with the purchase or sale of securities and by the use of means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange, knowingly or recklessly (i) employed one or more devices, schemes, or artifices

to defraud, (ii) made one or more untrue statements of a material fact or omitted to state one or more material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and/or (iii) engaged in one or more acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

178. By reason of the foregoing, Defendants, directly or indirectly, violated—and, unless enjoined, will again violate—Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

THIRD CLAIM FOR RELIEF
Violations of Advisers Act Sections 206(1) and (2)

179. The SEC re-alleges and incorporates by reference here the allegations in paragraphs 1 through 172.

180. At all relevant times, Defendants were investment advisers under Advisers Act Section 202(a)(11) [15 U.S.C. § 80b-2(a)(11)].

181. By engaging in the conduct described in paragraphs 1-2, 4-9, and 32-149 above, Defendants, directly or indirectly, by the use of means or instrumentalities of interstate commerce or the mails, (i) knowingly or recklessly employed one or more devices, schemes, or artifices to defraud any client or prospective client, and/or (ii) knowingly, recklessly, or negligently engaged in one or more transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon any client or prospective client.

182. By reason of the foregoing, Defendants, directly or indirectly, violated—and, unless enjoined, will again violate—Advisers Act Sections 206(1) and (2) [15 U.S.C. §§ 80b-6(1) and 80b-6(2)].

FOURTH CLAIM FOR RELIEF
Violations of Securities Act Sections 5(a) and 5(c)

183. The SEC re-alleges and incorporates by reference here the allegations in paragraphs 1

through 172.

184. At all relevant times, no registration statement was filed or in effect as to the securities issued by the Omni Diversified Fund, the Omni Diversified Fund III, or the Windsor Fund II, as alleged in this Complaint, and no exemption from registration was available.

185. By engaging in the conduct described in paragraphs 2-3 and 150-172 above, Defendants, directly or indirectly (i) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities through the use or medium of a prospectus or otherwise, (ii) carried or caused to be carried through the mails or in interstate commerce, by any means or instruments of transportation, securities for the purpose of sale or delivery after sale, and/or (iii) made use of means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy, through the use or medium of a prospectus or otherwise, securities, without a registration statement having been filed with the Commission or in effect as to such securities.

186. By reason of the foregoing, Defendants, directly or indirectly, violated—and, unless enjoined, will again violate—Securities Act Sections 5(a) and 5(c) [15 U.S.C. §§ 77e(a) and 77e(c)].

PRAYER FOR RELIEF

WHEREFORE, the SEC respectfully requests that this Court enter a Final Judgment:

I.

Permanently enjoining Defendants and their agents, servants, employees and attorneys and all persons in active concert or participation with any of them from engaging in the acts, practices, and courses of business alleged against them herein and from violating, directly or indirectly, Sections 5(a), 5(c) and 17(a) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c) and 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) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and 80b-6(2)];

II.

Ordering Defendants to disgorge all ill-gotten gains they received directly or indirectly, with prejudgment interest thereon, as a result of the alleged violations 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)];

III.

Ordering Defendants to pay civil monetary penalties 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)];

IV.

Permanently enjoining Camarda and McArthur from directly or indirectly, including, but not limited to, through any entity owned or controlled by Camarda and/or McArthur, participating in the issuance, purchase, offer, or sale of any security; provided, however, that such injunction shall not prevent them from purchasing or selling securities for their own personal accounts;

V.

Permanently enjoining Camarda and McArthur from directly or indirectly, acting as or being associated with any broker, dealer, or investment adviser; and

VI.

Granting any other and further relief this Court may deem just and proper.

Dated: New York, New York
April 3, 2026

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