

<p>DISTRICT COURT, DENVER COUNTY, COLORADO 1437 Bannock Street Denver, CO 80202</p> <hr/> <p>TUNG CHAN, Securities Commissioner for the State of Colorado,</p> <p>Plaintiff,</p> <p>v.</p> <p>MICHAEL GRAHAM, SEBASTIAN PARTNERS, LLC, SEBASTIANE PARTNERS, LLC, and GRAVITAS QUALIFIED OPPORTUNITY ZONE FUND I, LLC,</p> <p>Defendants, and</p> <p>JORDAN GRAHAM, X STUDIO, LLC, WC-1, LLC, SEBASTIAN HOLDINGS, LLC, and GRAHAM PROPERTIES, LLC,</p> <p>Relief Defendants.</p>	<p>DATE FILED November 7, 2024 12:01 PM FILING ID: E2849366ADE7D CASE NUMBER: 2024CV33432</p> <p style="text-align: center;">▲ COURT USE ONLY ▲</p>
<p>PHILIP J. WEISER, Attorney General ROBERT W. FINKE, 40756* First Assistant Attorney General JANNA K. FISCHER, 44952* Senior Assistant Attorney General GRAHAM T. GERHART, 57767* Assistant Attorney General Ralph L. Carr Judicial Building 1300 Broadway, 8th Floor Denver, CO 80203 Tel: (720) 508-6401 Fax: (720) 508-6037 Robert.Finke@coag.gov Janna.Fischer@coag.gov Graham.Gerhart@coag.gov *Counsel of Record</p>	<p>Case No.:</p> <p>Courtroom:</p>
<p>COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF</p>	

Plaintiff Tung Chan, Securities Commissioner for the State of Colorado, alleges as follows in her *Complaint for Injunctive and Other Relief*:

JURISDICTION

1. Plaintiff Tung Chan is the Securities Commissioner for the State of Colorado (“Commissioner”). The Commissioner is authorized to bring this action in which she may seek temporary, preliminary, and permanent injunctive relief, along with other equitable relief, against the Defendants upon sufficient evidence that the Defendants have engaged in or are about to engage in any act or practice constituting a violation of any provision of the Colorado Securities Act (the “Act”). § 11-51-602(1), C.R.S. Provided in Section 11-51-706(4), C.R.S., any violation of the Act is deemed to constitute the transaction of business within this state, thereby conferring jurisdiction pursuant to section 13-1-124(1)(a), C.R.S.

2. Venue is proper in the district court for the City and County of Denver, Colorado. § 11-51-602(1), C.R.S.

SUMMARY OF THE ACTION

3. Starting in 2019, Michael Graham (“Graham”) constructed a scheme using a federal program to solicit investors into a real estate venture; after raising roughly \$1,107,000.00 and purchasing three homes, Graham secretly seized the assets for himself. Unbeknownst to investors, Graham had previously mismanaged investments in real estate ventures. In the current matter, Defendants’ material misrepresentations and omissions would have halted any serious investor in their decision to invest.

4. Graham formed Defendant Gravitas Qualified Opportunity Zone Fund I, LLC (“Gravitas”) in February 2019. Graham advertised Gravitas as a Qualified Opportunity Fund.¹ These kinds of funds acquire and manage properties in disadvantaged areas.

5. Initially, Sebastian Partners, LLC (“SP”), was listed as the managing member of Gravitas. Graham controlled SP. In December 2020, Graham created Sebastian Partners, LLC (“SP 2”) to replace SP as the managing member of Gravitas. Graham held himself out as the managing member of SP 2. At any given time, Graham was the de facto manager of Gravitas.

6. Between May 2019 and December 2019, Defendants, through Graham, solicited seven investors in Gravitas, and in December 2021, Graham raised an additional \$50,000.00 from an eighth investor to equal \$1,107,000.00 in total investments. Graham gave investors a Private Placement Memorandum (“PPM”),

¹ A Qualified Opportunity Fund is a federal program encouraging real estate investments in disadvantaged areas (which are called Qualified Opportunity Zones and are defined by the host state). Investors benefit from these investments with a deferral and/or elimination of federal and state taxes.

subscription agreement, and operating agreement. Investors received these documents prior to purchasing the securities; they received a membership certificate in Gravitas after signing the operating agreement and subscription agreement.

7. The interests, marketed as “shares,” in Gravitas are securities as defined under § 11-51-201, C.R.S.²

8. Gravitas purchased three neighboring properties in Aurora, CO:

- a. In January 2021, 21381 E. 60th Avenue, Aurora, CO 80019 (“Property 1”);
- b. in February 2021, 21422 E. 60th Avenue, Aurora, CO, 80019 (“Property 2”); and,
- c. in March 2021, 21392 E. 60th Avenue, Aurora, CO, 80019 (“Property 3”).

9. Gravitas sold Property 3 on May 5, 2021, but Defendants never adequately explained why the property was purchased and then sold so quickly. The other two properties are still generating rental revenue but are no longer titled to Gravitas.

10. Defendants created this business venture to defraud investors. Broken down, the scheme’s structure is to convince investors to purchase Gravitas securities, raising capital for Defendants’ own separate enjoyment. The scheme was carried out with a legitimate LLC, but Defendants solicited investors through deceit and omission.

11. During the solicitation of investors, Defendants never disclosed damages judgments against Graham. Those judgments relate to previous real estate projects he managed; he was ordered to pay more than \$1,000,000.00 in damages.

12. Defendants never disclosed the accurate amount of funds Graham would divert from Gravitas to other LLCs: SP, SP 2, Sebastian Holdings, LLC, (“SH”), X Studio, LLC (“X Studio”), WC-1, LLC (“WC-1”), and Graham Properties, LLC.

13. Defendants commingled investors’ funds in various LLCs and never provided audited annual reports as agreed. Defendants did provide agreed upon tax

² The shares are investment contracts. Investment contracts are defined in the Act. A complete analysis is found in paragraphs 33 through 40.

schedules, but the schedules were provided late and only after pressure from investors.

14. While managing Properties 1 and 2, Defendants transferred title via quit-claim deed to Graham. Graham still holds title to Properties 1 and 2. He never disclosed that the title transfer would occur; nor that it had occurred. After the title transfer, Graham sent a letter to investors misrepresenting that the fund still owned the properties. Never did Graham disclose the risks associated with transferring the titles to himself.

15. Graham obtained a personal mortgage loan using Properties 1 and 2 as security for the loan, which would allow the lender for that mortgage to foreclose on the properties. Again, Graham omitted to disclose this information to investors.

16. Defendants' obtained undocumented loans from a friend of Graham, but omitted this would occur. Defendants never provided investors any documented details about the loan.

17. Defendants made several material misrepresentations, including how they would manage Gravitas and investor funds. They transferred all of the assets out of Gravitas, thereby not operating Gravitas as a Qualified Opportunity Fund, despite marketing it as such.

18. Finally, Defendants never provided agreed upon reports to investors. Investors never received audited yearly reports and they received tax schedules late.

19. Defendants' numerous material omissions and misrepresentations made during the offer and sale of securities violate the Colorado Securities Act, section 11-51-501, C.R.S.

DEFENDANTS

20. Graham is a 68-year-old California resident, with a last known address of 1112 Montana Avenue, Unit 165, Santa Monica, California 90403.

21. SP is a Wyoming limited liability company formed on November 16, 2017, with a principal office at 4643 S Ulster Street, Suite 970, Denver, Colorado 80237. Graham is the managing member of SP. SP is in "Delinquent" status with the Colorado Secretary of State.

22. SP 2 is a Delaware limited liability company formed on December 8, 2020, with a principal office at 108 W. 13th Street, Suite 100, Wilmington, Delaware 19801. Graham markets himself as the managing member.

23. Gravitas is a Colorado limited liability company formed on February 1, 2019, with a principal office at 4643 S Ulster Street, Suite 970, Denver, Colorado 80237. SP was the managing member of Gravitas. SP 2 is the current managing member, taking over in December 2020. Gravitas is in “Delinquent” status with the Colorado Secretary of State.

RELIEF DEFENDANTS

24. SH is a Colorado limited liability company formed on September 21, 2018, with a principal office at 4643 S Ulster Street, Suite 970, Denver, Colorado 80237. Graham is the listed registered agent. SH is in “Delinquent” status with the Colorado Secretary of State.

25. X Studio is a Colorado limited liability company formed on October 25, 2019, with a principal office at 8200 S Quebec Street, Suite A3 #251, Centennial, Colorado 80112. Rebekah Graham is listed as the registered agent. X-Studio is in “Delinquent” status with the Colorado Secretary of State.

26. WC-1 is a Wyoming limited liability company formed on September 22, 2014, with principal office at 1908 Thomas Avenue, Cheyenne, Wyoming, 82001.

27. Jordan Graham is last known as a Colorado resident with an address of 3139 North Milwaukee Street, Denver, Colorado, 80205.

28. Graham Properties, LLC, is a Colorado limited liability company formed on March 5, 2020, with a principal office at 8700 East Jefferson Avenue, Denver, Colorado, 80237.

GENERAL ALLEGATIONS

29. Graham markets himself as a real estate investment specialist with over 35 years of experience. The primary purpose of his businesses is to offer investors options when looking to profit in real estate projects.

30. Graham’s recent focus comes from the Tax Cut and Jobs Act. Part of the act provides for tax benefits for Qualified Opportunity Funds. The funds purchase properties in low-income areas, designated as Qualified Opportunity Zones. The fund receives tax benefits as it holds onto qualifying properties. Investors get to enjoy these tax benefits along with rental income.

31. In February 2019, Graham created Gravitas and solicited investors marketing Gravitas as a Qualified Opportunity Fund. Graham is the de facto managing member of Gravitas, and at any given time, he was controlling Gravitas.

32. To operate as a Qualified Opportunity Fund, Gravitas needs at least 90% of its assets qualified as Qualified Opportunity Zone properties. Gravitas

targeted single-family homes under construction in Aurora, Colorado. Graham advertised Gravitas's goal to raise over \$20,000,000.00 for the fund and purchase nearly 200 properties.

33. From May 2019 through December 2019, Graham obtained investments seven investors, with investors purchasing shares in Gravitas for \$50,000.00/share. Graham raised an additional \$50,000.00, from an eighth investor, for the fund in December 2021. Graham raised a total of \$1,107,000.00 from the sale of securities.

34. The shares in Gravitas are securities. The Act provides a list of what is included as a security. § 11-51-201(17), C.R.S. One example is an "investment contract," which encompasses Gravitas's shares.

35. An investment contract under Colorado law is: (1) a contract, transaction, or scheme whereby a person invests his or her money, (2) in a common enterprise, and (3) is led to expect profits derived from the entrepreneurial or managerial efforts of others. *Rome v. HEI Res., Inc.*, 2014 COA 160, ¶ 20 (applying the *Howey* test first created by the US Supreme Court in *S.E.C. v. W.J. Howey Co.*, 328 U.S. 293 (1946)). This definition "embodies a flexible rather than a static principle, one that is capable of adaptation to meet the countless and variable schemes devised by those who seek the use of the money of others on the promise of profits." *Id.* at 856; *see also Lowery v. Ford Hill Inv. Co.*, 556 P.2d 1201, 1205 (Colo. 1976) (holding that the expansive language in the definition of a "security" under the federal securities act "indicates a legislative intent to provide the flexibility needed to regulate the various schemes devised by those who seek the use of the money of others with the lure of profits").

36. Starting with the first factor of the *Howey* test, investors invested their money into Gravitas. The investor documents market each share at \$50,000.00/share. The investment of money is evidenced from investors' receipt of membership certificates and Defendants' bank records showing corresponding deposits. The agreement is clear: invest \$50,000.00 into Gravitas and receive a share entitling you to monetary benefits.

37. Next, turning to the second factor of the *Howey* test, the shares Defendants sold are investments in a common enterprise; investors' funds were pooled together, and investors were reliant on Defendants' managerial expertise.

38. A common enterprise can exist through either a vertical or horizontal relationship. *SEC v. Int'l Min. Exchange, Inc.*, 515 F. Supp. 1062, 1067 (D. Colo.

1981).³ “The vertical relationship approach defines a common enterprise as one in which the fortunes of the investor are interwoven with and dependent upon the efforts and success of those seeking the investment or of third parties.” *Id.* The critical factor being “whether the fortune of all investors are inextricably tied to the success of the trading enterprise.” *Id.* “A horizontal relationship is between an individual investor and the pool of other investors,” which is satisfied where there exists a “pool of capital to be used in furthering a common enterprise by dividing the needed base into units for individual sales.” *Id.*

39. Investors purchased shares in Gravitass as a common enterprise with a vertical relationship; investors’ success is tied to how well Defendants manage the properties. The longer Gravitass holds onto the properties, the more tax benefits investors will receive. If Gravitass manages the properties effectively, it can generate greater rental income and property value.

40. Finally, the third factor of the *Howey* test is determined by inquiring “whether the efforts made by those other than the investor are the undeniably significant ones, those essential managerial efforts which affect the failure or success of the enterprise.” *HEI*, 2014 COA at ¶ 21.

41. Within the operating agreement, Graham makes clear he—not the investors—manages Gravitass. From the agreement, Graham has “full, exclusive and absolute right, power and authority to manage and control the Company.” Graham will “take all actions necessary to maintain [Qualified Opportunity Fund] status.” Graham’s control of the company to act as a Qualified Opportunity Fund generating profit is articulated in the signed investor documents.

42. Investors were given a PPM,⁴ operating agreement, and subscription agreement. These investor documents set forth important details about the Gravitass securities and Graham’s management:

- a. the managing member has “full, exclusive and absolute right, power and authority to manage and control the Company;”
- b. Graham was the managing member of SP, and SP is the managing member of Gravitass;
- c. Graham would “take all actions necessary to maintain [Qualified Opportunity Fund] status;”

³ The definition of a security in the federal Securities Act is parallel to Colorado’s definition; Colorado courts have found federal cases persuasive. *Raymond Lee Org., Inc. v. Div. of Sec.*, 192 Colo. 112, 115 (1976).

⁴ Upon information and belief, the PPM has an effective date of April 8, 2019.

- d. Gravitas would hold at “least 90% of its assets as Qualified Property;”
- e. Graham would invest “substantially all of the net proceeds from this offering (after paying or reimbursing the managing member for organization and expenses related to this offering), to invest in and manage real estate assets;”
- f. the managing member of Gravitas may receive 6% of any gross rental income the properties generate, a 2% acquisition fee of each property, a 2% guaranty fee of company loans the managing member guarantees, and a 2% disposition fee for selling properties; and,
- g. Graham would, within 120 days after the fiscal year, prepare audited annual reports (including a statement of the operations, available cash, and Company equity); as well as annual state and local Company Income Tax Schedules (“K-1”).

43. Graham disregarded these terms and omitted material information to drive his scheme forward and defraud investors.

44. Throughout the period Graham solicited investments, he omitted to disclose that he had previous judgments against him for negligent misrepresentation and breach of fiduciary duty. These judgments came from real estate projects. Graham had mismanaged investors’ fund and was ordered to pay over \$1,000,000.00 in damages in California and Colorado.

45. Shortly after investments were deposited into Gravitas’s US bank account, Graham began to commingle funds with other existing LLCs he managed. Graham failed to disclose these decisions and materially misrepresented how he would handle investors’ funds.

46. Throughout Graham’s management of investors’ funds, he made transfers varying from agreed terms in investor documents, roughly equating to:

- a. \$334,762.00 transferred to an SP⁵ account;
- b. \$228,081.29 transferred to SH;
- c. \$26,237.08 transferred to M.D. Graham/WC-1, LLC accounts;

⁵ \$334,762.00 is inconsistent with any calculation of funds the managing member of GQOZF was entitled from the investor documents. Further, it appears SP 2 was the managing member when the property purchases and management began.

- d. \$102,000.00 transferred to an X Studio account; and,
- e. \$110,747.12 in business expenses.

47. In December 2020, Graham amended Gravitas's operating agreement naming SP 2, a Delaware limited liability company, as the "Successor Managing Member" of Gravitas. Graham held himself out as the managing member of SP 2, and he remained in control of Gravitas.

48. On January 15, 2021, Gravitas purchased Property 1. On February 4, 2021, Gravitas purchased Property 2. On March 24, 2021, Gravitas purchased Property 3. Then on May 5, 2021, Gravitas sold Property 3. Despite investors' inquiry, Defendants did not provide an adequate rationale why Property 3 was purchased and then sold shortly after.

49. On January 22, 2021, Rimon P.C.—Mark Lawrence and Michael Connelly—wired Gravitas a \$300,000.00 bridge loan. This is a separate influx of funds from the securities sold and separate from a \$6,000,000.00 loan Gravitas obtained from a mortgage broker.⁶ Mr. Connelly claims that he is friends with Graham. The loan from Rimon P.C. was an oral agreement without any written documentation.

50. On February 5, 2021, Graham refinanced Property 1 with a loan of \$297,500.00 from the mortgage broker and \$27,009.42 from Gravitas. Graham then repaid Rimon P.C. with refinancing proceeds, transferring his friend \$313,000.00.

51. On March 11, 2021, Gravitas received another undocumented loan, this time from James T. Wanzeck for \$137,500.00. Graham repaid this loan after the sale of Property 3, wiring Mr. Wanzeck \$138,000.00.

52. Graham did not inform investors of either the Rimon P.C. loan nor the Mr. Wanzeck loan.

53. Continuing his cavalier management over investors' funds, Graham transferred title to Property 1 and Property 2 to his own name via quit-claim deed on December 30, 2021. Graham then obtained a personal mortgage using the properties as security for the loan, increasing the risk of foreclosure. Effectively, Graham used Gravitas as his personal piggy bank, claiming both funds and properties as his own.

54. Graham never told investors about the risks associated with transferring title to himself. On September 1, 2023, he sent a letter to investors, stating that the properties "we own" are doing well and generating growth due to record-breaking home appreciation. But Gravitas no longer owned the properties.

⁶ Graham informed investors of the \$6,000,000.00 loan.

Gravitas no longer had assets at all. Instead of taking “all actions necessary to maintain [Qualified Opportunity Fund] status,” Graham quietly seized the properties for himself.

55. Notwithstanding the investor documents outlining the goal to keep 90% of Gravitas’s assets as Qualified Property, Graham stripped Gravitas of its assets.

56. When it came time to update investors with the audited reports and K-1 reports, Graham did not provide them as agreed. After pressure from investors, Graham eventually provided K-1 reports, but he never provided audited reports. Graham misrepresented that he would provide the reports as agreed.

57. Defendants created this scheme to exploit investors by marketing Gravitas with material omissions and misrepresentations. Once Defendants obtained funds and property, they quietly seized those assets.

58. Defendants’ material omissions include:

- a. information about past judgments against Graham of over \$1,000,000.00 for mismanagement of funds in real estate projects;
- b. Defendants would commingle funds with other entities Graham controlled instead of managing funds as agreed;
- c. Defendants would transfer title to Properties 1 and 2 to Graham, and Graham would take personal loans out against those properties;
- d. the risks associated with transferring the fund’s assets to Graham;
- e. Graham would take funds for his own use;
- f. Defendants would sell an asset (Property 3) without adequate explanation;
- g. the fund would not operate as a Qualified Opportunity Fund and would not qualify for tax benefits because it would not have the required assets; and
- h. Defendants would not disclose information about all of the loans Gravitas obtained.

59. Defendants’ material misrepresentations to investors include:

- a. the amount of funds transferred to the managing member of Gravitas, the amount SP received was not equivalent to the percentages allotted in the investor documents;
- b. Gravitas would retain properties to operate as a Qualified Opportunity Fund, but the properties were taken from the fund and it was not a Qualified Opportunity Fund;
- c. 90% of Gravitas's assets would be Qualified Opportunity Zone properties, but Gravitas had no Qualified Opportunity Zone assets after the transfers;
- h. Defendants would, within 120 days after the fiscal year, prepare audited annual reports (including a statement of the operations, available cash, and Company equity) as well as K-1 reports, but Defendants never provided audited annual reports and only provided K-1 reports after pressure from investors; and,
- d. substantially all of the net proceeds from the offering would be invested in real properties, instead, Defendants commingled funds with several LLCs Graham controlled.

FIRST CLAIM FOR RELIEF

(Securities Fraud – Material Misrepresentations and Omissions, § 11-51-501(1)(b), C.R.S.)

Defendants Michael Graham, Sebastian Partners, LLC, Sebastiane Partners, LLC, and Gravitas Qualified Opportunity Zone Fund I, LLC

60. Paragraphs 1 through 59, and subsections thereto, are incorporated herein by reference.

61. In connection with the offer, sale, or purchase of securities in Colorado, Defendants directly or indirectly made written and oral untrue statements of material fact or omitted to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading, in violation of § 11-51-501(1)(b), C.R.S.

62. Defendants offered or sold securities by means of untrue statements of material fact or omitted to state material facts necessary in order to make the statements, in light of the circumstances under which they were made, not misleading (the buyer not knowing of the untruths or omissions), or engaged in acts, practices, or courses of business that operated as a fraud on the investors, and therefore are liable to the Commissioner for damages under § 11-51-602(2), C.R.S., based on violations of § 11-51-501(1)(b), C.R.S.

63. The Commissioner is entitled to an award of damages, interest, costs, and attorneys' fees, restitution, disgorgement and other equitable relief on behalf of persons injured by Defendants' conduct pursuant to § 11-51-602(2) C.R.S. The Commissioner is also entitled to a preliminary and permanent injunction against Defendants, their officers, directors, agents, servants, employees, successors and attorneys-in-fact, as may be; any person who, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with Defendants; and all those in active concert or participation with Defendants, enjoining violation of § 11-51-501, C.R.S., by virtue of § 11-51-602, C.R.S.

SECOND CLAIM FOR RELIEF

(Securities Fraud, § 11-51-501(1)(c), C.R.S.)

Defendants Michael Graham, Sebastian Partners, LLC, Sebastiane Partners, LLC and Gravitas Qualified Opportunity Zone Fund I, LLC

64. Paragraphs 1 through 63, and subsections thereto, are incorporated herein by reference.

65. In connection with the offer, sale, or purchase of securities in Colorado, Defendants engaged in acts, practices, or courses of business which operated or would operate as a fraud and deceit on investors, in violation of § 11-51-501(1)(c), C.R.S.

66. Defendants engaged in acts, practices, or courses of business that operated as a fraud on the investors, and therefore the Commissioner is entitled to an award of damages, interest, costs, and attorneys' fees, restitution, disgorgement and other equitable relief on behalf of persons injured by Defendants' conduct pursuant to § 11-51-602(2) C.R.S. The Commissioner is also entitled to a preliminary and permanent injunction against Defendants, their officers, directors, agents, servants, employees, successors and attorneys-in-fact, as may be; any person, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with Defendants; and all those in active concert or participation with Defendants, enjoining violation of § 11-51-501, C.R.S., by virtue of § 11-51-602, C.R.S.

THIRD CLAIM FOR RELIEF

(Imposition of Constructive Trust or Equitable Lien)

Defendants Michael Graham, Sebastian Partners, LLC, Sebastiane Partners, LLC, Gravitas Qualified Opportunity Zone Fund I, LLC, and Relief Defendants X Studio, LLC, WC-1, LLC, Sebastian Holdings, LLC, and Graham Properties, LLC

67. Paragraphs 1 through 66, and subsections thereto, are incorporated herein by reference.

68. As a consequence of the fraudulent, wrongful, unlawful and inequitable conduct of Defendants, as alleged above, Defendants and Relief Defendants have obtained profits that in justice and equity belong to investors.

69. These interests and profits include, but are not limited to, investor assets in Relief Defendants' bank accounts and all sums derived from the investment of such assets and any assets purchased with investor funds.

70. Defendants and Relief Defendants received these fraudulently obtained funds and/or property without giving a reasonably equivalent value in exchange and, as a result, have no legitimate right or claim to these funds. Defendants and Relief Defendants will each, therefore, be unjustly enriched if they are allowed to maintain ownership of the funds and/or property fraudulently obtained.

71. Defendants and Relief Defendants hold said funds and/or property in constructive trust or in a manner in the nature of a constructive trust for the benefit of the investors and must account to the investors and the Plaintiff for all such sums of money, all profits derived from the investment of such money and any assets purchased therewith. Moreover, these property interests, sums of money and assets are impressed with an equitable lien for the benefit of the investors. Accordingly, ownership of all such property interests, sums and assets must be accounted for and adjudicated to be vested in the investors.

72. Accordingly, the Commissioner requests that the Court impose a constructive trust and/or equitable lien on all of the bank accounts, and any fraudulently obtained funds received by each of the Defendants and Relief Defendants, and any entity controlled by them, to account for and disgorge all properties and funds received by them.

WHEREFORE, the Commissioner requests relief as follows:

1. For preliminary and permanent injunctive relief against Defendant, their agents, servants, employees, and successors; any person who, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with; and all those in active concert or participation with him, enjoining Defendants from violations of the Act or successor statute.

2. For judgment in an amount to be determined at trial against all the Defendants for restitution, disgorgement and other equitable relief pursuant to section 11-51-602(2), C.R.S.

3. For an Order imposing a constructive trust on the fraudulently obtained funds held by each Defendant and Relief Defendant, or any entity controlled by them, and to order Defendants and Relief Defendants to account for and disgorge all funds fraudulently obtained by them from investors and transferred to them.

4. For such other and further relief as the Court deems proper.

Dated this 7th day of November, 2024.

PHILIP J. WEISER
Attorney General

/s/ Graham Gerhart
ROBERT W. FINKE, 40756*
First Assistant Attorney General
JANNA K. FISCHER, 44942*
Senior Assistant Attorney General
GRAHAM T. GERHART, 57767*
Assistant Attorney General
Revenue & Regulatory Section
*Attorneys for Plaintiff Tung Chan,
Securities Commissioner*

Ralph L. Carr Judicial Building
1300 Broadway, 8th Floor
Denver, Colorado 80203
Telephone: (720) 508-6376 (Finke)
(720) 508-6374 (Fischer)
(720) 508-6937 (Gerhart)
Fax: (720) 508-6037
Email: Robert.Finke@coag.gov;
Janna.Fischer@coag.gov
Graham.Gerhart@coag.gov
*Counsel of Record