

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

VLADIMIR ARTAMONOV,

Defendant.

INDICTMENT

25 Cr.

25 CRIM 420

COUNT ONE

(Securities Fraud)

The Grand Jury charges:

1. From at least in or about September 2021, up through and including at least in or about February 2024, VLADIMIR ARTAMONOV, the defendant, defrauded investors who participated in an investment opportunity he called "Project Information Arbitrage" and caused millions of dollars in losses.

2. VLADIMIR ARTAMONOV, the defendant, solicited investments by promoting an information arbitrage strategy based on investments by the heralded holding company Berkshire Hathaway Inc. ("Berkshire"). According to ARTAMONOV, due to its reputation, and that of its Chairman and CEO Warren Buffett, when Berkshire made new investments in publicly traded companies, and those investments became widely known, those companies' share prices increased significantly. ARTAMONOV represented to investors that he could identify Berkshire's new investments ahead of their public disclosure in filings with the U.S. Securities and Exchange Commission ("SEC") by reviewing public insurance company filings made by Berkshire's affiliates with state regulators. By identifying Berkshire's new investments and purchasing securities of those companies before the rest of the market, ARTAMONOV claimed he could

achieve significant returns with little associated risk.

3. In reality, VLADIMIR ARTAMONOV, the defendant, defrauded investors by making materially false and misleading representations and promises, and by embezzling the investors' funds. Instead of executing the strategy that he had pitched to investors, ARTAMONOV primarily invested in risky short-term options in public companies that, for the most part, did not overlap with Berkshire's investments or otherwise implement the arbitrage opportunity that ARTAMONOV had presented.

4. Through his scheme, VLADIMIR ARTAMONOV, the defendant, lost millions of dollars in investor funds, often within days of his receipt of such funds. ARTAMONOV then concealed these losses from investors while soliciting additional investments and repeatedly claiming that profitable investments were on the horizon. When investors eventually demanded the return of their funds, ARTAMONOV repaid old investors with new investors' funds in a Ponzi-like fashion, or declined to repay investors altogether. Absent the infusion of funds from later investors, ARTAMONOV would not have had sufficient funds to redeem these investors and, in any event, returned less than \$400,000 to investors. Instead, ARTAMONOV lost most of the funds or used them to pay for personal expenses, including lodging, food and alcohol, and transportation.

The Defendant's Representations to Investors

5. VLADIMIR ARTAMONOV, the defendant, graduated from Harvard Business School in 2003 and subsequently worked in the financial services industry, including as a trader for a well-known hedge fund. During the course of the fraudulent scheme alleged herein, ARTAMONOV primarily solicited capital from classmates and other alumni of Harvard Business School, including high-net-worth individuals in financial services, consulting, real estate, and other industries. ARTAMONOV pitched Project Information Arbitrage to potential investors through

phone calls, text messages, and emails. Among other things, ARTAMONOV represented to investors that: (a) their funds would be used for Project Information Arbitrage; (b) investors would receive periodic updates on their investments; (c) ARTAMONOV would be compensated based on an incentive fee structure, specifically that ARTAMONOV would receive 20% of investment gains; and (d) ARTAMONOV had back-tested the strategy and expected to achieve substantial returns. ARTAMONOV told one investor, for example, that the investment strategy was “the most ridiculous and predictable thing” ARTAMONOV had encountered, and that the returns were “so strong” that the investment was “much much better than any venture capital investment” that ARTAMONOV had ever seen.

6. The representations by VLADIMIR ARTAMONOV, the defendant, about his use of investor capital and his management of the funds were material to investors. Additionally, through these investment arrangements, ARTAMONOV entered into a relationship of trust and confidence with the investors, and he was responsible as their fiduciary to manage the funds consistent with his prior representations, and not to divert or misappropriate them.

The Defendant Defrauded Investors and Misappropriated Their Funds

7. Though VLADIMIR ARTAMONOV, the defendant, had specifically represented to investors that he would invest their capital in the Project Information Arbitrage strategy, once investor funds were wired to accounts under ARTAMONOV’s control, he immediately diverted substantial portions for improper and unauthorized uses. Contrary to the low-risk investment strategy that ARTAMONOV promised his investors, he used investor funds to engage in speculative options trading inconsistent with the Project Information Arbitrage strategy. ARTAMONOV also misappropriated tens of thousands of dollars of investor money to pay for his day-to-day personal expenses, and misappropriated hundreds of thousands of dollars of investor

money to pay back earlier investors. For example:

a. In or about January 2023, ARTAMONOV solicited \$100,000 from an investor (“Investor-1”) for Project Information Arbitrage. But upon receiving these funds, ARTAMONOV almost immediately misappropriated Investor-1’s money and engaged in Ponzi-like activity, using the funds to pay back another \$100,000 investor who had been seeking a return of their capital for weeks.

b. In or about April 2023, ARTAMONOV solicited \$500,000 from an investor (“Investor-2”) for Project Information Arbitrage. ARTAMONOV represented to Investor-2 that he had performed extensive back-testing of the strategy and seen promising returns. He expressed strong confidence in the strategy, sending Investor-2 a text message claiming, “It will be your best investment. The insight is air tight. The effect is very strong and consistent. We should do very well.” Investor-2 ultimately decided to invest \$500,000, to be split into two equal tranches. But upon receipt of Investor-2’s initial investment, ARTAMONOV immediately misappropriated a significant portion—\$150,000—to pay back two earlier investors. ARTAMONOV then used the remaining portion of Investor-2’s investment to purchase options that had no overlap with Berkshire investments that had not been widely disclosed. Within approximately a week, ARTAMONOV lost all of Investor-2’s initial investment.

8. When investors inquired about the performance of their investments, VLADIMIR ARTAMONOV, the defendant, repeatedly withheld the truth from them. At times, ARTAMONOV provided vague answers to investor questions, at other times he affirmatively misrepresented whether trading had occurred at all, and at still other times he told investors that he had obtained a profit. ARTAMONOV expressed unwavering optimism about the strategy and often conveyed to inquiring investors that the next big opportunity to execute the strategy was fast

approaching.

9. In several instances, the misrepresentations of VLADIMIR ARTAMONOV, the defendant, induced investors to contribute additional capital or to not withdraw their funds. For example:

a. After receiving and misappropriating Investor-1's initial investment, ARTAMONOV concealed what he had done with Investor-1's investment and induced Investor-1 to invest additional funds. When Investor-1 asked ARTAMONOV for updates, ARTAMONOV concealed that he had already withdrawn Investor-1's money, instead telling Investor-1 that things were "Quite [sic] so far," and that he was waiting for Berkshire to make "new buys." Investor-1 later asked ARTAMONOV to return his investment, and ARTAMONOV convinced Investor-1 to remain invested by assuring him that Berkshire would make purchases soon, that it was "[a]lmost certain we will make a ton of money," and that they would "brag" about their "crazy gains" at the HBS reunion. A few weeks later, ARTAMONOV induced Investor-1 to contribute an additional \$20,000, after conveying to Investor-1 that he was going to execute the information arbitrage strategy in connection with an upcoming Berkshire SEC filing. But ARTAMONOV did not execute the strategy and engaged in speculative options trading that resulted in substantial losses. Nevertheless, when Investor-1 later asked about the "first round of trades," ARTAMONOV lied: "First trades went as expected. Up 21% net."

b. Similarly, after losing the first tranche of Investor-2's investment, ARTAMONOV reached out to Investor-2 to inquire about timing for the second tranche of \$250,000. Investor-2 asked ARTAMONOV, "When do you expect to deploy the capital in the first wave?" In response, ARTAMONOV lied yet again, concealing that he had already lost Investor-2's first investment and instead writing, "I check every day. Very hard to predict when it strikes. I

hope as many times as possible in the quarter.” Approximately a week later, Investor-2 invested the second tranche of \$250,000 with ARTAMONOV. Within days of receiving this second investment, ARTAMONOV bought a series of call options in companies to which Berkshire either had no exposure or already had widely-known exposure, contrary to the Project Information Arbitrage strategy. ARTAMONOV sustained substantial losses and soon after lost all of Investor-2’s second investment. ARTAMONOV also diverted approximately \$10,000 of Investor-2’s two investments for personal expenses.

10. After long periods passed without updates from VLADIMIR ARTAMONOV, the defendant, many investors sought to withdraw their capital, believing that ARTAMONOV had engaged in little, if any, trading. ARTAMONOV resisted returning funds to most investors, often providing excuses for why their funds could not be returned. In reality, ARTAMONOV had lost their investments. To sustain the appearance of trustworthiness, ARTAMONOV returned funds to a few investors, totaling less than \$400,000, but did so with money raised from later investors.

11. In total, VLADIMIR ARTAMONOV, the defendant, fraudulently obtained and misappropriated in excess of \$4 million of investor funds. Ultimately, ARTAMONOV lost all of the funds he raised for Project Information Arbitrage, excluding the money he returned to investors or otherwise misappropriated.

STATUTORY ALLEGATIONS

12. From at least in or about September 2021, up through and including at least in or about February 2024, in the Southern District of New York and elsewhere, VLADIMIR ARTAMONOV, the defendant, willfully and knowingly, directly and indirectly, by use of a means and instrumentality of interstate commerce and of the mails, and of a facility of a national securities exchange, used and employed, in connection with the purchase and sale of a security, a

manipulative and deceptive device and contrivance, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing a device, scheme, and artifice to defraud; (b) making an untrue statement of material fact and omitting 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 (c) engaging in an act, practice, and course of business which operated and would operate as a fraud and deceit upon a person, to wit, ARTAMONOV engaged in a scheme to defraud current and prospective investors in Project Information Arbitrage by making false and misleading statements about the use of investor funds and the performance of the investment, and by misappropriating investor funds.

(Title 15, United States Code, Sections 78j(b) & 78ff; Title 17, Code of Federal Regulations, Section 240.10b-5; Title 18, United States Code, Section 2.)

COUNT TWO

(Investment Adviser Fraud)

The Grand Jury further charges:

13. The allegations contained in paragraphs 1 through 11 of this Indictment are repeated and realleged as if fully set forth herein.

14. From at least in or about September 2021, up through and including at least in or about February 2024, in the Southern District of New York and elsewhere, VLADIMIR ARTAMONOV, the defendant, willfully and knowingly, while acting as an investment advisor, by use of the mails and a means and instrumentality of interstate commerce, directly and indirectly, (a) employed a device, scheme, and artifice to defraud a client and prospective client; (b) engaged in a transaction, practice, and course of business which operated as a fraud and deceit upon a client and prospective client; and (c) engaged in an act, practice, and course of business which was fraudulent, deceptive, and manipulative, to wit, ARTAMONOV engaged in a scheme to defraud

current and prospective investors in Project Information Arbitrage by making false and misleading statements about the use of investor funds and the performance of the investment, and by misappropriating investor funds.

(Title 15, United States Code, Sections 80b-6 and 80b-17;
Title 18, United States Code, Section 2.)

COUNT THREE

(Wire Fraud)

The Grand Jury further charges:

15. The allegations contained in paragraphs 1 through 11 of this Indictment are repeated and realleged as if fully set forth herein.

16. From at least in or about September 2021, up through and including at least in or about February 2024, in the Southern District of New York and elsewhere, VLADIMIR ARTAMONOV, the defendant, knowingly having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice, to wit, ARTAMONOV engaged in a scheme to defraud current and prospective investors in Project Information Arbitrage by making false and misleading statements about the use of investor funds and the performance of the investment, and by misappropriating investor funds, and in furtherance of that scheme used interstate wires, some of which transited to, from, or through the Southern

District of New York.

(Title 18, United States Code, Sections 1343 and 2.)

FORFEITURE ALLEGATION

17. As a result of committing the offenses alleged in Counts One, Two, and Three of this Indictment, VLADIMIR ARTAMONOV, the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28 United States Code, Section 2461(c), any and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses.

Substitute Assets Provision

18. If any of the above-described forfeitable property, as a result of any act or omission of VLADIMIR ARTAMONOV, the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and

Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461.)


FOREPERSON


JAY CLAYTON
United States Attorney