

NEW HAMPSHIRE DEPARTMENT OF STATE  
BUREAU OF SECURITIES REGULATION



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**FOR IMMEDIATE RELEASE**

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**NH BUREAU OF SECURITIES REACHES SETTLEMENT WITH  
MANCHESTER-BASED ALUMNI VENTURES GROUP**

**CONCORD, NH (March 4, 2022)** – Today, Secretary of State David Scanlan announced a settlement between the New Hampshire Bureau of Securities Regulation, a bureau within the Secretary of State’s Office, Alumni Ventures Group, LLC (“AVG”) (formally known as Launch Angels Management Company, LLC) and AVG founder and CEO Michael Collins (collectively, “AVG”). AVG is an investment adviser headquartered out of Manchester that creates and manages multiple venture capital funds throughout the country.

As part of the settlement, the Bureau cited AVG for making materially misleading statements in describing its management fee in marketing materials, emails to prospective investors and on its website. The Bureau also cited AVG for unlawfully commingling assets with and between some of its venture capital funds, in violation of the funds’ respective offering agreements and in breach of AVG’s fiduciary duty to the funds. Finally, the Bureau cited AVG for failing to file certain legally required filings with the Bureau for a number of its funds.

Additionally, AVG will pay the Bureau an administrative fine in the amount of \$600,000, the Bureau’s investigation costs totaling \$100,000, and Michael Collins has agreed to pay an administrative fine in the amount of \$100,000.

Among the facts stated in the settlement document is that AVG and Collins misled investors by representing to them that the fee it charged to manage investment funds would be “the industry standard of 2 and 20” which according to the settlement document “is generally understood to mean a 2 percent management fee for ten years plus a 20% share in profits on any profitable investments.” In reality, however, AVG’s actual practice was to assess and collect 10 years’ worth of the 2% annual management fee upfront at the time of the investor’s initial contribution. This practice amounted to an undisclosed interest-free loan to AVG from the funds it managed, and since bringing this issue to AVG’s attention, AVG has repaid the affected funds \$4,791,401 in interest.

As part of the settlement, AVG has agreed to cease and desist from violating N.H. securities law and also agreed to notify past and present investors of the settlement.

The Bureau would like to acknowledge the Securities and Exchange Commission (SEC) and the Massachusetts Securities Division for its assistance with the Bureau’s investigation, and for their efforts in holding AVG accountable for its actions.

Jeff Spill, the Deputy Director for the Bureau and a lead attorney on the case stated: “Investors didn’t understand that their investment money was being depleted up front to operate AVG which left less investor money to be put to use on behalf of the fund and its investors. This was a material misrepresentation. Today’s settlement not only makes investors whole and corrects a wrong, it sends a message to issuers of securities that investors are entitled to nothing less than full and clear disclosure.”

END