UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 106943 / November 19, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22787

In the Matter of **HOULIHAN LOKEY CAPITAL, INC.** **Respondent.**	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTIONS 15B AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15B and 21C of the Securities Exchange Act of 1934 ("Exchange Act"), against Houlihan Lokey Capital, Inc. ("Houlihan" or "Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting the findings herein, except as to the Commission's jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 15B and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

Summary

This matter involves unregistered municipal advisory activity by Houlihan Lokey Capital, Inc. In 2023 and 2024, Houlihan was engaged by a nonprofit corporation which was the parent organization of a distressed healthcare system. Houlihan was engaged to provide financial advisory

and investment banking services in connection with a financial restructuring or reorganization. During the course of that engagement, the healthcare system restructured its indebtedness, including outstanding municipal securities for which it and its subsidiaries were obligated persons. The services Houlihan provided included municipal advisory activities. During this period, Houlihan was not registered as a municipal advisor.

By conducting municipal advisory activities without registering with the Commission, Houlihan violated the registration requirements of Section 15B(a)(1)(B) of the Exchange Act.

Respondent

1. **Houlihan Lokey Capital, Inc.** is a California corporation headquartered in Los Angeles, California. Houlihan is registered with the Commission as a broker-dealer. Among other services, Houlihan has a financial restructuring practice in which it advises distressed companies on strategic alternatives, including restructuring debt and equity securities.

Facts

2. In this matter, Houlihan represented a nonprofit corporation which was the parent organization of a distressed healthcare system that included several hospitals. The nonprofit corporation engaged Houlihan to provide it with financial advisory and investment banking services in connection with a financial restructuring or reorganization.

3. The nonprofit corporation and its hospitals were obligated persons with respect to indebtedness of over $1 billion in municipal securities. As obligated persons, they were contractually committed to pay the principal and interest on those municipal securities. In 2023 and 2024, during the course of its financial restructuring engagement, Houlihan provided financial advisory and investment banking services to the client in connection with a restructuring that ultimately involved the issuance of almost $1.3 billion in municipal securities. The almost $1.3 billion in securities was issued to restructure the municipal securities for which the healthcare system and the parent organization were obligated persons. The restructuring exchanged the outstanding municipal securities for the newly issued municipal securities and provided the healthcare system with additional bond proceeds to fund capital projects. Certain aspects of Houlihan's work in connection with this financial restructuring constituted municipal advisory activities, including: (a) providing detailed information and analysis of debt financing restructuring options for the outstanding municipal securities using complex financial models; (b) providing advice on the structure, timing, and terms of the issuance of the new municipal securities; and (c) assisting the client in negotiating the terms of the exchange with the financial advisors and legal counsel representing the bond trustee, who was taking direction from a majority of holders of the outstanding municipal securities, including the interest rates, new financial covenants, and financial reporting requirements. Houlihan's advice was particularized to the specific needs, objectives, and circumstances of its client.

4. Houlihan was not registered with the Commission as a municipal advisor when it engaged in this municipal advisory activity.

Violations

5. Municipal advisors include financial advisors who provide advice to municipal entities or obligated persons with respect to the issuance of municipal securities, including advice with respect to the structure, timing, terms and other similar matters concerning such issuances. See Exchange Act Section 15B(e)(4)(A) and (B); Exchange Act Rule 15Ba1-1(d)(1). In 2010, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, which amended Section 15B of the Exchange Act to provide for the registration and regulation of municipal advisors. On September 20, 2013, the Commission adopted final rules for municipal advisor registration that became effective July 1, 2014. See Registration of Municipal Advisors, Rel. No. 34-70462 (Sept. 20, 2013), 78 Fed. Reg. 67468 (Nov. 12, 2013) ("Adopting Release").

6. Section 15B(a)(1)(B) of the Exchange Act makes it unlawful for "a municipal advisor to provide advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities" without being registered under the Commission's final municipal advisor rules. The term "obligated person" generally means "any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person, committed by contract or other arrangement to support the payment of all or part of the obligations on the municipal securities to be sold in an offering of municipal securities." See Exchange Act Section 15B(e)(10); Exchange Act Rule 15Ba1-1(k). Obligated persons can include entities acting as conduit borrowers, such as private corporations. See Adopting Release, 78 Fed. Reg. at 67483 n. 200.

7. By conducting municipal advisory activities when it was not registered as a municipal advisor with the Commission, Houlihan willfully[1] violated the registration requirements of Section 15B(a)(1)(B) of the Exchange Act.

Houlihan's Remedial Efforts and Cooperation

8. In determining to accept the Offer, the Commission considered the cooperation afforded the Commission staff and remedial steps promptly undertaken by Houlihan including its implementation of policies and procedures, which, among other things, require legal and compliance review when a prospective client has municipal securities as part of its capital structure.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent's Offer.

[1] "Willfully," for purposes of imposing relief under Section 15B of the Exchange Act "'means no more than that the person charged with the duty knows what he is doing.'" Wonsover v. SEC, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting Hughes v. SEC, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." Tager v. SEC, 344 F.2d 5, 8 (2d Cir. 1965).

Accordingly, pursuant to Sections 15B and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent shall cease and desist from committing or causing any violations and any future violations of Section 15B(a)(1)(B) of the Exchange Act.

B. Respondent is censured.

C. Respondent shall, within ten (10) days of the entry of this Order, pay a civil money penalty in the amount of $75,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Houlihan as the Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to LeeAnn Ghazil Gaunt, Chief, Public Finance Abuse Unit, Division of Enforcement, Securities and Exchange Commission, 33 Arch Street, 23rd Floor, Boston, MA 02110-1424.

D. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the

Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Vanessa A. Countryman
Secretary