

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 96901 / February 13, 2023

INVESTMENT ADVISERS ACT OF 1940
Release No. 6237 / February 13, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21300

In the Matter of

JASON SUGARMAN,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Jason Sugarman (“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 or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in paragraph III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

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

1. Sugarman was, at times during the relevant period, a Director and an indirect owner of broker-dealer and investment adviser Burnham Securities, Inc., registered with the Commission. Sugarman, 50 years old, is a resident of Los Angeles, California.

2. On January 10, 2023, a final judgment was entered by consent against Sugarman, permanently enjoining him from future violations of Sections 17(a)(1) and (3) of the Securities Act of 1933 ("Securities Act"), and Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) thereunder, in the civil action entitled Securities and Exchange Commission v. Jason Sugarman, Civil Action Number 19 Civ. 5998 (S.D.N.Y., filed June 26, 2019) (GHW)(OTW), in the United States District Court for the Southern District of New York.

3. The Commission's Amended Complaint and Jury Demand ("Amended Complaint"), which was filed on November 2, 2022, alleged that Sugarman, along with others, engaged in a scheme to defraud various pension funds out of \$43 million. More specifically, the Amended Complaint alleged that Sugarman and others gained control of two registered investment advisers, Hughes Capital Management LLC and Atlantic Asset Management LLC, and used their discretionary control over pension fund clients' money to buy the limited recourse bonds issued by a Native American tribal corporation, in placements for which Burnham Securities acted as placement agent. While the proceeds of the issuances were intended by the bonds' indentures to be invested in annuities issued by a foreign insurer that Sugarman and others controlled, the Amended Complaint alleges that the proceeds were never used to buy any annuities, and were instead diverted to Sugarman and others and used to pay their personal and corporate expenses.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Sugarman be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization with the right to apply for reentry after three years to the appropriate self-regulatory organization, or if there is none, to the Commission.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's Order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award

related to the conduct that served as the basis for the Commission Order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission Order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman
Secretary