**UNITED STATES OF AMERICA**
**Before the**
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**
**Release No. 6358 / July 31, 2023**

**INVESTMENT COMPANY ACT OF 1940**
**Release No. 34977 / July 31, 2023**

**ADMINISTRATIVE PROCEEDING**
**File No. 3-21537**

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| **In the Matter of**<br><br>**Murray A. Huberfeld,**<br><br>**Respondent.** | **ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTIONS 203(f) AND 203(k) OF THE INVESTMENT ADVISERS ACT OF 1940 AND SECTION 9(b) OF THE INVESTMENT COMPANY ACT OF 1940, 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 203(f) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act") and Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act") against Murray A. Huberfeld ("Huberfeld" 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 or denying the findings herein, except as to the Commission's jurisdiction over Respondent and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 and Section 9(b) of the Investment Company Act of 1940, 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[1] that:

### Summary of Findings

1. From 2013 to 2016, Huberfeld participated in a series of fraudulent transactions involving the investment advisory activities of an enterprise known as "Beechwood," as defined below, as well as the closely related investment advisory firm known as Platinum Partners ("Platinum"). Throughout this period, Huberfeld, Individual 1 and Mark Nordlicht ("Nordlicht") held, through family trusts they controlled, substantial ownership interests in the entities comprising the Beechwood enterprise, including an investment adviser and two affiliated reinsurance entities. At the same time, Huberfeld was a principal of Platinum and held, through entities he owned and/or controlled, substantial ownership interests in Platinum's management entities, defined below, as well as interests in the private funds managed by Platinum and certain portfolio companies in which those funds invested. Huberfeld also had a significant role in Beechwood's investment process. Huberfeld failed to ensure that Beechwood disclosed Huberfeld's ownership interests and role to Beechwood's advisory clients.

2. By 2013, Huberfeld knew that certain private funds managed by Platinum were increasingly invested in illiquid portfolio companies and needed additional funding to pay investor redemptions. Partly to address the Platinum funds' financial needs, Huberfeld, Individual 1 and Nordlicht worked with insurance executives Mark Feuer ("Feuer") and Scott Taylor ("Taylor") to create Beechwood, which provided investment advisory and reinsurance services to various insurance company clients. Through reinsurance contracts and investment management agreements, Beechwood obtained almost $2 billion of insurance company assets to manage.

3. While at Beechwood, Huberfeld helped cause Beechwood's clients to invest a significant portion of these assets in Platinum funds and related portfolio companies, and in other ventures, both Platinum-related and non-Platinum-related, in which Huberfeld, Individual 1 and/or their associates had undisclosed personal interests that created conflicts of interests. Huberfeld also helped cause Beechwood to make decisions regarding certain of those investments that served his and Individual 1's personal interests. Despite this, Huberfeld failed to ensure that Beechwood disclosed to its clients these conflicts, as well as the criminal and regulatory disciplinary histories of himself and Individual 1, described below.

4. Huberfeld also helped structure transactions for Beechwood clients to provide liquidity to Platinum funds and related fund portfolio companies and help those entities avoid defaults on existing loans issued by Beechwood clients. Huberfeld knew that some of those transactions involved using Beechwood clients' own funds to service the debt owed to them. Huberfeld failed to ensure that Beechwood disclosed to its clients the purpose of and source of funds used for these transactions.

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[1] The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

5. Finally, Huberfeld failed to ensure that Platinum disclosed to fund investors that the Beechwood client investments on which Platinum funds and certain of the funds' portfolio companies relied heavily to meet their liquidity needs had been obtained because Beechwood, in turn, failed to disclose to its clients the conflicts arising from the overlapping roles of himself, Individual 1 and Nordlicht at Platinum and Beechwood, his and Individual 1's conflicting interests in particular Platinum-related and non-Platinum investments, and the respective criminal and regulatory disciplinary histories of himself and Individual 1.

6. Based on the foregoing and the conduct described below, Huberfeld willfully violated Advisers Act Sections 206(1), (2), and (3) and willfully aided and abetted and caused Platinum's violations of Advisers Act Sections 206(1), (2) and 206(4) and Rule 206(4)-8 thereunder.

## Respondent

7. **Huberfeld**, 62, lives in Lawrence, New York. In 2013, Huberfeld co-founded and, through 2016, owned indirectly through trusts naming his children as beneficiaries, about 20.7% of the limited partnership interests in B Asset Manager LP and B Asset Manager II LP (together, "BAM"), about 20.5% of Beechwood Re Holdings Inc.'s ("BRe Holdings") and 19.8% of Beechwood Bermuda Ltd.'s ("BBL") economic shares, and about 26.8% of BBL's voting shares. At the same time, he owned 18% and 20% of the economic interests, respectively, in Platinum Management (NY) LLC ("Platinum Management") and Platinum Credit Management LLC ("Platinum Credit"). In 1992, Huberfeld pleaded guilty to misdemeanor fraud in connection with his use of an impersonator to take his Series 7 exam in 1986. In 1996, Huberfeld consented, without admitting or denying the allegations, to a Commission administrative order finding that he had unlawfully engaged in transactions in unregistered securities. In 1998, the Commission filed a federal court complaint alleging that Huberfeld (with Individual 1 and their jointly owned entity) had unlawfully engaged in further transactions in unregistered securities, and he consented, without admitting or denying the allegations, to a judgment imposing almost $5 million in monetary relief. In 2005, the Federal Reserve Board of New York ("FRBNY") and Federal Deposit Insurance Corporation ("FDIC") ordered Huberfeld to divest his ownership interests in an unlicensed bank holding company, and he agreed not to own or control any insured depository institution without prior consent.

## Other Relevant Persons and Entities

8. **Individual 1** co-founded and, through 2016, owned, indirectly through trusts naming his children as beneficiaries, about 20.7% of the limited partnership interests in BAM, about 20.5% of BRe Holdings' and 17.8% of BBL' economic shares, and about 44.7% of BBL's voting shares. At the same time, Individual 1 owned about 18% and 20% of the economic interests, respectively, in Platinum Management and Platinum Credit. In 1992, Individual 1 pleaded guilty in federal court to misdemeanor fraud in connection with his use of an impersonator to take his Series 7 exam in 1986. In 1998, the Commission filed a federal court complaint alleging that Individual 1 (with Huberfeld and their jointly owned entity) unlawfully engaged in transactions in unregistered securities, and he consented, without admitting or denying the allegations, to a federal

court judgment imposing almost $5 million in monetary relief. In 2005, the FRBNY and FDIC ordered Individual 1 to divest his ownership interests in an unlicensed bank holding company, and he agreed not to own or control any insured depository institution without prior consent.

9. **Feuer**, 54, lives in Lawrence, New York. From 2013 through 2016, Feuer was Chairman and CEO of BRe and BBL's wholly-owned subsidiary, Beechwood Bermuda International Ltd. ("**BBIL**").

10. **Nordlicht**, 54, lives in New Rochelle, New York. From 2013 through 2016, Nordlicht owned, through trusts naming his wife and children as beneficiaries, about 20.7% of the limited partnership interests in BAM and about 20.5% of BRe Holdings' and 22.8% of BBL's economic shares. Nordlicht was also CIO of Platinum Management and Platinum Credit, and owned, directly and indirectly, between 20% and 33% of those entities' economic interests. On July 9, 2019, Nordlicht was found guilty of criminal securities fraud, conspiracy and wire fraud after a federal jury trial. In December 2016, the Commission sued Nordlicht, Platinum Management (NY) LLC, Platinum Credit Management LP, and others in federal court for related conduct and that case is currently stayed.

11. **Taylor**, 45, lives in New York, New York. From 2013 through 2016, Taylor was a director and president of BRe and BBL.

12. **B Asset Manager LP** and **B Asset Manager II LP** (together, "**BAM**") were unregistered investment advisers incorporated in Delaware in 2013 and 2014, respectively. BAM operated from New York and, as of July 2016, managed almost $2 billion of assets held in the United States. BAM provided investment advisory services to its controlled reinsurance affiliates and domestic insurance companies for performance income. BAM is defunct.

13. **Beechwood Bermuda Ltd.** ("**BBL**") was a holding company incorporated in Bermuda that wholly-owned BBIL, a Bermudian reinsurance entity. BBL and BBIL operated from BAM's New York offices. Both are now defunct.

14. **Beechwood Re Holdings Inc**. ("**BRe Holdings**") was a Delaware holding company that wholly-owned BRe, a Cayman Islands reinsurance corporation. BRe Holdings and BRe operated out of BAM's New York offices. Both are now defunct.

15. **Platinum Credit Management LP** ("**Platinum Credit**"), a Delaware limited partnership formerly headquartered in New York, New York, was a relying adviser of Platinum Management, *i.e.*, it is included within Platinum Management's umbrella adviser registration with the Commission. Platinum Credit was the adviser to the Platinum Partners Credit Opportunities Master Fund, L.P. ("PPCO"), whose affairs have, since the Commission filed a federal civil injunction against it in December 2016, been subject to the control of a court-appointed receiver.

16. **Platinum Management (NY) LLC** ("**Platinum Management**"), a Delaware limited liability company formerly headquartered in New York, New York, registered with the Commission as an investment adviser on September 2, 2011. Platinum Management was the

adviser to the Platinum Partners Value Arbitrage Fund ("PPVA"). In December 2016, the Commission filed a federal civil injunctive action against Platinum Management and PPVA is in liquidation.

## Background

### I. Huberfeld's Overlapping Principal Role at Platinum and Beechwood and Use of Beechwood to Help Platinum Cope with Liquidity Problems

17. At the time Beechwood was created, Huberfeld had a regulatory and criminal history, as described above.

18. Huberfeld, along with Nordlicht and Individual 1, was a principal of the investment advisory business known as Platinum. Together, these three men held the majority of the ownership interests in the general partner of Platinum's investment advisers, Platinum Management and Platinum Credit, as well as limited partnership interests in Platinum's flagship funds, PPVA and PPCO. Huberfeld had no official title at Platinum, but held his interests in the Platinum investment advisers indirectly through a trust in Nordlicht's name, and Huberfeld's name did not appear on Platinum Management's publicly filed Form ADV. Although Nordlicht was chief investment officer of the Platinum investment advisers, Huberfeld, among other roles, solicited certain investors to make major investments in the Platinum funds and he generally kept apprised of the Platinum funds' finances and the performance of certain of the funds' portfolio companies, including some to which Beechwood lent money.

19. From his role at Platinum, Huberfeld knew that its private funds were increasingly invested in illiquid portfolio companies, such that additional monies would be needed to meet the funds' financial obligations, including investor redemptions.

20. At least partly to address these concerns, Huberfeld, Individual 1 and Nordlicht worked with two insurance executives, Feuer and Taylor, and used certain Platinum Management and Platinum Credit resources to create a business providing reinsurance and investment advisory services known as Beechwood. Through reinsurance contracts and investment management agreements, Beechwood solicited insurance companies as clients and obtained investment control over substantial insurance company assets. In some cases, BAM managed assets placed into trusts and custody accounts created through reinsurance agreements with the insurance companies. Beechwood entities BAM, BRe and BBIL also entered directly into investment management agreements with one insurance company, and BAM entered into a sub-advisory relationship with another insurance company. Beechwood then invested a large portion of those clients' assets in Platinum funds and portfolio companies, providing important liquidity to those Platinum funds and portfolio companies in which the funds had invested.

21. While Feuer and Taylor became principal officers of certain entities within the Beechwood enterprise, Beechwood staffed the firm from its inception largely with Platinum officials, some of whom at times worked for Platinum and Beechwood simultaneously. For example, Beechwood made David Levy, a Platinum portfolio manager and Huberfeld's nephew, BAM's chief investment officer from late 2013 through late 2014. Also, at first, Feuer and Taylor

relied on funds from Huberfeld, Individual 1 and Nordlicht for their own compensation and to cover Beechwood's payroll and other basic expenses.

22. In addition, Huberfeld, Individual 1 and Nordlicht themselves held substantial beneficial ownership interests in BRe Holdings and BBL, and Huberfeld and Individual 1 also held 71.5% of BBL's voting shares. The three men held their ownership interests through sets of numbered trusts – "Beechwood Trust No. 1," etc. – and named their respective family members as beneficiaries. They made themselves or a close relative "protectors" of the trusts, having the power to remove and replace the trustees and veto distributions. Huberfeld, Individual 1 and Nordlicht also pledged assets, comprised in large part of their Platinum fund interests, to support Beechwood's capital position. They did so through entities denominated as "Series A," Series B," etc., which were series of a series LLC they controlled named Beechwood Re Investments LLC. Beechwood used this anonymity to avoid disclosing the roles of Huberfeld, Individual 1 and Nordlicht roles when it discussed the firm's capitalization with clients.

23. Huberfeld also had a significant role in Beechwood's investment process by which Beechwood invested its clients' money, notably regarding certain investments in which he and Individual 1 had conflicting personal interests. Huberfeld initiated and/or negotiated various such investments on behalf of Beechwood clients, instructed Beechwood employees to prepare transaction documents for his review, and when portfolio companies to which Beechwood clients made loans failed to make timely interest or principal payments, initiated and/or negotiated on Beechwood clients' behalf to waive defaults, extend maturity dates, and issue additional loans.

24. Huberfeld failed to ensure that Beechwood disclosed to potential and existing advisory clients Huberfeld's ownership and investment role at Beechwood, the associated conflicts stemming from his role at Platinum, and the financial interests Huberfeld had in non-Platinum ventures in which he helped cause Beechwood clients to invest.

25. Beechwood memorialized Huberfeld and Individual 1's roles in Beechwood's investment management process through "consulting" agreements by which entities Huberfeld and Individual 1 controlled, through their family members, agreed to provide services, including monitoring the performance of both Platinum and non-Platinum-related ventures in which Beechwood's clients had invested, in return for a monthly fee of $335,000. Before the consulting agreements, Huberfeld and Individual 1 had Beechwood pay them "portfolio manager" fees.

26. By July 2016, Beechwood had almost $2 billion of assets under management. Huberfeld had helped cause Beechwood clients to invest about one-third of the assets held at that time in Platinum funds and related portfolio companies, or in smaller ventures in which Huberfeld held interests and/or the principals thereof were close associates of Huberfeld, as discussed below.

27. In late 2016, a federal court appointed a receiver for Platinum's PPCO fund, and a Cayman Islands court appointed joint liquidators for its PPVA fund. Beechwood ceased operations shortly thereafter.

## II. Huberfeld's Disclosure Failures Respecting PPVA and PPCO Investors

28. The injection of substantial Beechwood client assets into Platinum funds and portfolio companies provided much-needed liquidity for Platinum funds and portfolio companies and helped the funds meet an increasing number of investor redemptions each quarter. In 2015, however, several major Platinum fund investors complained to Huberfeld that their redemption requests were being delayed.

29. Although Platinum Management and Platinum Credit told their fund investors that Beechwood provided the funds with some liquidity from time to time, Huberfeld knew that Platinum Credit and Platinum Management had not disclosed to those investors that the Beechwood clients' investments on which Platinum funds and fund portfolio companies relied heavily for liquidity had been obtained without disclosing to Beechwood clients: the multiple conflicts arising from the overlapping roles of himself, Individual 1 and Nordlicht at Platinum and Beechwood; his and Individual 1's conflicting interests in particular Platinum portfolio companies; or the criminal and regulatory histories of Huberfeld and Individual 1. Huberfeld also failed to ensure that Platinum disclosed these facts about Beechwood to Platinum fund investors, including those who complained to him about delayed redemption requests, and to the Platinum funds themselves, which were thereby put at risk.

## III. Huberfeld's Disclosure Failures Respecting Beechwood's Advisory Clients

### A. Disclosure Failures Related to Platinum's Liquidity Needs

30. Despite his significant role in Beechwood's investment process, including in the investment of a substantial portion of client assets in Platinum funds and portfolio companies, Huberfeld failed to ensure that Beechwood disclosed to Beechwood advisory clients what he knew about the Platinum funds' growing liquidity needs, and instead facilitated Beechwood's use of client transactions to provide liquidity to Platinum funds and portfolio companies without disclosing the purpose of those transactions to Beechwood's clients.

31. In mid-2014, Beechwood employees began reporting to Huberfeld when certain Platinum fund portfolio companies to which Beechwood had lent its clients' money missed or could not make interest and/or principal payments due those clients. By early 2015, Huberfeld was receiving regular reports listing multiple Platinum fund portfolio companies that were late in paying interest. As Huberfeld knew, PPVA and PPCO had for a time covered such interest and/or principal payments.

32. When those private funds no longer could afford to do so, Huberfeld knew that Beechwood made additional client investments into Platinum entities, and also used its own capital, to cover such interest payments to its clients on existing Platinum investments, and without disclosing the purpose of those transactions to Beechwood's clients. In mid-2015, for example, Beechwood purchased for its clients a participation interest in an existing loan PPVA had made to another one of PPVA's portfolio companies, which Beechwood paid for by agreeing to service the debt owed to Beechwood clients by the PPVA companies to which Beechwood clients had already

lent money. Beechwood then drew down funds that Nordlicht had pledged to support Beechwood's own capital position and used these funds to pay interest owed to Beechwood clients. Beechwood did not disclose these circumstances to its clients, to which it appeared they had received routine interest payments from Platinum fund portfolio companies.

33. Similarly, in late 2015, Huberfeld helped structure two additional transactions: (1) a new $15.5 million loan by one Beechwood client to Platinum fund PPCO, proceeds of which Platinum used to unwind the participation interest transaction described above and to make more interest and principal payments owed by PPVA and PPCO portfolio companies to Beechwood clients; and (2) a drawdown of another $4 million of Nordlicht funds pledged to support Beechwood's capital position, mostly to cover interest payments due to Beechwood clients from other Platinum fund portfolio companies.

### B. Failures to Disclose Conflicts

34. Huberfeld failed to ensure that Beechwood disclosed to its clients the conflict that the overlapping roles of Huberfeld, Individual 1 and Nordlicht in Beechwood and Platinum presented with respect to those clients' investments in the Platinum funds and the funds' portfolio companies.

35. Huberfeld also caused Beechwood to invest client assets in certain ventures, both Platinum and non-Platinum-related, in which he had undisclosed, conflicting personal interests specific to those investments. First, Huberfeld owned personal stakes in certain ventures into which he helped cause Beechwood clients to invest over $100 million. Second, Huberfeld helped cause Beechwood clients to invest in certain ventures in which the principals – some of whom had criminal and/or regulatory disciplinary histories – were associates of Huberfeld and Individual 1, associates to whom he and Individual 1 had outstanding personal loans, or both. After having Beechwood clients make such investments, Huberfeld in some instances helped cause Beechwood to make decisions regarding those investments that served his personal interests, including prioritizing the repayment to him of his personal loans before those of Beechwood clients. waiving defaults, and extending further Beechwood loans, including to cover financial obligations Huberfeld otherwise would have had to pay. Despite this, Huberfeld failed to ensure that Beechwood disclosed these conflicts, and the criminal and regulatory disciplinary histories himself and Individual 1, to Beechwood clients invested in these ventures.

36. For example, Huberfeld helped cause Beechwood's clients to make $53 million in loans to ventures invested in life settlement policies in which Huberfeld had indirect personal interests. These loans personally benefited Huberfeld because the proceeds were in large part used to pay premiums on the life policies for which Huberfeld would otherwise have been partially responsible. One of the loans was to an entity controlled by a Huberfeld associate who had a felony conviction and about to serve house arrest, calling into question his ability to service his debt to Beechwood clients. Huberfeld also had his own outstanding loans to the associate backed by the associate's personal guarantees, and Huberfeld had the associate repay Huberfeld before fully repaying Beechwood's clients. Huberfeld failed to ensure that Beechwood disclosed these facts to Beechwood clients. As another example, Huberfeld helped cause Beechwood clients to

make a $2.5 million loan to an entity in which he held 50% ownership, without ensuring that Beechwood disclosed his ownership to those clients or obtained their consent to the transaction.

## IV. Huberfeld's Gains from his Misconduct

37. As a result of the conduct described above, Huberfeld received, through entities he owned and/or controlled, various types of gains. Huberfeld's overlapping roles at Beechwood and Platinum allowed him to redeem certain of his interests in PPVA and PPCO using Beechwood client funds, which interests had also been pledged to Beechwood to support its capital position, and obtain consulting fees and other compensation-related payments from Beechwood. Also, as a result of certain loans from Beechwood clients, which Huberfeld helped arrange, to ventures in which he had undisclosed interests, Huberfeld was able to obtain repayment of equity and interest payments and avoid having to make interest and principal payments owed.

38. After taking into account various offsets from settlement payments in related private litigation, Huberfeld's disgorgeable gains are $1,464,242.

## Violations

39. As a result of the conduct described above, Huberfeld willfully violated Sections 206(1), 206(2) and 206(3) of the Advisers Act, which make it unlawful for an investment adviser, directly or indirectly, (1) "to employ any device, scheme, or artifice to defraud any client or prospective client," (2) "to engage in any transaction, practice, or course of business that operates as a fraud or deceit upon any client or prospective client," or (3) "acting as principal for his own account, knowingly to sell any security to or purchase any security from a client, or acting as broker for a person other than such client, knowingly to effect any sale or purchase of any security for the account of such client, without disclosing to such client in writing before the completion of such transaction the capacity in which he is acting and obtaining the consent of the client to such transaction."

40. As a result of the conduct described above, Huberfeld willfully aided and abetted and caused Platinum Management's and Platinum Credit's violations of Sections 206(1), 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, which make it unlawful (1) for an investment adviser, directly or indirectly, to "employ any device, scheme, or artifice to defraud any client or prospective client," or to" engage in any act, practice, or course of business that operates as a fraud or deceit upon any client or prospective client," or (2) for any investment adviser to a pooled investment vehicle to "make any untrue statement of a material fact or to omit to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading to any investor or prospective investor in the pooled investment vehicle," or "otherwise engage in any act, practice, or course of business that is fraudulent, deceptive, or manipulative with respect to any investor or prospective investor in the pooled investment vehicle."

**Disgorgement and Civil Penalties**

41. The disgorgement and prejudgment interest ordered in paragraph IV(C) is consistent with equitable principles and does not exceed Respondent's net profits from his violations and will be distributed to harmed investors, if feasible. The Commission will hold funds paid pursuant to paragraph IV(C) in an account at the United States Treasury pending a decision whether the Commission in its discretion will seek to distribute funds. If a distribution is determined feasible and the Commission makes a distribution, upon approval of the distribution final accounting by the Commission, any amounts remaining that are infeasible to return to investors, and any amounts returned to the Commission in the future that are infeasible to return to investors, may be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Securities Exchange Act of 1934 ("Exchange Act").

**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.

Accordingly, pursuant to Sections 203(f) and 203(k) of the Advisers Act and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Huberfeld cease and desist from committing or causing any violations and any future violations of Advisers Act Sections 206(1), (2), (3), and (4) and Rule 206(4)-8 thereunder.

B. Huberfeld hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter.

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.

C. Huberfeld shall pay disgorgement of $1,464,242.21, prejudgment interest of $224,065.21 and civil money penalties of $180,000.00 to the Securities and Exchange Commission. The Commission may distribute civil money penalties collected in this proceeding if, in its discretion, the Commission orders the establishment of a Fair Fund pursuant to 15 U.S.C. § 7246, Section 308(a) of the Sarbanes-Oxley Act of 2002. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds or, transfer them to the general fund of the United States Treasury, subject to Section 21F(g)(3). Payment shall be made in the following installments: Huberfeld shall make the first installment of $622,769.14 within 30 days of the entry of this Order, the second installment of $622,769.14 within 180 days of the entry of this Order, and the third installment of $622,769.14 within 360 days of the entry of this Order. Payments shall be applied first to post order interest, which accrues as to disgorgement and prejudgment interest pursuant to SEC Rule of Practice 600 and accrues as to civil money penalties pursuant to 31 U.S.C. 3717. Prior to making the final payment set forth herein, Huberfeld shall contact the staff of the Commission for the amount due. If Huberfeld fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

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 Huberfeld, as applicable, as a 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 Sheldon Pollock, Associate Regional Director, Division of Enforcement, New York Regional Office, Securities and Exchange Commission, 100 Pearl Street, Suite 20-100, New York, N.Y. 10014-2616.

D. Regardless of whether the Commission in its discretion orders the creation of a Fair Fund for the penalties ordered in this proceeding, 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, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of their payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset to Huberfeld, he agrees that he 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 granted to him 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 Huberfeld 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.

E. Any fund established in this matter may be combined with any other fund established in a parallel proceeding that may arise out of the same facts that are the basis of this action.

**V.**

It is further Ordered that, solely or purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary