

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9631 / August 13, 2014

SECURITIES EXCHANGE ACT OF 1934
Release No. 72841 / August 13, 2014

INVESTMENT ADVISERS ACT OF 1940
Release No. 3897 / August 13, 2014

INVESTMENT COMPANY ACT OF 1940
Release No. 31211 / August 13, 2014

Admin. Proc. File No. 3-15255

In the Matter of

JOHN THOMAS CAPITAL MANAGEMENT
GROUP LLC d/b/a PATRIOT28 LLC,
GEORGE R. JARKESY, JR.,
JOHN THOMAS FINANCIAL, INC., and
ANASTASIOS "TOMMY" BELESIS

ORDER EXTENDING
DEADLINE FOR FILING
INITIAL DECISION

Chief Administrative Law Judge Brenda P. Murray has moved, pursuant to Commission Rule of Practice 360(a)(3),¹ for an extension of six months to file the initial decision in this proceeding. For the reasons set forth below, we grant her motion.

We issued an Order Instituting Administrative and Cease-and-Desist Proceedings ("OIP") against John Thomas Capital Management Group LLC d/b/a Patriot28 LLC ("JTCM"), an unregistered investment adviser that managed two hedge funds ("Funds"); George R. Jarkesy, Jr., the manager of JTCM; John Thomas Financial, Inc. ("JTF"), a registered broker-dealer that served as the Funds' placement agent; and Anastasios "Tommy" Belesis, the founder and chief executive officer of JTF.² The OIP alleges that JTCM and Jarkesy willfully violated the

¹ 17 C.F.R. § 201.360(a)(3).

² *John Thomas Capital Mgmt. Grp. LLC, d/b/a Patriot28 LLC*, Exchange Act Release No. 69208, 2013 WL 1180836 (Mar. 22, 2013).

antifraud provisions of the federal securities laws by misrepresenting the valuation of the Funds and the identities of the Funds' auditor and prime broker. The OIP further alleges that JTCM and Jarkesy placed the interests of JTF and Belesis over those of the Funds when they directed millions in fees to JTF for services of dubious value.³ The OIP also alleges that JTCM and Jarkesy willfully aided and abetted and caused the Funds' violations of the Securities Act and Exchange Act antifraud provisions.⁴

The OIP directs the presiding law judge to file an initial decision within 300 days of the date of service of the OIP. On our own motion, we previously granted an extension of time to file the initial decision because we had issued an interim stay of the proceedings to consider a petition filed by JTCM and Jarkesy for interlocutory review of rulings made by an administrative law judge.⁵ Chief Judge Murray asserts that a second extension is necessary "due to the size and complexity of the proceeding, the recent conclusion of the hearing in this proceeding, and this Office's heavy workload." For example, she states that the "twelve-day hearing produced a record of over 3,000 pages of transcript and over 160 exhibits," and that, at about the same time that the initial decision is due, the administrative law judge assigned to preside over this matter also was scheduled to preside over another lengthy hearing.

We adopted Rule of Practice 360(a) to enhance the timely and efficient adjudication and disposition of Commission administrative proceedings by setting deadlines for filing an initial decision.⁶ That rule provides, however, for deadline extensions under certain circumstances if

³ The OIP specifically alleges violations of Securities Act Section 17(a), 15 U.S.C. § 77q(a); Exchange Act Section 10(b), 15 U.S.C. § 78j(b); Exchange Act Rule 10b-5, 17 C.F.R. § 240.10b-5; Advisers Act Sections 206(1), 206(2), and 206(4), 15 U.S.C. § 80b-6; and Advisers Act Rule 206(4)-8, 17 C.F.R. § 275.206(4)-8.

⁴ The OIP further alleges that JTF and Belesis willfully aided and abetted and caused JTCM's and Jarkesy's violations. We have since issued a settlement order as to JTF and Belesis. *John Thomas Capital Mgmt. Grp. LLC*, Exchange Act Release No. 70989, 2013 WL 6327500 (Dec. 5, 2013).

⁵ *John Thomas Capital Mgmt. Grp. LLC*, Exchange Act Release No. 71204, 2013 WL 6858732 (Dec. 30, 2013). We subsequently denied the petition for interlocutory review. *John Thomas Capital Mgmt. Grp. LLC*, Exchange Act Release No. 71021, 2013 WL 6384275 (Dec. 6, 2013).

⁶ See *Adopting Release*, Exchange Act Release No. 48018, 2003 WL 21354791, at *2 (June 11, 2003) ("[T]he Commission has determined that timely completion of proceedings can be achieved more successfully through the adoption of mandatory deadlines and procedures designed to meet these deadlines.").

supported by a motion from the Chief Administrative Law Judge and if it appears, as here, that "additional time is necessary or appropriate in the public interest."⁷

Accordingly, IT IS ORDERED that the deadline for filing the initial decision in this proceeding is extended to October 17, 2014.

By the Commission.

Jill M. Peterson
Assistant Secretary

⁷ 17 C.F.R. § 201.360(a)(3).