

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 69352 / April 9, 2013**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3580 / April 9, 2013**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15269**

**In the Matter of**

**Anthony John Johnson,**

**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  
AND NOTICE OF HEARING**

**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 Anthony John Johnson (“Respondent” or “Johnson”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A.     RESPONDENT**

1.       Johnson, age 42, is a resident of Katonah, New York. From May 2001 through March 2003, during the time in which he engaged in the conduct underlying the first indictment described below in paragraphs 3 and 4, Johnson was a registered representative with Park Capital Securities, LLC (“Park Capital”), a registered broker-dealer. From at least May 2001 through March 2003, Park Capital was also an unregistered investment adviser to its clients, and Johnson was associated with Park Capital. Johnson was responsible for directing and supervising a

group of stock brokers regarding, among other things, management of investor funds and investor recommendations.

2. From March 2007 through April 2011, during the time in which he engaged in the conduct underlying the second conviction described below in paragraphs 5 and 6, Johnson participated in operating RAHFCO Management Group LLC (“RAHFCO Management”). From 2007 through April 2011, RAHFCO Management was an unregistered investment adviser to two hedge funds – RAHFCO Funds LP and RAHFCO Growth Fund. In his role at RAHFCO Management, Johnson was responsible for, among other duties, the funds’ operations and activities, including researching, selecting and monitoring the funds’ investments.

B. ENTRY OF THE RESPONDENT’S CRIMINAL CONVICTIONS

3. On November 19, 2008, Johnson pled guilty to conspiracy to commit securities, mail, and wire fraud in violation of Title 18 United States Code Section 317 before the United States District Court for the Eastern District of New York in United States v. Johnson, Case Number 07-cr-854-3 (FB). On August 3, 2011, a judgment in the criminal case was entered against Johnson. On August 15, 2011, he was sentenced to 18 months in prison, including a 500 hour residential drug abuse treatment program, and ordered to pay restitution of \$760,823.

4. The criminal indictment in United States v. Johnson, Case Number 07-cr-854-3 (FB), alleged that between March 2002 and March 2003, under the direction and supervision of Johnson and others, brokers at Park Capital engaged in misrepresentations and material omissions to induce retail customers to purchase and refrain from selling certain stock. Additionally, Johnson engaged in manipulative trading by opening an account in the name of his brother, exercising control of the account, and executing highly profitable trades by cross-trading stock between that account and other Park Capital retail customers. Johnson’s account profited, while most other customer accounts suffered losses.

5. On June 14, 2012, Johnson pled guilty to one count of mail fraud in violation of Title 18 United States Code Section 1341 before the United States District Court for the Eastern District of New York in United States v. Johnson, Case Number 11-cr-287 (ENV). On August 3, 2012, a judgment in the criminal case was entered against Johnson and Johnson was sentenced to 120 months in prison to run consecutively with the 18-month sentence imposed above and ordered to pay restitution of \$12 million.

6. The criminal information in United States v. Johnson, Case Number 11-cr-287 (ENV), alleged that from approximately August 2010 to April 2011, Johnson operated a Ponzi scheme through Gibraltar Partners Inc. (“Gibraltar”). Johnson, through Gibraltar and other entities, solicited investor money, representing that the funds would be invested. As part of this scheme, Johnson invested some investor money into the RAHFCO hedge funds without disclosing to the Gibraltar investors that RAHFCO hedge funds’ trading strategy was failing. The majority of Gibraltar investor funds, however, were not invested, but instead were used to pay back prior Gibraltar investors.

### III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

- A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;
- B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and
- C. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.

### IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness

or counsel in proceedings held pursuant to notice. Since this proceeding is not “rule making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Elizabeth M. Murphy  
Secretary