

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17740**

**Chicago Based Private Fund Censured And Principals Barred From Securities Industry**

**October 26, 2017** – The Securities and Exchange Commission today barred two principals at a Chicago-based private fund adviser from the securities industry.

The SEC also censured the adviser, Augustine Capital Management, LLC (ACM) and ordered ACM and the two principals, John T. Porter and Thomas F. Duszynski, to pay more than \$1 million in disgorgement and civil penalties.

According to the SEC's order, ACM, Porter and Duszynski lent money from the Augustine Fund, L.P. (the Fund) to two entities in which ACM's owners held a significant interest without proper disclosure to, or the consent of, investors in the Fund. They also lent money from the Fund to Duszynski so he could invest in a business venture with other ACM owners, and that Duszynski subsequently defaulted on the loan. The SEC also found that they used nearly \$950,000 in investor funds to pay for virtually all of ACM's overhead expenses, including the salaries of ACM employees. The order also states that, contrary to what the offering documentation states, ACM, Porter and Duszynski unilaterally determined which investments were allocated to which investors, and how much cash was allocated to each account. The order also states that they provided account statements to investors that did not accurately reflect the value of certain underlying investments, even when they privately concluded that one of the Fund's investments had been rendered worthless.

The SEC instituted proceedings against ACM, Porter, and Duszynski on December 20, 2016. A hearing on the Division's allegations was scheduled for October 16, 2017. Before the hearing, ACM, Porter and Duszynski each submitted offers of settlement.

The SEC's order finds that ACM, Porter and Duszynski willfully violated, Sections 206(1), 206(2), and 206(4) of the Advisers Act, and Rule 206(4)-8(a), and that Porter and Duszynski willfully aided and abetted and caused ACM's violations. Without admitting or denying the SEC's findings, ACM, Porter and Duszynski consented to the entry of a cease-and-desist order and to pay, jointly and severally, disgorgement and interest of \$728,306.10 and penalties of \$150,000, \$75,000, and \$50,000, respectively. ACM also agreed to a censure, and Porter and Duszynski agreed to be barred from the securities industry, with a right to apply for reentry after three years. Duszynski also agreed to be suspended from appearing or practicing before the SEC as an accountant, which includes not participating in the financial reporting or audits of public companies. The order also directs the creation of a Fair Fund to distribute the disgorgement, prejudgment interest and penalties to harmed investors.

The SEC's investigation was conducted by Jaclyn Janssen and supervised by Amy Cotter. Jonathan Polish led the SEC's trial team with assistance from Luz Aguilar, Kristine Rodriguez and Janssen. The trial preparations were supervised by John Birkenheier.

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