

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5066 / November 19, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18902

In the Matter of

MARK HOTTON,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO
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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Mark Hotton (“Respondent” or “Hotton”).

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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph III.2 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to 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. Between November 23, 2005 and February 2, 2009, Hotton was associated with Oppenheimer & Co. Inc., which at all relevant times was registered with the Commission as an investment adviser. Hotton, age 52, is currently imprisoned in FCI Fort Dix in New Jersey.

2. On July 30, 2013, Hotton pleaded guilty to one count of conspiracy to commit money laundering in violation of 18 U.S.C. § 1956(h) before the United States District Court for the Eastern District of New York in *United States v. Mark Hotton*, No. 2:12-cr-00649-JS-ARL (E.D.N.Y.). On August 6, 2013, the court entered a preliminary order of forfeiture in that proceeding, under which Hotton consented to a forfeiture money judgment of \$1,800,000, which would be partially satisfied by forfeiture of his right, title, and interest in a 2010 Jupiter speedboat. A final order of forfeiture was entered by the court on July 1, 2015. By a Judgment entered on July 1, 2015, the District Court sentenced him to 135 months incarceration and three years of supervised release and ordered him to pay criminal restitution in the amount of \$5,750,000.

3. The count of the criminal information to which Hotton pleaded guilty alleged, among other things, that from approximately January 1, 1995 to October 15, 2012, he did knowingly and intentionally conspire to conduct financial transactions affecting interstate commerce, which involved the proceeds of unlawful activity, including mail fraud, wire fraud, securities fraud, and embezzlement from an employee benefit plan. It also alleged that Hotton acted with intent to promote the carrying on of the unlawful activity and knew that the transactions were designed to conceal the nature, location, source, ownership, and control of the proceeds of the unlawful activity.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent Hotton be, and hereby is barred from association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

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, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) 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 (d) 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.

Brent J. Fields
Secretary