

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 86332 / June 28, 2019**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 5262 / June 28, 2019**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19223**

**In the Matter of**

**AVI CHIAT, Esq.,**

**Respondent.**

**CORRECTED ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO SECTION 203(f) OF THE  
INVESTMENT ADVISERS ACT OF 1940  
AND RULE 102(e) OF THE  
COMMISSION’S RULES OF PRACTICE,  
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 against Avi Chiat (“Respondent” or “Chiat”) pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) and Rule 102(e)(3)(i) of the Commission’s Rules of Practice.<sup>1</sup>

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<sup>1</sup> Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, temporarily suspend from appearing or practicing before it any attorney . . . who has been by name (A) [p]ermanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder; or (B) [f]ound by any court of competent jurisdiction in an action brought by the Commission to which he or she is a party . . . to have violated (unless the violation was found not to have been willful) or aided and abetted the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

## 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 him and the subject matter of these proceedings and the findings contained in paragraph III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940 and Rule 102(e) of the Commission’s Rules of Practice, 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. Chiat was a member of MC2 Capital Management, LLC, and MC2 Canada Capital Management, LLC, two unregistered investment advisers. Through these firms, from approximately 2007 to 2015, Chiat acted as an investment adviser to three unregistered pooled investment vehicles: MC2 Capital Partners, LLC; MC2 Capital Value Partners, LLC; and MC2 Capital Canadian Opportunities Fund, LLC (together, “the funds”). Chiat, 39 years old, is a resident of Madison, Connecticut. Chiat currently is an inactive member of the Massachusetts bar.

2. On June 21, 2019, a final judgment was entered by consent against Chiat, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1), (2), and (4) of the Advisers Act and Rule 206(4)-8 thereunder, in a civil action entitled Securities and Exchange Commission v. Yasuna Murakami, et al., Civil Action No. 1:17-CV-10928-IT, in the United States District Court for the District of Massachusetts.

3. The Commission’s complaint alleged that Chiat defrauded investors in the funds, and violated his fiduciary duty as an adviser to the funds, by making false representations to investors about the performance of the funds, including providing fabricated account statements to investors, and by failing to disclose important facts suggesting there was a high risk that Chiat’s partner, Yasuna Murakami, was stealing investors’ money.

## IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act and Rule 102(e)(3) of the Commission’s Rules of Practice, effective immediately, that:

A. Respondent Chiat 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.

B. 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.

C. Chiat is suspended from appearing or practicing before the Commission as an attorney.

By the Commission.

Vanessa A. Countryman  
Secretary