

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5900 / November 1, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20640

In the Matter of

JOHN ROBERT JONES, JR.

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 John Robert Jones, Jr. (“Respondent”).

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, 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. Jones founded and controlled two private funds—PED Index Fund, L.P. (“PED”) and PED Index Fund A1, L.P. (“PED A1”) (collectively the “PED Funds”). Jones was associated with several firms that he owned, including (a) from 2007 to 2008, Astral Financial Group, LLC, a broker-dealer registered with the Commission, (b) from 2005 to 2015, Crown Jewel Concepts, LLC, an investment adviser registered with the Commission, and (c) from 2015 to 2019, Regalia Financial Advisors, LLC (“Regalia”), an investment adviser registered with the state of Florida from March 2015 until its registration was terminated on January 10, 2019. Jones also formed and controlled Crown Jewel Capital Advisers, LLC (“Crown Jewel”) and Crown Jewel Capital Management, LLC, which were not registered with the Commission or any state securities regulator. Regalia and Crown Jewel served as the investment advisers for, respectively, PED and PED A1. Jones held Series 6, 26, 28, and 65 licenses. Jones, 61 years old, is a resident of Carrollton, Georgia.

2. On September 23, 2021, a final judgment was entered by consent against Jones, permanently enjoining him from future violations of Sections 5(a), 5(c), and 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(4) of the Advisers Act and Rule 206(4)-8(a) thereunder, in the civil action entitled *Securities and Exchange Commission v. John Robert Jones, Jr.*, Civil Action No. 3:21-cv-98, in the United States District Court for the Northern District of Georgia.

3. The Commission's complaint alleged that beginning in October 2017, Jones misrepresented to potential PED Funds investors that their funds were protected such that investors could only lose 10-15% of their principal investment, that investors' principal was insured, and that his investment strategy was created in concert with a national financial organization. None of these things were true. As a result, he gave investors the false impression that the investment opportunities that he offered would be lucrative and have the protection of quantifiable downside risk. The complaint also alleged that the securities of the PED Funds sold by Jones were unregistered.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent Jones be, and hereby is barred from association with any broker, dealer, investment adviser, 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, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) 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.

Vanessa A. Countryman
Secretary