

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5909 / November 16, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-19331

In the Matter of

JEREMY JOSEPH DRAKE,

Respondent.

**ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940**

I.

On August 12, 2019, the Securities and Exchange Commission (“Commission”) instituted public administrative and cease-and-desist proceedings pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Jeremy Joseph Drake (“Drake” or “Respondent”).

II.

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 paragraphs III.2 and III.4 below, and consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 203(f) of the Advisers Act (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Drake, age 43, resides in Los Angeles, California. Drake worked as a registered investment adviser representative of a registered investment adviser from March 2009 until March 2016.

2. On December 14, 2018, a judgment was entered by consent against Drake, permanently enjoining him from future violations of Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Jeremy Joseph Drake, Civil Action Number CV-17-6204-CAS (GJSx), in the United States District Court for the Central District of California.

3. The Commission's complaint alleged that, while employed by a registered investment adviser, Drake defrauded a married couple by deceiving them about the investment advisory fees they were paying. The complaint alleged that Drake deceived the couple for more than three years, telling them that they paid a special "VIP" annual rate of 0.15 to 0.20 percent of their assets under management when in fact they were paying 1 percent. The complaint further alleged that Drake's deception led the couple to pay \$1.2 million more in management fees than Drake represented, a portion of which Drake received as compensation from HCR.

4. On March 22, 2019, Respondent Drake pled guilty to one count of wire fraud in violation of Title 18, United States Code, Section 1343 before the United States District Court for the Central District of California, in United States v. Jeremy Joseph Drake, Criminal Docket No. CR18-58 CAS. On March 28, 2019, a judgment in the criminal case was entered against Drake. He was sentenced to a prison term of 30 months followed by three years of supervised release and ordered to make restitution in the amount of \$1,228,912.20. On June 24, 2021, following an appeal, Respondent's restitution obligation was reduced by the district court, pursuant to a stipulation entered into with the Government, by \$327,847.28.

5. The count of the criminal information to which Drake pled guilty alleged, inter alia, that Drake defrauded the married couple by misrepresenting that they were paying a 0.15% to 0.20% annual asset management fee when, in fact, they paid an annual 1.00% fee.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Drake 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