

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 6062 / June 30, 2022**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20921**

**In the Matter of**

**CORONA ASSOCIATES CAPITAL  
MANAGEMENT, LLC,**

**JULIAN SCURCI,**

**and**

**GIOVANNI SERGIO SCURCI,  
A/K/A/ JOHN SCURCI,**

**Respondents.**

**ORDER INSTITUTING ADMINISTRATIVE  
AND CEASE-AND-DESIST PROCEEDINGS,  
PURSUANT TO SECTIONS 203(e), 203(f),  
AND 203(k) OF THE INVESTMENT  
ADVISERS ACT OF 1940, MAKING  
FINDINGS, AND IMPOSING REMEDIAL  
SANCTIONS AND A CEASE-AND-DESIST  
ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 203(e), 203(f), and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”) against Corona Associates Capital Management, LLC, Julian Scurci, and Giovanni Sergio Scurci (“John Scurci”) (collectively, “Respondents”).

**II.**

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”) 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 them and the subject matter of these proceedings, which are admitted, and as to Respondents Julian Scurci and John Scurci except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(e), 203(f), and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a

Cease-and-Desist Order (the “Order”), as set forth below.

### III.

On the basis of this Order and Respondents’ Offers, the Commission finds<sup>1</sup> that:

#### Summary

1. These proceedings arise out of material misrepresentations by Corona Associates Capital Management, LLC (“Corona”), Julian Scurci, and John Scurci. Corona, which has in the past been registered as a California exempt reporting adviser, manages private funds and is owned and controlled by Julian Scurci and John Scurci (the “Scurcis”). From at least 2013, Corona represented in offering materials for the private funds it managed that the funds’ financial statements were audited annually and named certain audit firms as auditors for the funds. While the Respondents at times made some efforts to retain an audit firm, the funds’ financial statements were never audited and none of the named audit firms were actually ever engaged to audit the financial statements of the funds. Although investors never received financial statements for the funds, they received periodic statements reflecting the changing value of their investments, including both gains and losses. Through these actions, Corona, Julian Scurci, and John Scurci violated Section 206(4) and Rule 206(4)-8 thereunder of the Advisers Act.

#### Respondents

2. **Corona Associates Capital Management, LLC** (CRD No. 307516) is incorporated in California and headquartered in Mountain View, California. Corona has never been registered with the Commission in any capacity. While Corona was a California exempt reporting adviser, it filed Form ADV pursuant to California requirements. Corona serves as the general partner and provides advisory services to Corona’s privately-offered funds. At its peak, in approximately 2016, Corona had more than \$8,000,000 in assets under management on behalf of approximately 25 investors in its two feeder funds. Both of Corona’s feeder funds feed into the same master fund.

3. **Julian Hugo Benjamin Scurci**, age 41, is a resident of Palo Alto, California, and is a founder and managing member of Corona. Julian Scurci is the son of John Scurci.

4. **Giovanni Sergio Scurci, a/k/a John Scurci**, age 65, is a resident of Riviera Beach, Florida, and is a founder and managing member of Corona. John Scurci is the father of Julian Scurci. From 1981 to 1999, John Scurci held a Series 7 License and was associated with several financial services industry firms.

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<sup>1</sup> The findings herein are made pursuant to Respondents’ Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

### Other Relevant Entities

5. **Antilles Capital Master Fund, LP** (the “Master Fund”) is a British Virgin Islands partnership formed under the Partnership Act of 1996 of the British Virgin Islands, as amended. It is a private fund managed by Corona.

6. **Dorado Capital Partners, LP** (the “Dorado Fund”) is incorporated in California with its principal place of business in Mountain View, California. The Dorado Fund is a feeder fund to the Master Fund. It is managed by Corona and marketed to U.S. investors.

7. **Antilles Capital Fund (BVI) Ltd.** (the “Antilles Fund”) is a British Virgin Islands company limited by shares, organized under the laws of the British Virgin Islands. The Antilles Fund is a feeder fund to the Master Fund. It is managed by Corona and marketed to tax-exempt U.S. investors and non-U.S. investors.

### Facts

8. The Scurcis founded Corona in 2012 as an advisory firm to hedge funds geared toward high-net-worth retail investors. Since its inception, Corona operated as a California exempt reporting adviser. The Antilles Fund and the Dorado Fund (collectively, the “Funds”) managed by Corona both are feeder funds of Corona’s Master Fund.

9. Beginning in 2013, the Scurcis, on behalf of Corona, provided investors and potential investors in the Funds with private placement memoranda (the “PPMs”). From 2013 to October 2017, each of the PPMs stated that the Funds would provide investors with audited financial statements annually. In addition, the directory of service providers in the PPMs identified Auditor A as the auditor for the Funds. Julian Scurci communicated with Auditor A about a potential audit engagement, but Auditor A was never engaged to audit, and did not audit, the Funds’ financial statements. The Funds’ financial statements, which were never provided to fund investors, were not audited from 2013 to October 2017; however, Corona’s misstatements remained in the PPMs for the Funds through October 2017. Meanwhile, Corona continued to use the PPMs to solicit new investors or retain existing investors. Although Corona never provided any financial statements to the investors in the Funds, it did provide investors with monthly and yearly statements from Corona showing their individual gains and losses on their investments in the Funds.

10. In 2014, Auditor B acquired Auditor A, and in October 2017, Corona’s legal counsel, unaware Auditor B had never been engaged, on his own updated the PPMs for the Funds to reflect the acquisition. In the updated PPMs, the directory of service providers identified Auditor B as the auditor for the Funds. The updated PPMs also continued to state that the Funds would provide investors with audited financial statements annually. Julian Scurci approved the updated PPMs without carefully reviewing the updated language regarding the auditors. John Scurci did not review the updated PPMs. Although Julian continued to communicate with the employees of Auditor A who had transitioned to work for Auditor B, Auditor B was never engaged to audit, and did not audit, the Funds’ financial statements. The Funds’ financial statements were

not audited from October 2017 to the present, despite the changes to the PPMs stating that Auditor B would do so. Meanwhile, Corona continued to use the PPMs to solicit new investors or retain existing investors. While Corona never provided any financial statements to the investors in the Funds, investors continued to receive monthly and yearly statements showing their individual gains and losses on their investments in the Funds through 2020.

### **Violations**

11. As a result of the conduct described above, Respondents willfully<sup>2</sup> violated Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder. Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder make it unlawful for any investment adviser to a pooled investment vehicle to “[m]ake any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, to any investor or prospective investor in the pooled investment vehicle.” Proof of scienter is not required to establish a violation of Section 206(4) of the Advisers Act and the rules thereunder. *SEC v. Steadman*, 967 F.2d 636, 647 (D.C. Cir. 1992).

### **Undertakings**

Respondent Corona has undertaken to:

1. **Update Disclosures.** Within thirty (30) days of entry of the Order, Corona shall engage an independent compliance consultant to review the firm’s disclosures made to actual or potential investors in the Funds or otherwise relevant to managing the Funds, and update as necessary the firm’s practices to ensure they are consistent with the disclosures.
2. **Provide Notice to Affected Investors.** Within thirty (30) days of entry of the Order, Corona shall provide a copy of the Order to each affected investor (i.e., those current and former investors in the Funds from 2013 through the date of this Order) via mail, email, or such other method not unacceptable to the Commission staff, together with a cover letter in a form not unacceptable to the Commission staff.
3. **Provide Certificate of Compliance.** Corona shall certify, in writing, compliance with the undertakings set forth above. The certification shall identify the undertakings, provide

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<sup>2</sup> “Willfully,” for purposes of imposing relief under Sections 203(e) and 203(f) of the Advisers Act “means no more than that the person charged with the duty knows what he is doing.” *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor “also be aware that he is violating one of the Rules or Acts.” *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965). The decision in *The Robare Group, Ltd. v. SEC*, which construed the term “willfully” for purposes of a differently structured statutory provision, does not alter that standard. 922 F.3d 468, 478-79 (D.C. Cir. 2019) (setting forth the showing required to establish that a person has “willfully omit[ted]” material information from a required disclosure in violation of Section 207 of the Advisers Act).

written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Corona agrees to provide such evidence. The certification and supporting material shall be submitted to Jeremy E. Pendrey, Assistant Regional Director, Division of Enforcement, Securities and Exchange Commission, 44 Montgomery Street, Suite 2800, San Francisco, CA 94104, with a copy to the Office of Chief Counsel of the Enforcement Division, 100 F Street NE, Washington, DC 20549, no later than sixty (60) days from the date of the completion of the undertakings.

#### IV.

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

Accordingly, pursuant to Sections 203(e), 203(f), and 203(k) of the Advisers Act, it is hereby ORDERED that:

- A. Corona, Julian Scurci, and John Scurci cease and desist from committing or causing any violations and any future violations of Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder.
- B. Corona, Julian Scurci, and John Scurci are censured.
- C. Corona, Julian Scurci, and John Scurci shall pay a civil money penalty as follows:
  - 1) Corona shall, within thirty (30) days of the entry of this Order, pay a civil money penalty in the amount of \$50,000.00 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.
  - 2) Julian Scurci shall, within thirty (30) days of the entry of this Order, pay a civil money penalty in the amount of \$20,000.00 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.
  - 3) John Scurci shall, within thirty (30) days of the entry of this Order, pay a civil money penalty in the amount of \$10,000.00 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying the Respondent and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Jeremy E. Pendrey, Assistant Regional Director, Division of Enforcement, Securities and Exchange Commission, 44 Montgomery Street, Suite 2800, San Francisco, CA 94104.

D. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, each Respondent agrees that in any Related Investor Action, Respondents shall not argue that they are entitled to, nor shall Respondents benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondents by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

E. Respondent Corona shall comply with the undertakings enumerated in Section III above.

## V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondents Julian Scurci and John Scurci, and further, any debt for disgorgement, prejudgment

interest, civil penalty or other amounts due by Respondents Julian Scurci and John Scurci under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondents Julian Scurci and John Scurci of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Vanessa A. Countryman  
Secretary