

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 99006 / November 21, 2023

INVESTMENT ADVISERS ACT OF 1940
Release No. 6489 / November 21, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21804

In the Matter of

MICHAEL V. SHUSTEK,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND 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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Michael V. Shustek (“Shustek” or “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 15(b) of the Securities Exchange Act of 1934 and 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. Shustek was the founder and sole owner of Vestin Mortgage LLC (“Vestin”), an unregistered investment adviser. Shustek and Vestin controlled and advised Vestin Realty Mortgage I (“VRTA”) and Vestin Realty Mortgage II (“VRTB”), two publicly-traded companies (“the companies”) Shustek founded. From at least 2012 to 2018, Shustek was also associated with broker-dealers registered with the Commission. Shustek, 64 years old, is a resident of Las Vegas, Nevada.

2. On Nov. 15, 2023, a final judgment was entered by consent against Shustek, permanently enjoining him from future violations of Sections 17(a)(2) and (3) of the Securities Act of 1933 (“Securities Act”), and Section 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Michael V. Shustek, et al., Civil Action Number 2:21-CV-01416, in the United States District Court for the District of Nevada.

3. The Commission’s complaint alleged, among other things, that from 2012 to 2021, Shustek and Vestin engaged in certain conduct and business transactions involving companies, including VRTA and VRTB, that violated the securities laws. For example, the complaint alleged that Shustek and Vestin acted negligently with respect to transactions with related companies, including by using these companies’ assets to make payments to fund a new business without adequate disclosure.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Shustek 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, with the right to apply for reentry after five years to the appropriate self-regulatory organization, or if there is none, to the Commission.

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