

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 103169 / June 2, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-22480

In the Matter of

**HIGHMARK SCHOOL
DEVELOPMENT, LLC**

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS,
PURSUANT TO SECTIONS 15B AND 21C
OF THE SECURITIES EXCHANGE ACT
OF 1934, 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 15B and 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Highmark School Development, LLC (“Respondent” or “Highmark”).

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 it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Administrative and Cease-And-Desist Proceedings, Pursuant to Sections 15B and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-And-Desist Order (“Order”), as set forth below.

III.

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

Summary

This matter involves unregistered municipal advisory activity by Highmark. From 2019 to 2023, Highmark provided municipal advisory services in connection with five municipal securities issuances for the benefit of five charter schools. These services included providing advice to the charter schools on the structure, timing, and terms of the issuances. Highmark was not registered as a municipal advisor when it provided these services. By engaging in municipal advisory activities without registering with the Commission, Highmark violated the registration requirements of Section 15B(a)(1)(B) of the Exchange Act.

Respondent

1. Highmark is a Utah limited liability company formed in June 2008 and located in South Jordan, Utah. It provides development services to charter schools and private schools.

Facts

2. Highmark provides development services to charter schools and private schools which consist primarily of overseeing and managing the acquisition and construction of school facilities to suit the school's specific needs. As part of its services, Highmark assists its school clients with assessing the school's ability to afford the desired school facilities and facilitates financing for the facilities. On certain occasions, Highmark provided its charter school clients with advice regarding the issuance of municipal securities to finance or refinance the acquisition and construction of their school facilities. At issue in this matter is Highmark's municipal advisory activity between September 2019 and April 2023 (the "Relevant Period").

3. During the Relevant Period, Highmark engaged in municipal advisory activity when it provided advice to, and on behalf of, five charter schools in connection with five offerings of municipal securities. The advice that Highmark provided to the charter schools included: (a) advising on the development of financing plan that included the issuance of municipal securities; (b) advising on the structure (typically fixed rate with capitalized interest period during construction), timing (to coordinate with acquisition of property and/or commencement of construction), and terms of the offerings; (c) advising on current municipal bond tax-exempt interest rates based on its analysis of comparable charter school bond deals; and (d) advising on the schools' abilities to finance and/or refinance their facilities through the issuance of municipal securities given each school's student enrollment forecast and revenue projections based on anticipated per-pupil payments and the municipal securities terms. Highmark's advice was particularized to the specific needs, objectives, and circumstances of its charter school clients addressing their specific facility and fiscal needs and incorporating their enrollment forecasts and projected revenues. Highmark also interacted with other members of the municipal securities financing team – including the underwriter and potential bond investors, on behalf of its charter school clients. The five charter school clients financed approximately \$227 million in aggregate amount of municipal securities in the five offerings. Highmark charged each of the five charter schools a flat consulting fee for all of its services, which included the municipal advisory services.

4. During the Relevant Period, Highmark was not registered as a municipal advisor with the Commission.

Violations

5. The Exchange Act defines “municipal advisor” to mean a person that “provides advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues....” Exchange Act, Section 15B(e)(4)(A)(i). In 2010, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, which amended Section 15B of the Exchange Act to provide for the registration and regulation of municipal advisors. On September 20, 2013, the Commission adopted final rules for municipal advisor registration that became effective July 1, 2014. *See* Registration of Municipal Advisors, Rel. No. 34-70462 (Sept. 20, 2013), 78 Fed. Reg. 67468 (Nov. 12, 2013).

6. Section 15B(a)(1)(B) of the Exchange Act makes it unlawful for “a municipal advisor to provide advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities,” without being registered under the Commission’s final municipal advisor rules.

7. By providing advice to municipal entities with respect to the issuance of municipal securities when it was not registered as a municipal advisor with the Commission, Highmark willfully¹ violated the registration requirements of Section 15B(a)(1)(B) of the Exchange Act.

Highmark’s Cooperation

8. In determining to accept the Offer, the Commission considered Highmark’s prompt cooperation with the staff’s investigation.

Undertakings

Respondent has undertaken to:

9. Within thirty (30) days of the entry of this Order, Highmark shall provide a copy of this Order to each of Highmark’s existing charter school clients, i.e., clients as to whom Highmark is providing services as of the entry of this Order, via mail, e-mail, or such other method as may be acceptable to the Commission’s staff, together with a cover letter in a form acceptable to the Commission’s staff. For a period of 12 months after the entry of this Order (Notice Period), Highmark shall also provide a copy of the Order to new charter school clients

¹ “Willfully,” for purposes of imposing relief under Section 15B of the Exchange 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).

prior to Highmark entering into a contract to provide services. Highmark need only provide the copy of the Order to new charter school clients once during the Notice Period. Notwithstanding any of the foregoing, if Highmark registers as a municipal advisor with the Commission and the MSRB before the 30-day period for notice to existing charter school clients, it shall not be required to provide a copy of the Order to either existing or new charter school clients. Similarly, if Highmark registers as a municipal advisor with the Commission and the MSRB before the expiration of the 12-month Notice Period, Highmark will not be required to provide a copy of the Order to new charter school clients after the effective date of the registration.

10. Certify, in writing, compliance with the undertaking set forth above. The certification shall identify the undertaking, provide 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 Respondent agrees to provide such evidence. The certification and supporting material shall be submitted to Tanya G. Beard, Assistant Director, Denver Regional Office, 1961 Stout Street, Suite 1700, Denver, CO 80294, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than sixty (60) days from the date of the completion of the undertaking.

In determining whether to accept the Offer, the Commission has considered these undertakings.

IV.

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

Accordingly, pursuant to Sections 15B and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent shall cease and desist from committing or causing any violations and any future violations of Section 15B(a)(1)(B) of the Exchange Act.

B. Respondent is censured.

C. Respondent shall, within ten (10) days of the entry of this Order, pay a civil money penalty in the amount of \$40,000, 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 Highmark School Development, LLC as the Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to LeeAnn Ghazil Gaunt, Chief, Public Finance Abuse Unit, Division of Enforcement, Securities and Exchange Commission, 33 Arch Street, 23rd Floor, Boston, MA 02110-1424.

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, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it 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 Respondent 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.

By the Commission.

Vanessa A. Countryman
Secretary