UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 106171 / August 21, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22673

In the Matter of **R4 CAPITAL FUNDING LLC,** **Respondent.**	**ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTION 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 that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act") against R4 Capital Funding LLC ("R4 Funding" 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 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 Cease-and-Desist Proceedings Pursuant to Section 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[1] that:

[1] The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Summary

This matter involves unregistered broker activity by Respondent in connection with the sale of municipal bonds used to finance affordable multifamily housing development projects. From at least June 2020 to December 2025 (the "relevant period"), Respondent provided broker services to four institutional investors in connection with 31 municipal bond offerings. In all, the offerings raised over $1.16 billion to finance 27 multifamily housing development projects. The broker services provided by Respondent included, among other things: (1) negotiating the structure and pricing of the municipal bonds with the developers of the multifamily housing developments; (2) soliciting investors to purchase the bonds; and (3) providing advice to investors as to the merits of the bonds. Respondent received transaction-based compensation for these services. Respondent was not registered with the Commission in any capacity when it provided these services. By acting as an unregistered broker, R4 Funding violated the broker-dealer registration requirements of Section 15(a)(1) of the Exchange Act.

Respondent

1. R4 Funding is a Delaware limited liability company formed in December 2015 and headquartered in New York, New York. R4 Funding is in the business of facilitating financing for affordable multifamily housing development projects with, among other things, tax-exempt and taxable bonds.

Background

2. Section 3(a)(4) of the Exchange Act defines a "broker" generally as any "person engaged in the business of effecting transactions in securities for the accounts of others."

3. Section 15(a)(1) of the Exchange Act makes it unlawful for a "broker" "to make use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of any security . . . unless such broker": (1) is registered with the Commission, (2) in the case of a natural person, is associated with a registered broker-dealer, or (3) is eligible for an exemption or safe harbor.

4. Municipal bonds are securities, which are often issued to fund loans used to acquire, construct and rehabilitate affordable multifamily housing development projects. The use of tax-exempt municipal bonds for financing for these projects is advantageous because municipal bonds typically offer tax-exempt income to the purchaser and typically allow the borrower to pay a lower rate of interest than other forms of debt. In addition, the use of tax-exempt municipal bond financing facilitates the allocation of Low-Income Housing Tax Credits, which can be sold to equity investors, providing additional financing for the project.

5. During the relevant period, Respondent acted as an unregistered broker in connection with 31 municipal bond offerings that raised over $1.16 billion to finance 27 low-income multifamily housing development projects. To identify potential municipal bonds for its investor clients to purchase, R4 Funding worked directly with the developers of these projects. In

some cases, a developer reached out to R4 Funding with an opportunity to finance a specific multifamily housing development. In others, R4 Funding responded to a request for financing proposals for a specific multifamily development. In each situation, municipal bonds were part of the proposed financing. The broker services provided by R4 Funding included, among other things: (1) negotiating the structure and pricing of the municipal bonds with the developers of the project; (2) soliciting investors to purchase the bonds; and (3) providing advice to investors as to the merits of the bonds. With respect to each issuance of municipal bonds, R4 Funding received transaction-based compensation in the form of an origination fee, calculated as a percent of the principal amount of the bonds at closing.

6. For example, in October 2024, Respondent facilitated the financing for the construction of a multifamily affordable housing development in Arizona. The financing included the issuance of tax-exempt multifamily housing revenue bonds by an Arizona county development authority. Respondent placed all the bonds with one institutional client. The proceeds of the bonds were loaned to the developer pursuant to a loan agreement to fund construction of the development. Respondent negotiated the terms of the bonds with the developer and signed a term sheet with the developer setting out the transaction terms and conditions to closing. Among other things, Respondent solicited its investor client to purchase the bonds from the issuer and conducted due diligence on the property and the developer. Respondent was paid an origination fee of 0.75% of the principal amount of the bonds at closing.

7. Similarly, in June 2020, Respondent facilitated the financing for the construction of a multifamily affordable housing development project in Texas. The financing included the issuance of two series of multifamily housing revenue bonds by a Texas public facility corporation. One series of bonds was tax-exempt and the other was taxable. Respondent placed both series of the bonds with one institutional client. The proceeds of the bonds were loaned to the developer to fund construction of the development. Respondent negotiated the terms of the bonds with the developer and signed a term sheet with the developer setting out the transaction terms and conditions to closing. Among other things, Respondent solicited its investor client to purchase the bonds from the issuer and conducted due diligence on the property and the developer. Respondent was paid an origination fee of 1.25% of the principal amount of the bonds at closing.

8. By acting as an unregistered broker, R4 Funding violated the broker-dealer registration requirements of Section 15(a)(1) of the Exchange Act.

9. In determining to accept the Offer, the Commission considered the cooperation afforded to the Commission staff and remedial steps promptly undertaken by R4 Funding, including its ongoing efforts to become registered as a broker-dealer.

IV.

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

Accordingly, pursuant to Section 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent R4 Funding cease and desist from committing or causing any violations and any future violations of Section 15(a)(1) of the Exchange Act.

B. Respondent R4 Funding shall, within 14 days of the entry of this Order, pay a civil money penalty in the amount of $100,000 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.

C. 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 R4 Capital Funding LLC as 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, Division of Enforcement, Securities and Exchange Commission, 33 Arch Street, 24th Floor, Boston, MA 02110.

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