UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 106418 / September 18, 2026

INVESTMENT ADVISERS ACT OF 1940
Release No. 6997 / September 18, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22735

In the Matter of **HATTERAS INVESTMENT PARTNERS, LP and DAVID B. PERKINS,** **Respondents.**	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 15(b)(6) OF THE SECURITIES EXCHANGE ACT OF 1934 AND 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 Section 15(b)(6) of the Securities Exchange Act of 1934 ("Exchange Act") and Sections 203(e), 203(f), and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act") against Hatteras Investment Partners, LP ("HIP") and David B. Perkins ("Perkins") (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 the findings herein, except as to the Commission's jurisdiction over them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 and 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 ("Order"), as set forth below.

III.

On the basis of this Order and Respondents' Offers, the Commission finds[1] that:

Summary

1. These proceedings arise from breach of its fiduciary duty by HIP, a registered investment adviser, and Perkins, its CEO and Co-Founder, in connection with the intended liquidation of several registered funds advised and managed by the firm.

2. Respondents entered into a transaction with Beneficient, a former private entity purporting to offer liquidity solutions to holders of alternative assets, to provide the funds' shareholders with liquidity. The transaction involved exchanging the funds' entire portfolios of illiquid, alternative assets for preferred shares of Beneficient, and then the funds selling their preferred shares upon Beneficient's contemplated initial public offering ("IPO") and distributing the cash to the shareholders.

3. Multiple red flags arose during the due diligence process that warranted additional investigation by Respondents. Perkins, however, ignored these red flags and advice from HIP's Fractional CFO[2] not to follow through with the transaction. Further, in recommending the transaction to the funds' Board of Directors as an intended plan of liquidation, Perkins demonstrated that Respondents did not understand the terms of the transaction or that it would not achieve the goals of liquidating and terminating the funds and allowing shareholders to recoup their investments in the funds.

4. When Beneficient eventually went public through a merger with a special purpose acquisition company ("SPAC"), its shares plummeted in value, resulting in losses of approximately $300 million to the registered funds.

5. As a result of this conduct, Respondents violated Section 206(2) of the Advisers Act.

Respondents

6. HIP is an investment adviser with its principal place of business in Raleigh, NC. First founded as a Delaware limited liability company in 2003 and reorganized as a Delaware limited partnership in 2014, HIP has been registered with the Commission since 2004. HIP serves as general partner and investment manager to closed-end funds that are registered under the Investment Company Act of 1940 ("1940 Act") and to other pooled investment vehicles. In its Form ADV dated March 30, 2026, HIP reported that it had approximately $114.7 million in assets under management. HIP has no prior disciplinary history.

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1 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.

2 A "Fractional CFO" provides CFO services to an organization on a part-time or contractual basis.

7. Perkins, age 63, resides in Raleigh, NC and is the CEO, Co-Founder, majority owner, and current Chief Compliance Officer of HIP and CEO and President of Hatteras Capital Distributors, LLC, a registered broker-dealer. Perkins has been licensed with various states as an investment adviser representative since 1997 and as a registered representative since 1988. Perkins also serves as Chairman of the Board of the registered funds managed by HIP. He has no prior disciplinary history.

Other Relevant Entity

8. Beneficient is a Nevada corporation with its headquarters in Dallas, Texas. Beneficient's common stock currently is registered with the Commission pursuant to Section 12(b) of the Exchange Act and trades on the NASDAQ. On June 6, 2023, Beneficient participated in a business combination with a SPAC to become an Exchange Act registrant, converted from a Delaware limited partnership to a Nevada corporation, and changed its corporate name from The Beneficient Company Group, L.P. to Beneficient.

Background

9. HIP provides investment management services to registered funds and other private funds that invest in alternative assets. The registered funds include the Hatteras Master Fund, LP ("Master Fund") and its four feeder funds (the "Feeder Funds," and collectively with the Master Fund, the "Core Funds"). The Core Funds have a Board of Directors consisting of Perkins as Chairman and four other individuals (the "Independent Directors").

10. The Core Funds operate in a master-feeder structure in which the Feeder Funds pool investor capital to invest their assets in the Master Fund, and the Master Fund invests in a portfolio of alternative assets. HIP historically worked with a sub-adviser to create and manage diversified portfolios of private and hedged investments (collectively, the "Portfolio Funds"). Prior to investing in any Portfolio Fund, HIP represented that HIP and its sub-adviser would conduct a rigorous due diligence review of the fund, its managers, and its valuation methodologies.

11. The Core Funds' prospectuses explained that the funds' units were an illiquid investment and that shareholders should not expect to be able to sell their units other than through quarterly tender offers. Historically, the Core Funds' Board of Directors approved tender offers each quarter up to 5% of each fund's net asset value ("NAV").

12. Although the Core Funds experienced steady growth during their first several years, their performance eventually plateaued and redemption requests from shareholders increased. As a result, the Core Funds' assets under management shrank from approximately $1.5 billion in 2014 to under $400 million in 2020, and the tender requests reached over 50% of the funds' NAV. With no new sources of liquidity foreseeably available for several years and redemption requests remaining high, the Board asked HIP to explore liquidation options with the

goal of distributing all proceeds to shareholders and terminating the Core Funds, which ultimately necessitated de-registering the funds.

13. In December 2019, Perkins and HIP presented the Board with liquidation proposals from two established secondary brokers. Each proposal estimated that the process of liquidating the Core Funds would result in a loss of approximately 20% of the funds' NAV and would take nearly a year to complete. Perkins and the Independent Directors understood that such a discount and lengthy time period were fairly common characteristics of liquidations of this size. However, the Board ultimately decided not to accept either proposal, and instead asked HIP to find other options to address the funds' liquidity problem.

Beneficient's Proposal

14. In March 2021, Perkins was approached by a former managing director at HIP who was working in sales for Beneficient, then a private startup that purported to provide liquidity solutions to holders of alternative assets. At the time, Beneficient was a subsidiary of GWG Holdings, Inc. ("GWG"), a Nasdaq-listed reporting company that sold high-yield "L Bonds" to investors. Beginning in 2018, GWG sought to transform its business from a secondary life insurance portfolio company into an alternative asset platform by investing in Beneficient. Between June and November 2021, Perkins held multiple meetings with Beneficient representatives to negotiate a deal that he hoped would solve the funds' liquidity crisis.

15. HIP and Beneficient eventually agreed on a unique proposal in which the Master Fund's assets would be exchanged for preferred B-2 shares of Beneficient. Upon Beneficient's public listing, the Master Fund's preferred B-2 shares would convert to common stock, which could then be sold, allowing the Core Funds to redeem their shareholders in cash. Unlike traditional liquidation options for portfolios of illiquid assets, in which a fund's holdings are sold through established secondary brokers at a discount, Beneficient's proposal valued the preferred B-2 shares at the Core Funds' full NAV. Perkins believed this liquidation transaction would provide sufficient liquidity to enable the Core Funds' shareholders to recoup the full value of their investments. In addition to this transaction, Beneficient and HIP agreed for HIP to continue managing the underlying Portfolio Funds that would be transferred to Beneficient, and that Beneficient would contribute assets in order to seed new funds for HIP to manage in the future.

The Transaction

16. During the negotiations, significant red flags emerged regarding Beneficient, including notably that 88% of its assets were attributable to goodwill and that it had generated net losses of $50.9 million and $167.3 million for the previous two years. Perkins erroneously believed that any losses from Beneficient's operations resulted solely from GWG's failures, and he informed Beneficient that he could not recommend the transaction to the Board until Beneficient "decoupled" from GWG.

17. Beneficient agreed to Perkins's request, and GWG announced the planned deconsolidation in a Form 8-K on August 25, 2021. The filing stated that, upon becoming an independent company, Beneficient would "reduce its reliance on GWG to fund its operations." Nevertheless, Perkins was convinced that Beneficient was profitable as a stand-alone entity and although he reviewed financials purportedly substantiating Beneficient's profitability, Perkins took no additional steps to verify that belief.

18. There were multiple risks associated with the investment in Preferred B-2 shares, which were listed on the first two pages of Beneficient's private placement memorandum, again in the "Summary" section, and a third time, in substantial detail, in the section titled "Risk Factors." Among others, the risks included: 1) the company did not have a significant operating history or an established customer base; 2) there was no available public market for the B-2 units, so investors may be required to hold them indefinitely; 3) the preferred B-2 units ranked junior to several other share classes for distributions; 4) there had been no independent due diligence review of Beneficient's affairs or financial condition; and 5) the company had a substantial amount of goodwill and intangible assets which may need to be written down over time.

19. On November 5, 2021, several months into HIP's negotiations with Beneficient, GWG filed its 2020 10-K, announcing that it was the subject of an ongoing SEC investigation relating in part to Beneficient's accounting practices and goodwill valuation. Additionally, GWG restated its consolidated financial statements for 2019 and the first three quarters of 2020, which eliminated the interest income that was previously reported for Beneficient.

20. Despite these developments, Perkins believed that Beneficient had a profitable business model, and he continued finalizing the terms of the deal. Although HIP's former outside counsel participated in meetings with Beneficient and provided advice on the mechanics of the proposed deal structure and compliance with the 1940 Act, Perkins conducted HIP's due diligence of Beneficient almost entirely on his own.

21. Perkins received input with regard to evaluating the proposed transaction from HIP's Fractional CFO. In mid-November 2021, Perkins, recognizing that he was "not a CPA, not a CFA, not a financial analyst," asked HIP's CFO to meet with Beneficient's CFO to review the company's financial statements "with a fine tooth comb for a long period of time." After doing so, even though he was not specifically asked to sign off on the transaction, HIP's CFO voiced his opposition to the deal, citing his concerns over Beneficient's earnings and the amount of goodwill on their balance sheet. Perkins decided to proceed anyway.

22. At the December 7, 2021 board meeting, Perkins presented the proposed liquidation transaction to the Board with a goal of liquidating and terminating the Core Funds. Although Perkins had negotiated for the preferred B-2 shares received by the Master Fund in the transaction to be free from any contractual lockup restrictions, he incorrectly believed that the shares would likewise not be subject to a regulatory lockup period. He stated that HIP had completed thorough due diligence of Beneficient and determined that the liquidation plan would be in the best interest of the Core Funds' shareholders. Perkins presented the plan as one where

Beneficient would acquire the Master Fund's assets in a manner that would allow for a quick and efficient liquidation of the Core Funds and redemption of shareholders. The Board voted unanimously to approve the liquidation and de-registration of the Core Funds.

23. In September 2022, Beneficient announced its plan to go public through a business combination with Avalon Acquisition, Inc., a SPAC. The companies completed the de-SPAC transaction on June 8, 2023, and the preferred B-2 units held by the Master Fund converted to Beneficient Class A common stock.

24. When Beneficient entered the public markets and its share price dropped by more than 40 percent on its first day of trading, Perkins discovered that, contrary to his understanding of the transaction, the Master Fund's shares were subject to a three-month regulatory lockup period and could not be sold. Over the next several months, as its share price continued to collapse, Beneficient wrote down its goodwill valuation by over $2 billion, resulting in further losses to the Core Funds.

25. In addition, the transaction also failed to achieve HIP's goal of liquidating the Core Funds in anticipation of de-registering and terminating them. The agreement between the Master Fund and Beneficient contemplated an indefinite period during which Beneficient would hold rights and obligations relating to the Master Fund's assets, but would not hold ownership of them because approvals for transfer by the underlying Portfolio Funds had not yet been obtained. This allowed Beneficient to receive the economic interests in the Portfolio Funds that the Master Fund was entitled to without the parties having to complete the arduous, and often lengthy, process of transferring the ownership of each Portfolio Fund. As a result, three years after Beneficient's public listing, each of the Core Funds remains today in a "plan of liquidation" and the Master Fund cannot de-register or terminate because it still holds the Portfolio Funds.

26. Neither HIP nor Perkins had a reasonable basis to conclude that the Beneficient transaction would be in the Core Funds' best interest and provide either the liquidity they were seeking for shareholders or a path to liquidate, de-register, and terminate the Core Funds. Respondents did not fully appreciate the many risks associated with Beneficient or the deal itself, did not conduct an adequate review of the offering documents, and failed to perform additional due diligence on the transaction after HIP's CFO raised concerns.

<u>**Violations**</u>

27. As a result of the conduct described above, Respondents willfully[3] violated Section 206(2) of the Advisers Act, which makes it unlawful for any investment adviser, directly or

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[3] "Willfully," for purposes of imposing relief under Section 15(b)(6) of the Exchange Act and 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).

indirectly, to "engage in any transaction, practice or course of business which operates as a fraud or deceit upon any client or prospective client." Scienter is not required to establish a violation of Section 206(2), but rather a violation may rest on a finding of negligence. *SEC v. Steadman*, 967 F.2d 636, 643 n.5 (D.C. Cir. 1992) (citing *SEC v. Capital Gains Research Bureau, Inc.*, 375 U.S. 180, 194-95 (1963)).

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 Section 15(b)(6) of the Exchange Act and Sections 203(e), 203(f), and 203(k) of the Advisers Act, it is hereby ORDERED that**:**

A. Respondents cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act.

B. Respondents are censured.

C. Respondent Perkins shall pay a civil money penalty in the amount of $250,000.00 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). Payment shall be made in the following installments: (i) within 14 days of the entry of this Order, Perkins shall pay $50,000; (ii) within 120 days of entry of this Order, Perkins shall pay $75,000; (iii) within 210 days of entry of this Order, Perkins shall pay $75,000; and (iv) within 365 days of entry of this Order, Perkins shall pay $50,000 plus all accrued interest. Payments shall be applied first to post-order interest, which accrues pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, Respondent Perkins shall contact the staff of the Commission for the amount due. If Respondent Perkins fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

Payment must be made in one of the following ways:

(1) Respondent Perkins may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent Perkins 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 Perkins 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 Perkins as a 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 Matthew F. McNamara, Assistant Director, Securities and Exchange Commission, 950 E. Paces Ferry Rd. NE Suite 900, Atlanta, Georgia 30326-1382.

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 Perkins agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent Perkins'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 Perkins agrees that he 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 Perkins 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.

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 Respondent Perkins, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent Perkins 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 Respondent Perkins 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