

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940

Release No. 7025 / October 13, 2026

ADMINISTRATIVE PROCEEDING

File No. 3-22773

In the Matter of

DAVID KUSHNER,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO 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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against David Kushner (“Kushner” 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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in paragraphs III.5 and III.6. below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Advisers Act, 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. Between approximately September 2018 and April 2021 (the "Relevant Period"), Kushner was the president and sole owner of La Mancha Funding Corp. ("La Mancha"). Kushner, age 61, resides in Boca Raton, Florida and lived in Cresskill, New Jersey during the Relevant Period.

2. On November 21, 2024, the Commission filed a complaint against Kushner and La Mancha in the United States District Court for the Southern District of New York alleging that they violated Section 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder, Sections 206(1), 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder. *Securities and Exchange Commission v. David Kushner, et al.*, Civil Action Number 1:24-CV-8900 (S.D.N.Y. Nov. 21, 2024) ("Civil Action").

3. The Commission's complaint in the Civil Action alleges that during the Relevant Period, Kushner and La Mancha, acting as investment advisers, engaged in a fraudulent scheme through which they misappropriated at least \$2.14 million from investors. As alleged in the complaint, Kushner and La Mancha defrauded investors, while offering and selling membership interests in limited liability companies ("LLCs") and managing the LLCs, by making material misrepresentations about the use of investor funds, misappropriating LLC and investor funds for their own benefit, and breaching their fiduciary duties as investment advisers to the LLCs.

4. On November 21, 2024, an indictment returned by a grand jury in New York County was unsealed in *People of the State of New York v. David Kushner*, Indictment No. 75099-2024 ("Indictment"). The Indictment charged Kushner with five counts of grand larceny in the second degree, in violation of N.Y. Penal Law § 155.40(1), one count of grand larceny in the third degree, in violation of N.Y. Penal Law § 155.35(1), and one count of scheme to defraud in the first degree, in violation of N.Y. Penal Law § 190.65(1)(b).

5. On September 16, 2025, Kushner pled guilty to each count of the Indictment, including counts which alleged, *inter alia*, that Kushner engaged in a scheme with intent to defraud investors and obtained money and property from them by false and fraudulent pretenses, representations and promises.

6. On July 2, 2026, a partial judgment was entered by consent against Kushner in the Civil Action, permanently enjoining him from future violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Sections 206(1), 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, by committing or engaging in specified actions or activities relevant to such violations as set forth in the judgment.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Kushner 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; and

Any application for reentry by the Respondent will be made to the appropriate self-regulatory organization, or if there is none, to the Commission by contacting the Division of Enforcement's Office of Chief Counsel at ENF-Reentry@sec.gov, and will be subject to the applicable laws and regulations governing the reentry process. 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 arbitration award related to the conduct that served as the basis for the Commission order; (c) 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 (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.¹

Vanessa A. Countryman
Secretary

¹ 17 CFR 200.30-7