

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 86859**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19204**

**In the Matter of**

**JASWANT GILL,**

**Respondent.**

**DIVISION OF ENFORCEMENT'S MOTION FOR THE ENTRY OF FINDINGS AND  
IMPOSITION OF REMEDIAL SANCTIONS BY DEFAULT AGAINST RESPONDENT  
JASWANT GILL**

John S. Yun  
Ruth L. Hawley  
Division of Enforcement  
San Francisco Regional Office  
44 Montgomery Street  
Suite 2800  
San Francisco, CA 94104

## **I. Introduction**

In accordance with the Order to Show Cause, dated January 28, 2020, the Division of Enforcement (“Division”) hereby moves for the entry, by default, of findings and the imposition of remedial sanctions against respondent Jaswant Gill (“Respondent” or “Gill”). Gill did not respond to the Order Instituting Proceedings (“OIP”) within the time allowed. Based upon the OIP’s allegations, which are now deemed true, and the allegations deemed true in the SEC’s district court action, the Commission should determine that permanent bars against Gill are appropriate and in the public interest under Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”).

## **II. Procedural and Factual Background**

The Commission issued the OIP on June 17, 2019. The Division served the OIP upon Gill on October 24, 2019. Gill did not file an answer. On January 28, 2020, the Commission issued an Order to Show Cause, ordering Gill to deliver a response to the Order to Show Cause to prison authorities by March 13, 2020. The Order to Show Cause instructed the Division to file a motion for default and other relief by March 27, 2020 if Gill did not respond to the Order.

As alleged in the OIP, the Commission filed a civil action entitled *Securities and Exchange Commission v. JSG Capital Investments, LLC, et al.*, No. 4:16-CV-2814-JSW, in the United States District Court for the Northern District of California, alleging that from September 2013 until May 2016, Gill perpetrated an offering fraud and Ponzi scheme by promising guaranteed, fixed returns to investors and falsely representing to investors that their money was invested in shares of pre-IPO companies, that their investments were insured, and that he had close ties to various well-known venture capital firms. OIP, §II.B.2. Gill actually spent most of the investors’ money on nightclubs, restaurants, casinos, hotels and luxury retail stores, and Ponzi payments to earlier investors. *Id.*, §II.B.3.

The OIP also alleges that on September 12, 2017, the district court entered a final judgment in the Commission’s action against Gill. That judgment permanently enjoined Gill from future

violations of 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, and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 (“Advisers Act”). *Id.*, §II.B.2. The final judgment was entered based upon Gill’s default, and the allegations against him were deemed true. As did the district court action, the OIP alleges that Gill was the founder and chief executive officer of JSG Capital Investments, LLC and JSG Capital, LLC from 2013 through 2016. OIP, §II.A.1. Those companies represented to investors that they were investment advisers who would invest their money in certain pre-IPO and publicly traded securities. *Id.*

The OIP further alleges that on May 4, 2017, the United States Attorney filed a criminal indictment against Gill in *United States v. Jaswant Gill*. *Id.*, §II.B.5. The indictment charged Gill with defrauding investors and obtaining money and property by means of materially false and misleading statements in connection with the same offering fraud and Ponzi scheme underlying the Commission’s civil action. *Id.* Count One of the indictment charged Gill with engaging in a conspiracy to commit wire fraud against investors in JSG Capital Investments through material misstatements, and concealing material facts and a fraudulent scheme. *Id.* Counts Two through Fourteen of the indictment charged Gill with thirteen separate acts of wire fraud carried out in the fraudulent scheme. *Id.*

On August 28, 2017, Gill pled guilty to the thirteen counts of wire fraud in violation of Title 18 United States Code, Section 1343, in *United States v. Jaswant Singh Gill*. *Id.*, §II.B.4. On October 15, 2018, a judgment in this criminal case was entered against Gill. The court sentenced Gill to a prison term of 130 months followed by three years of supervised release and ordered Gill to make restitution in the amount of \$4,577,370. *Id.*

Gill’s Application to Plead Guilty included a hand-written statement in which he admitted taking \$250,000 from investor “A.B.” on August 13, 2015 under the pretense of investing it in a fixed index portfolio, but secretly using the money to pay earlier investors and personal expenses; and similarly taking \$20,000 from investor “RM” on May 12, 2015 under the same pretense and

using it for the same purposes. *Id.* Criminal Docket No. 56 at 10 (attached as Appendix 1). Gill further admitted causing the eleven wire transfers alleged in Counts Four through Fourteen of the indictment to investor “RM.” *Id.* “RM” believed that these payments were his fixed rate return on investment, but the money actually came from later investors. *Id.* Although Gill admitted his guilt under Counts Two through Fourteen of the Indictment, Gill’s actual fraudulent conduct was broader than his statement, as reflected in the SEC’s district court complaint against him.

In particular, the complaint alleges that Gill and co-defendant Javier Rios made \$4.2 million in Ponzi-like payments to investors. Complaint, ¶ 5. During the scheme, Gill received over a million dollars in investor money. *Id.* Only \$844,000 of the nearly \$10 million raised from investors was actually invested. *Id.*, ¶¶ 38-39. Gill received \$289,131 into his personal accounts or through cash withdrawals. *Id.*, ¶ 42. Gill received another \$800,000 in cash of benefits through ATM withdrawals and debits to a prepaid expense card for trips to Las Vegas casinos, gentlemen’s clubs, professional sporting events, high-end hotels and luxury stores. *Id.*, ¶ 43. Together with co-defendant Rios, Gill diverted or misappropriated a total of \$6.1 million.

### **III. Legal Argument**

#### **A. Section 203(f) Relief Is Appropriate Based Upon Gill’s Default.**

Rule 220(f) of the Commission’s Rules of Practice provides that if a “respondent fails to file an answer... within the time provided, such person may be deemed in default pursuant to Rule 155(a).” 17 C.F.R. § 201.220(f). In turn, Rule 155(a) of the Commission’s Rules of Practice allows the Commission to “determine the proceeding against [a respondent] upon consideration of the record, including the order instituting proceedings, *the allegations of which may be deemed to be true.*” 17 C.F.R. § 201.155(a)(emphasis added).

On January 28, 2020, the Commission issued the Order to Show Cause finding that Gill failed to respond to the OIP within the specified twenty days. That Order gave Gill until March 13, 2020 to submit a response to prison officials, otherwise Gill would be in default. The Division has

not received any response from Gill, and therefore moves for findings and remedies by default in accordance with the deadline specified in the Order to Show Cause.

The Commission may impose remedial sanctions under Section 203(f) if a respondent is the subject of a permanent court injunction prohibiting conduct associated with the purchase or sale of a security or from performing certain actions in connection with the securities industry. 18 U.S.C. § 80b-3(e)(4). As alleged in the OIP, the facts of which are deemed true upon Gill's default, the district court entered injunctions in September 2017 against Gill's continuing violations of Section 17(a) of the Securities Act, Section 10(b) and Rule 10b-5 of the Exchange Act and Section 206(1) and (2) of the Advisers Act, and those injunctions constitute a basis for remedial relief under Section 203(f) against Gill. OIP, §II.B.2.

Gill was also an investment adviser, or at a minimum, associated with an investment adviser during his misconduct. Section 202(a)(11) of the Advisers Act defines an "investment adviser" to include any person who, for compensation, engages in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing, or selling securities. 18 U.S.C. § 80b-2(a)(11). The OIP alleges that from 2013 through 2016, JSG Capital Investments, LLC and JSG Capital, LLC held themselves out as investment advisers. OIP, §II.A.1. JSG Capital Investments and JSG Capital were therefore in the business of being investment advisers. *See In the Matter of Alexander v. Stein*, Release No. IA - 1497, 59 S.E.C. Docket 1115, 1995 WL 358127 (June 8, 1995).

The OIP also alleges that Gill was the chief executive officer of JSG Capital Investments and JSG Capital. OIP, §II.A.1. Gill's status as the chief executive officer of both entities supports a finding that he was both an adviser and a person associated with an adviser. *See SEC v. Haligiannis*, 470 F. Supp. 2d 373, 378-79, 383 (S.D.N.Y. 2007) (CEO and president of investment adviser firm who made all investment decisions for the firm held to be an investment adviser himself); *In the Matter of Lawrence Allen DeShetler*, Investment Advisers Act Release No. 5411, Commission Opinion at 4 (Admin. Proc. File No. 3-18854 Nov. 21, 2019) (holding that person

who is an adviser is also a person associated with an adviser). Gill's receipt of money from bank accounts under his control establishes his receipt of compensation as an adviser or associated person. *See In the Matter of Alexander v. Stein*, 59 S.E.C. Docket 1115, 1995 WL 358127.

As another independent basis for relief, the OIP alleges that a district court entered a criminal judgment against Gill in October 2018 on thirteen counts of wire fraud. OIP, §II.B.4. Section 203(f) of the Advisers Act provides that the Commission may take remedial action – including censures, limitations, suspensions or bars – upon any person who was convicted of certain specified offenses if the person was an investment adviser or associated with an investment adviser at the time of the alleged misconduct. 18 U.S.C. § 80b-3(f). One of the specified offenses for which the Commission may impose remedial action is a violation of the wire fraud provisions in 18 U.S.C. § 1343. 18 U.S.C. § 80b-3(e)(2)(D). Based on the OIP's allegations, the Commission should therefore find that Gill committed a specified offense under Section 203(f) within the previous ten years and while serving as an investment adviser or person associated with an investment adviser. *Lawrence Allen DeShetler*, Commission Opinion at 4. The Division has therefore established the propriety of remedial action against Gill under Section 203(f). *Lawrence Allen DeShetler*, Commission Opinion at 4 (finding remedial action appropriate under Section 203(f) against associated person found guilty of mail fraud).

#### **B. The Commission Should Impose Permanent Bars Against Gill.**

To determine whether remedial relief is in the public interest, the Commission considers “the egregiousness of the respondent's actions, the isolated or recurrent nature of the infraction, the degree of scienter involved, the sincerity of the respondent's assurances against future violations, the respondent's recognition of the wrongful nature of his conduct, and the likelihood that the respondent's occupation will present opportunities for future violations.” *Lawrence Allen DeShetler*, Commission Opinion at 4 (citing *Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979), *aff'd on other grounds*, 450 U.S. 91 (1981)). Gill's misconduct was egregious, involved a high degree of scienter and was recurrent. First, Gill's wire fraud conviction involved a specific

intent to defraud. See *United States v. Frey*, 42 F.3d 795, 797 (3d Cir. 1994) (holding that wire fraud involves the same elements as mail fraud, except that communications are by wire); *United States v. Traxler*, 764 F.3d 486, 488 (5th Cir. 2014) (ruling that scienter is an element of mail fraud). Hence, Gill necessarily acted with a high degree of scienter. *Id.*

Second, Gill engaged in repeated misconduct. His guilty plea and criminal conviction involved thirteen counts of wire fraud and two clients. Gill's guilty plea statement included his acknowledgement of conduct consistent with a Ponzi scheme by using newly received investor money to make payments to earlier investors.

In addition to the conduct covered by Gill's guilty plea, the civil complaint describes Gill's participation in a much larger fraudulent scheme. Whereas the guilty plea covered two clients, the complaint, which was deemed true based upon his default, describes the entire Ponzi scheme in which he raised nearly \$10 million. Complaint, ¶¶ 5, 38-40. Additionally, Gill received over \$1 million in misappropriated investor money that Gill used for his lavish lifestyle. *Id.*, ¶¶ 42-43. All told, Gill participated in the diversion or misappropriation of \$6.1 million. *Id.*, ¶ 41.

Gill's deception of advisory clients and misappropriation of investor money for his personal benefit constitutes an egregious violation of the securities laws, and his breach of fiduciary duties to clients involved a high degree of scienter. *Lawrence Allen DeShetler*, Commission Opinion at 4-5 (finding analogous conduct of deceiving investors and misappropriating funds to be egregious and recurrent conduct that warranted permanent bars). The two factors of assurances against future violations and recognition of his misconduct also favor permanent bars. Gill's failure to respond to the OIP, as well as his failure to respond to the civil complaint, indicate a failure to provide an assurance against future violations. *Id.* at 5. Although Gill's guilty plea does reflect a recognition of misconduct, that plea did not address the entirety of his fraud, as set forth in the SEC's complaint. Additionally, Gill's apparent knowledge of the financial industry presents the risk that he could once again be in a position to harm investors. As a result, it is in the public interest under the relevant factors for the Commission to bar Gill from

association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization pursuant to Section 203(f) of the Advisers Act. *Id.* at 5-6 (permanently barring DeShetler).

#### **IV. Conclusion**

For the foregoing reasons, the Division of Enforcement respectfully requests that the Commission make findings and impose remedial sanctions, by default, upon Gill.

Dated: March 25, 2020

/s/ John S. Yun  
John S. Yun, Trial Counsel  
Ruth L Hawley, Staff Attorney  
Counsel for the  
Division of Enforcement



# APPENDIX 1

E-filing

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

No. 16-CR -00219- JSW

Plaintiff,

APPLICATION FOR PERMISSION TO  
ENTER PLEA OF GUILTY AND ORDER  
ACCEPTING PLEA

v. JASWANT SINGH GILL

(Fed. R. Crim. P., Rules 10 and 11)

Defendant.

The defendant represents to the Court:

1. My full true name is Jaswant Singh Gill. I am 49 years of age. I have gone to school up to and including high school + 3 years of college. My most recent occupation has been self-employed at JSG Capital. I request that all proceedings against me be in my true name.

2. I am represented by a lawyer; his/her name is Darlene Bagley Comstedt.

3. I received a copy of the indictment/information (as used in the Application the term indictment includes information) before being called upon to plead. I have read the indictment or a translator who speaks n/a read it to me, and I have discussed the indictment with my lawyer.

I fully understand every charge made against me. I understand these charges to be:  
Count One: Conspiracy to Commit Wire Fraud in violation of 18 U.S.C. Section 1349; and  
Counts Two through Fourteen: Wire Fraud in violation of 18 U.S.C. Section 1343.

United States District Court

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4. I have told my lawyer all the facts and circumstances known to me about the charges made against me in the indictment. I believe that my lawyer is fully informed on all such matters.

5. I know that the Court must be satisfied that there is a factual basis for a plea of "GUILTY" before my plea can be accepted. I represent to the Court that I did the following acts in connection with the charges made against me in Counts  
See attached pages.

(In the above space defendant must set out in detail in his/her own handwriting what he/she did. If more space is needed, add a separate page.)

6. My lawyer has counseled and advised me on the nature of each charge, all lesser included charges, all penalties and consequences of each charge, all possible defenses that I may have in this case and the constitutional rights I am waiving.

- 7. I understand that my constitutional rights are as follows:
  - (a) the right to a speedy and public trial by jury;
  - (b) the right to see all of the evidence against me and to hear all witnesses called to testify against me and to have my attorney cross-examine them;
  - (c) the right to use the power and process of the court to compel the production of any evidence, including the attendance of any witnesses in my favor;
  - (d) the right to the assistance of a lawyer at all stages of the proceedings including trial and appeal and if I cannot afford one, to have the court appoint one to represent me without cost to me or based upon my ability to pay;
  - (e) the right to remain silent or to take the witness stand at my sole option and if I do not take the witness stand, no inference of guilt may be drawn from such failure and the jury must be so advised;
  - (f) the right against self-incrimination;
  - (g) the right to appeal from an adverse judgment;
  - (h) the right to appeal my sentence without any limitation contained in my plea agreement.

United States District Court

For the Northern District of California

1 8. I know that I may plead "NOT GUILTY" to any offense charged against me and  
2 exercise all of my rights as listed above.

3 9. I know that if I plead "GUILTY" I am giving up all of the rights enumerated in  
4 paragraph 7 and that there will be no trial either before a court or jury.

5  
6 10. I know that if I plead "GUILTY" the result of my plea is more than just an admission  
7 or confession of guilt and that it will result in my conviction, and that further, the court may impose  
8 the same punishment as if I had pleaded "NOT GUILTY," stood trial and been convicted by a jury.

9 11. My lawyer has discussed with me the maximum and minimum, if any, punishments  
10 which the law provides and the various provisions of the Sentencing Guidelines that may apply to  
11 me. I understand that the maximum punishment for the offense(s) charged in Count(s)

12 2-14 of the indictment is 20 years of imprisonment, a fine of  
13 \$ \$250,000, and a period of 3 years supervised release. I understand that  
14 there is a mandatory minimum punishment of n/a years imprisonment for the offense(s)  
15 charged in Count(s) n/a. I also understand that the minimum period of supervised  
16 release which the court may impose is n/a (if applicable) and that if I violate any  
17 condition of supervised release the release may be revoked and I may be sentenced to all or a part of  
18 the term of supervised release imposed in addition to any other term of imprisonment which I have  
19 received.

20 I understand that I may be assessed the costs of confinement and/or supervision. I understand  
21 that I must pay a penalty assessment of \$100.00 per count to which I plead (or \$25.00 in the case of  
22 misdemeanor counts). I understand that I may be ordered to pay restitution in an amount determined  
23 by the court.

24 I know that the sentence I will receive is solely a matter within the control of the Judge. I  
25 understand that the Judge will make no decision regarding my sentence until the Judge has read and  
26 considered the pre-sentence investigation report prepared and submitted to the court by the Probation  
27 Department.

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United States District Court

For the Northern District of California

1 I also understand that the court and counsel cannot promise what sentence or sentencing  
2 range will be set and that these calculations will depend upon the Sentencing Guidelines as they  
3 apply to me. I have been advised that the court may sentence within the guideline range determined  
4 by the Probation Department or may depart upward or downward from the range. However, no  
5 promises have been made to me as to the range or departure.

6 12. If I am on probation, supervised release or parole in this or any other court, I know  
7 that by pleading guilty here my probation, release or parole may be revoked and I may be required to  
8 serve time in that case, which may be consecutive, that is, in addition to any sentence imposed upon  
9 me in this case.

10 13. I declare that no officer or agent of any branch of government (federal, state or local)  
11 has promised or suggested that I will receive a lighter sentence, or probation, or any other form of  
12 leniency, nor have any other promises been made if I plead "GUILTY," except as stated in the Plea  
13 Agreement I have signed, stated on the record in my entry of plea or as follows: None.

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16 **(In the space above insert any promises or concessions made to the  
defendant or to his/her attorney.)**

17 If anyone else made such a promise or suggestion, except as noted in the previous sentence, I know  
18 that person had no authority to do it. No one has forced or coerced me into entering this plea. My  
19 willingness to plead guilty (does) (does not) result from prior discussions between my attorney and  
20 the government's attorney. (If it does, state any factors that influenced you that are not reflected in  
21 the plea agreement.)

22 n/a  
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26 14. I believe that my lawyer has done all that a lawyer could do to counsel and assist me,  
and I am satisfied with the advice and help he/she has given me.

27 15. I know that the court will not permit anyone to plead "GUILTY" who maintains  
28 he/she is innocent and, with that in mind and because I am "GUILTY," I respectfully request the

United States District Court

For the Northern District of California

1 court to accept my plea of "GUILTY" and to have the clerk enter my plea of "GUILTY" as follows:           
2 GUILTY as to Counts Two through Fourteen of the Superseding Indictment.

3 \_\_\_\_\_  
4 \_\_\_\_\_ 16. My mind  
5 is clear. I am not under the influence of alcohol or drugs and I am not under a doctor's care. The  
6 only drugs, medicines or pills that I took within the past seven days are:  
7 high blood pressure medication.

8 \_\_\_\_\_  
9 \_\_\_\_\_  
10 (If none, so state.)

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12 17. I OFFER MY PLEA OF "GUILTY" FREELY AND VOLUNTARILY AND OF  
13 MY OWN ACCORD AND WITH FULL UNDERSTANDING OF ALL THE MATTERS SET  
14 FORTH IN THE INDICTMENT AND IN THIS APPLICATION AND IN THE  
15 CERTIFICATE OF MY LAWYER WHICH IS ATTACHED TO THIS APPLICATION. IN  
16 OFFERING MY PLEA OF "GUILTY" I FREELY AND VOLUNTARILY WAIVE (give up)  
17 THE CONSTITUTIONAL RIGHTS GUARANTEED TO ME AS STATED IN PARAGRAPH  
18 7 ABOVE.

19 18. I waive the reading of the indictment in open court, and I request the court to enter my  
20 plea of "GUILTY" as set forth in Paragraph 15 of this application.

21 19. I understand that all of the above statements will be made in open court under oath  
22 and that any false statements may be used against me in a prosecution for perjury or false statement  
23 which is a felony.

24 20.   X   I am proficient enough in English to read the above and have read and fully  
25 understand it.

26 \_\_\_\_\_ I am not proficient enough in English. I speak and understand  
27 \_\_\_\_\_ which is my native language. The above was read to me in  
28 \_\_\_\_\_ and I fully understand it.

United States District Court

For the Northern District of California

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Signed by me in open court in the presence of my attorney this date: 8/1/17



Defendant's Signature

n/a

**INTERPRETER CERTIFICATION**

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I, \_\_\_\_\_, hereby certify that I am a duly \_\_\_\_\_  
\_\_\_\_\_ interpreter in the English and \_\_\_\_\_ languages and that  
I read all of the above to the defendant, that he/she stated he/she fully understood it, and I am  
satisfied that his/her answer is true and correct.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Interpreter's Signature

United States District Court

For the Northern District of California



**CERTIFICATE OF COUNSEL**

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United States District Court  
For the Northern District of California

The undersigned, as lawyer and counselor for the defendant Jaswant Singh Gill

\_\_\_\_\_, hereby certifies:

1. I have read and fully explained to the defendant and believe he/she fully understands the allegations contained in the indictment of this case, the defenses he/she may have to each and every one of the allegations and the consequences of a plea of "GUILTY," including the pertinent Sentencing Guidelines provisions and maximum and minimum penalties.

2. I believe the defendant fully understands the constitutional rights he/she is waiving and that by entering a plea of "GUILTY" he/she is waiving each and every one of those rights.

3. Nothing has come to my attention which causes me to believe that the defendant lacks the ability to understand anything contained in the attached application or that at the time of entering his/her plea he/she is under the influence of any drug or alcohol.

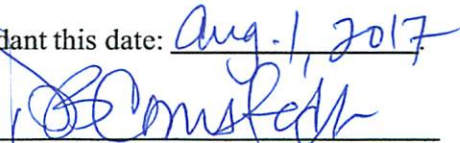
4. The plea of "GUILTY" offered by the defendant in Paragraph 15 accords with my understanding of the facts he/she related to me and is consistent with my advice to the defendant.

5. In my opinion the defendant's waiver of reading of the indictment in open court as provided by Rule 10 is voluntarily and understandingly made, and I recommend to the court that the waiver be accepted by the court.

6. Defendant has read the Plea Agreement she/he signed in the matter and I believe she/he fully understands it. I certify that no promises have been made to the defendant by the government or myself other than those contained in the Plea Agreement and if there are such other promises I must state them on the record before my client and the court.

7. In my opinion the plea of "GUILTY" offered by the defendant in Paragraph 15 of the application is voluntarily and understandingly made. I recommend that the court accept the plea of "GUILTY."

Signed by me in open court in the presence of the defendant above-named and after full discussion of the contents of this certificate with the defendant this date: Aug. 1, 2017

  
\_\_\_\_\_  
Attorney for the Defendant

United States District Court

For the Northern District of California

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**ORDER**

I find that:

1. The defendant enters this plea of guilty freely and voluntarily and not out of ignorance, inadvertence, fear or coercion.

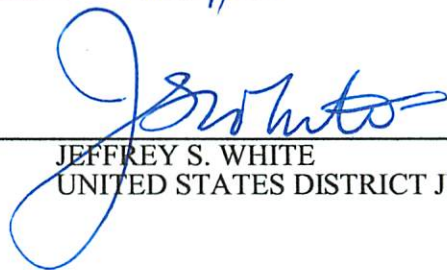
2. The defendant understands and knowingly, freely and voluntarily waives his constitutional rights.

3. The defendant freely and voluntarily executed the within Application and understands its contents.

4. The defendant has admitted the essential elements of the crime charged.

**IT IS THEREFORE ORDERED** that the defendant's plea of "GUILTY" be accepted and entered as prayed for in the Application and as recommended in the certificate of his lawyer.

Done in open court this date: 8/1/17



JEFFREY S. WHITE  
UNITED STATES DISTRICT JUDGE

In order to make the fixed rate and/or interest payments to JSG Capital investors, I would wire the investors the amount due to them from one of the JSG Capital bank accounts, specifically the BBVA Compass account which was opened in San Diego, California. Although Javier Rios is identified as the account holder and signatory for this JSG Capital account, I was the only individual who conducted the wire transfers.

The \$250,000 electronic payment made by A.B. on August 13, 2015, identified as Court Two was the result of A.B.'s belief that he was investing in JSG Capital's fixed index investment portfolio. Instead, unbeknownst to A.B., I used those funds to pay earlier investors' interest payments and for personal expenditures.

The \$20,000 electronic payment made by R.M. on May 12, 2015, identified as Court Three was the result of R.M.'s belief that he was investing in JSG Capital's fixed index investment portfolio. Instead, unbeknownst to R.M., I used those funds to pay earlier investors' interest payments and for personal expenditures.

Further, I admit that between June 15, 2015, and May 18, 2016 I caused the eleven (11) wire transfers identified in Courts Four through Fourteen to be made from the JSG Capital account at BBVA Compass Bank to the account belonging to R.M. at Union Bank. These transfers constituted interest rate payments to R.M. for what he believed to be payments for his fixed rate of return investment, but which in fact were payments funded by more recent investors.

Signed- *JA Delis*

The court has found that the defendant is not a person of good character and is not likely to be rehabilitated. The court has also found that the defendant is a danger to the community and that the public interest would be served by a term of imprisonment. The court has therefore sentenced the defendant to a term of imprisonment of 18 months.

The court has also found that the defendant is a person of good character and is likely to be rehabilitated. The court has also found that the defendant is not a danger to the community and that the public interest would be served by a term of probation. The court has therefore sentenced the defendant to a term of probation for 18 months.

The court has also found that the defendant is a person of good character and is likely to be rehabilitated. The court has also found that the defendant is not a danger to the community and that the public interest would be served by a term of probation. The court has therefore sentenced the defendant to a term of probation for 18 months.

18 months

**CERTIFICATE OF SERVICE**

I, John A. Stearns, hereby certify that a copy of the foregoing DIVISION OF ENFORCEMENT'S MOTION FOR THE ENTRY OF FINDINGS AND IMPOSITION OF REMEDIAL SANCTIONS BY DEFAULT AGAINST RESPONDENT JASWANT GILL was sent by email to APFilings@sec.gov and that a true and correct copy of the foregoing has been served by Express Mail on March 25, 2020, on the following person entitled to notice:

Jaswant Singh Gill

[REDACTED]

P.O. Box [REDACTED]  
Adelanto, CA [REDACTED]

/s/ John A. Stearns  
Paralegal Specialist