

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3148 / February 2, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14221

<p>In the Matter of</p> <p style="text-align:center">JACK W. LUNA</p> <p>Respondent.</p>

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS, PURSUANT SECTION 203(k) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS, AND IMPOSING 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 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”) against Jack W. Luna (“Luna” 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 or denying the findings herein, except as to the Commission’s jurisdiction over him 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 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing 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:

RESPONDENT

1. Luna, age 44, resides in Southlake, Texas. Luna was a registered representative with various FINRA broker-dealers from 2003 to 2009. He was employed as an advisory representative with Titan from March 2007 to August 2009.

FACTS

2. Titan Wealth Management, LLC (“Titan”) is a Texas corporation located in Plano, Texas, which was registered with the Commission as an investment adviser from July 2007 until its revocation in March 2010. Titan was registered as an investment adviser in the state of Texas from August 2004 to August 2007. During the relevant period, Titan was owned by Thomas Lester Irby II (“Irby”). *See In the Matter of Thomas Lester Irby II and Titan Wealth Management, LLC*, Admin. Proc. No. 3-13697 (March 29, 2010).

3. Irby formed Titan in 2004, and together they provided investment advice to individual clients, pension plans, and institutional clients. Prior to 2007, Titan primarily invested its clients’ money in exchange traded funds and mutual funds.

4. In March 2007, Luna joined Titan as an advisory representative. Shortly thereafter, Irby introduced Luna to an investment purportedly involving steeply discounted European mid-term notes (“MTNs”). Irby told Luna that Irby pooled investor funds to purchase either an entire MTN or a partial interest in an MTN. The terms of investment varied, but Irby told Luna that the MTN investment paid short term returns ranging from 10% to 50%. Irby told Luna that Titan did not receive any compensation or commissions from the purchase or sale of the MTNs and that the investments were low risk because they involved short term notes issued by established European banks.

5. Although Luna was initially skeptical about the risks and return on the MTN investment, Luna was reassured after Irby showed Luna information on Irby’s computer purportedly referencing the MTNs. Based on these representations from Irby, and without conducting any independent due diligence, Luna decided personally to invest, and recommended that several of his clients (including family members) invest, in the MTNs recommended by Titan.

6. Luna did not verify how the funds he and his clients had invested were being used. At some point, Luna became aware that money was being sent to a company controlled by Irby, but Luna did not verify that Irby was investing the funds as he represented he would (and how Luna represented to his clients). Once he and his initial clients received their principal and returns as promised, Luna recommended the MTN investment to additional clients, representing it to be low risk and comparing it to a certificate of deposit.

7. In January 2008, several of Luna’s clients failed to receive their promised returns of principal and interest. Luna questioned Irby about these delays, and was given several explanations, ranging from problems with the European Banks because of the credit crisis to a story that the funds were being held up by Homeland Security. Based on these explanations by Irby, Luna informed clients that funds from the sale of the MTNs were *en route*, and continued to recommend the investment to other clients without disclosing prior delays in the return of principal and returns.

8. On August 25, 2009, the Commission filed an emergency action in federal district court against defendants Titan, Irby and Point West Partners, LLC, and relief defendants Joseph

Romanow, David Romanow, Karen Bowie, France Michaud, Pegasus Holdings Group, Inc. and John J. Kim, to halt Irby's scheme and preserve assets for the benefit of investors. *See SEC v. Titan Wealth Management, LLC, et al.*, No 4:09-CV-418 (E.D. Tx.). On September 10, 2009, the court entered an agreed preliminary injunction against Titan, PWP and Irby, and issued orders imposing an asset freeze, allowing expedited discovery, and directing the defendants and relief defendants to preserve documents and provide accountings. Luna was not a party in this lawsuit.

9. In its complaint, the Commission alleged that Titan raised over \$3 million dollars from its clients for MTN investments, but that Irby did not pool investor funds to purchase an MTN or any interest in an MTN. Instead, the Commission alleged, Titan and Irby misappropriated or misapplied millions of dollars of investor funds, including the transfer of over \$1.7 million to the named relief defendants and \$859,001 to make Ponzi payments.

10. As a result of the conduct described above, Luna caused Titan's violations of Section 206(2) of the Advisers Act.

REMEDIAL EFFORTS

In determining to accept the Offer, the Commission considered remedial acts promptly undertaken by Respondent and cooperation afforded the Commission staff.

IV.

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

Accordingly, pursuant to Section 203(k) of the Advisers Act, it is hereby ORDERED that Respondent Luna shall cease and desist from committing or causing any violations and any future violation of Section 206(2) of the Advisers Act.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Cease-and-Desist Proceedings Pursuant to Section 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557

Eric R. Werner, Esq.
Michael S. Gunst, Esq.
Fort Worth Regional Office
Securities and Exchange Commission
Burnett Plaza, Suite 1900
801 Cherry Street, Unit 18
Fort Worth, TX 76102-8549

Mr. Jack W. Luna
c/o Spencer C. Barasch, Esq.
Andrews Kurth LLP
1717 Main Street, Suite 3700
Dallas, TX 75201

Spencer C. Barasch, Esq.
Andrews Kurth LLP
1717 Main Street, Suite 3700
Dallas, TX 75201
(Counsel for Respondent)