

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3183 / March 31, 2011**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14314**

**In the Matter of**

**PRINTZ CAPITAL  
MANAGEMENT, LLC,**

**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION  
203(e) OF THE INVESTMENT ADVISERS  
ACT OF 1940 AND NOTICE OF HEARING**

**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(e) of the Investment Advisers Act of 1940 (“Advisers Act”), against Printz Capital Management, LLC (“Respondent” or “Printz Capital”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A.     RESPONDENT**

1.       Printz Capital, located in Philadelphia, Pennsylvania, is a Delaware limited liability company formed in May 2006 and has been registered with the Commission as an investment adviser since September 19, 2006. Printz Capital is wholly controlled by Alfred Clay Ludlum III (“Ludlum”), who also controls a number of other business entities, including Printz Financial Group, Inc. and PCM Global Holdings LLC (together with Printz Capital, the “Printz Entities”). On March 30, 2009, Printz Capital filed an annual update to its Form ADV stating that it was no longer eligible to register with the Commission because it had 58 non-discretionary clients and \$4 million in assets under management, rather than 100 clients and \$30 million in assets under management as it had reported in its February 27, 2008 annual Form ADV. On March 4, 2010, Printz Capital filed an annual update to its Form ADV which again stated that it was no longer eligible to remain registered with the Commission, and stated that the firm had twenty non-discretionary accounts with \$5 million in assets under management. However, Printz Capital has never filed the required Form ADV-W as required by Rule 203A-2(d)(3) [17 C.F.R. § 279.2] under the Advisers Act.

## B. ENTRY OF THE INJUNCTION

2. On March 15, 2011, a final judgment was entered by default against Printz Capital, permanently enjoining it from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1), 206(2), 203A, 204, and 207 of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Alfred Clay Ludlum, III, et al., Civil Action No. 10-CV-7379, in the United States District Court for the Eastern District of Pennsylvania. The final judgment ordered Printz Capital, jointly and severally with the other Printz Entities, to pay \$735,617 in disgorgement, \$49,817 in prejudgment interest, and a civil penalty of \$735,617.

3. The Commission's complaint, filed on December 20, 2010, alleged that Printz Capital, acting through Ludlum, made fraudulent misrepresentations and material omissions to investors concerning unregistered offerings of equity and debt securities in the Printz Entities. Some of these investors were Printz Capital advisory clients. These investors were told that their funds would be used for working capital and to grow and operate the businesses of the Printz Entities. In fact, however, Ludlum used most of these funds to support his lifestyle, pay his personal expenses, and repay other investors. In addition, the Commission alleged that Printz Capital fraudulently obtained loans from one advisory client and transferred funds from three advisory client accounts to accounts controlled by Ludlum without those clients' consents.

4. The Commission's complaint further alleged that the Printz Entities, including Printz Capital, failed to register their securities offerings with the Commission, even though no exemption from registration applied. The complaint also alleged that Printz Capital remained registered with the Commission as an investment adviser when it was not eligible to be registered by falsely claiming that it had assets under management of \$25 million or more, when, in fact, Printz Capital never had more than \$10 million under management. In addition, Printz Capital willfully made untrue statements of material fact in its Forms ADV by falsely representing that it did not recommend securities to advisory clients in which it had an ownership interest when, in fact, Ludlum was recommending that his clients purchase securities offered by the Printz Entities. The complaint also alleged that Printz Capital failed to make available to the Commission complete and accurate records concerning its business in response to subpoenas and requests issued by the Commission staff.

## III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(e) of the Advisers Act.

#### IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

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

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 Administrative Proceedings Pursuant to Section 203(e) of the Investment Advisers Act of 1940 and Notice of Hearing ("Order"), on the Respondent.

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

Dean M. Conway, Esq.  
Division of Enforcement  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-4010

Printz Capital Management, LLC  
c/o Alfred Clay Ludlum, III  
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