

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3223 / June 27, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14314

In the Matter of

**PRINTZ CAPITAL
MANAGEMENT, LLC,**

Respondent.

**ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS
PURSUANT TO SECTION 203(e) OF THE
INVESTMENT ADVISERS ACT OF 1940**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest to enter this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 203(e) of the Investment Advisers Act of 1940 (“Advisers Act”), against Printz Capital Management, LLC (“Respondent” or “Printz Capital”).

II.

Following the institution of these proceedings on March 31, 2011, 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 it and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 203(e) of the Investment Advisers Act of 1940 (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

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.

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.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(e) of the Advisers Act that the registration of Respondent Printz Capital as an investment adviser be, and hereby is, revoked.

By the Commission.

Elizabeth M. Murphy
Secretary