

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3327 / November 30, 2011**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14650**

**In the Matter of**  
  
**Chetan Kapur,**  
  
**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 Chetan Kapur (“Respondent” or “Kapur”).

**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, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, 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. Chetan Kapur, age 36, is a citizen of India and a resident of New York. He is the founder and sole managing principal of Lilaboc, LLC, d/b/a ThinkStrategy Capital Management, LLC (“ThinkStrategy”). ThinkStrategy is a Delaware limited liability company formed in November 2002, with its principal place of business in New York, New York. ThinkStrategy serves as general partner and investment adviser to TS Multi-Strategy Fund, L.P. and TS Multi-Strategy Fund, Ltd. (“Multi-Strategy Fund”), and previously served as general partner and investment adviser to ThinkStrategy Capital Fund, L.P. and ThinkStrategy Capital Fund, Ltd. ThinkStrategy was never registered with the Commission.

2. On November 16, 2011, a judgment was entered by consent against Kapur, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled Securities and Exchange Commission v. Chetan Kapur, Civil Action Number 11-Civ-8094, in the United States District Court for the Southern District of New York.

3. The Commission’s complaint alleges that Kapur and ThinkStrategy, over nearly seven years, misrepresented to their investors various information concerning the funds’ investment performance, longevity, assets, and the credentials and experience of ThinkStrategy’s management team. The complaint further alleges that, with respect to the Multi-Strategy Fund, Kapur and ThinkStrategy misstated the scope and quality of their due diligence checks on portfolio managers and hedge funds selected for investment. Had ThinkStrategy adhered to its stated due diligence standards, the Multi-Strategy Fund may not have invested detrimentally in several hedge funds that were later revealed to be Ponzi schemes or other serious frauds.

#### IV.

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

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

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal adviser, transfer agent, or nationally recognized statistical rating organization.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (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.

By the Commission.

Elizabeth M. Murphy  
Secretary