

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3425 / June 27, 2012**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14929**

**In the Matter of**

**DREW K. BROWNSTEIN,**

**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 Drew K. Brownstein (“Brownstein” 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 Respondent consents to the Commission’s jurisdiction over him and the subject matter of these proceedings and 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. Brownstein, age 36, resides in Denver, Colorado. Brownstein founded Big 5 Asset Management, LLC ("Big 5"), a registered investment adviser and hedge fund management firm, in October 2008, and was its chief executive officer. Big 5 served as the investment adviser to multiple hedge funds (the "Big 5 Hedge Funds"). Prior to founding Big 5 in 2008, Brownstein was co-portfolio manager of the Cuadrar Partnership LLLP, an investment fund. Brownstein also previously worked as an investment banker for Donaldson, Lufkin & Jenrette and Credit Suisse First Boston.

2. On October 21, 2011, the Commission filed a civil action against Brownstein in SEC v. Peterson et al., Civil Action No. 11-CV-5448 (RPP) (S.D.N.Y.). On June 1, 2012, the Court entered an order permanently restraining and enjoining Brownstein, by consent, from future violations of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder.

3. The Commission's complaint alleged that, in connection with the purchase or sale of securities, Brownstein knew, recklessly disregarded, or should have known, that the material information that he received from Drew Peterson, a personal friend, in advance of the April 15, 2010 announcement that Apache Corporation had agreed to acquire Mariner Energy, Inc. ("Mariner") was disclosed or misappropriated in breach of a fiduciary duty, or obligation arising from a similar relationship of trust and confidence, and Brownstein is liable for his trading of Mariner securities for himself, his relatives, and for the Big 5 Hedge Funds, which he directly or indirectly caused to place trades.

4. On October 21, 2011, Brownstein pled guilty to one count of securities fraud in violation of 15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240.10b-5 and 18 U.S.C. § 2 before the United States District Court for the Southern District of New York, in United States v. Drew K. Brownstein, Case No. 1:11-CR-00904-RPP.

5. The count of the criminal information to which Brownstein pled guilty alleged, inter alia, that Brownstein willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails, and of the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ manipulative and deceptive devices and contrivances, by (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon other persons and entities in connection with the purchase and sale of Mariner stock.

#### 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 Brownstein be, and hereby is:

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

Any reapplication for association by 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 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 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 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 Order.

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

Elizabeth M. Murphy  
Secretary