

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 72290 / June 2, 2014

INVESTMENT ADVISERS ACT OF 1940
Release No. 3842 / June 2, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15900

In the Matter of

**JOHN J. BRAVATA,
RICHARD J. TRABULSY, and
ANTONIO M. BRAVATA,**

Respondents.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND SECTION 203(f) 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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against John J. Bravata (“John Bravata”), Richard J. Trabulsy (“Trabulsy”), and Antonio M. Bravata (“Antonio Bravata”) (collectively, “Respondents”), and pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against John Bravata and Trabulsy.

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. John Bravata, age 46, is formerly a resident of Brighton, Michigan, and is currently incarcerated at a federal prison in Loretto, Pennsylvania. During the period May 2006 through July 2009, John Bravata was a manager, co-founder, and the Chairman of BBC Equities,

LLC (“BBC Equities”), a purported real estate investment fund, and Bravata Financial Group, LLC (“Bravata Financial”), an unregistered life insurance and financial planning company. On October 3, 2008, Bravata Financial filed an application for registration as a broker-dealer with the Commission. Bravata Financial abandoned that application in December 2009. For a portion of the time in which John Bravata engaged in the conduct underlying the complaint and indictment described below, he was associated with and a co-owner of Strategic Institutional Consulting Group, LLC (“Strategic Consulting”), an investment adviser that was registered with the Commission from April 27, 2009 through July 30, 2009.

2. Trabulsy, age 31, is a resident of Troy, Michigan. During the period May 2006 through July 2009, Trabulsy was a manager, co-founder, and the Vice Chairman of BBC Equities and Bravata Financial. For a portion of the time in which he engaged in the conduct underlying the complaint and indictment described below, Trabulsy was associated with and a co-owner of Strategic Consulting.

3. Antonio Bravata, age 26, is formerly a resident of Brighton, Michigan, and is currently incarcerated at a federal prison in Schuylkill, Pennsylvania. For a portion of the time in which Antonio Bravata engaged in the conduct underlying the complaint and indictment described below, he was an employee of Bravata Financial.

B. ENTRY OF INJUNCTIONS AGAINST RESPONDENTS

4. On March 3, 2014, the court granted the Commission’s motion for summary judgment and entered a judgment permanently enjoining Respondents from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder in the civil action entitled Securities and Exchange Commission v. John J. Bravata, et al., No. 09-cv-12950, in the United States District Court for the Eastern District of Michigan.

5. The Commission’s amended complaint alleged that from May 2006 through July 2009, Respondents engaged in a fraudulent and unregistered securities offering that raised at least \$50 million from at least 440 investors in Michigan, Ohio and other states by selling BBC Equities securities. The Commission’s amended complaint further alleged that Respondents defrauded BBC Equities investors by, among other things, making misrepresentations about the use of investor funds; the risks associated with the investment; the purported compensation, commissions, and finder’s fees paid to them and others; and the true financial condition of BBC Equities. The amended complaint also alleged that Respondents acted as unregistered broker-dealers.

C. ENTRY OF THE RESPONDENTS’ CRIMINAL CONVICTIONS

6. On March 27, 2013, after a trial, a jury found John Bravata guilty of 14 counts of wire fraud, 18 U.S.C. § 1343, and one count of conspiracy to commit wire fraud, and found Antonio Bravata guilty of one count of conspiracy to commit wire fraud, in U.S. v. John Bravata, et al., 2:11-cr-20314 (E.D. Mich.)

7. On September 25, 2013, a judgment was entered in the criminal case against John Bravata. He was sentenced to 240 months in prison and ordered to pay approximately \$44.5 million in restitution. On October 10, 2013, a judgment was entered in the criminal case against Antonio Bravata. Antonio Bravata was sentenced to 60 months in prison and ordered to pay approximately \$7 million in restitution.

8. On January 14, 2014, Trabulsy pleaded guilty to one count of wire fraud, 18 U.S.C. § 1343, in U.S. v. Richard Trabulsy, 2:11-cr-20314 (E.D. Mich.). On April 15, 2014, a judgment was entered in the criminal case against Trabulsy. Trabulsy was sentenced to 45 months in prison and ordered to pay \$44,533,436 in restitution.

9. The counts of the superseding indictment on which Respondents were criminally convicted alleged, among other things that John Bravata, Trabulsy, and Antonio Bravata defrauded investors and engaged in wire fraud and/or conspiracy in connection with the fraudulent sale of the BBC Equities securities that were the subject of the Commission's amended complaint described in Paragraph 5 above.

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 hereof are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Section 15(b) of the Exchange Act;

C. What, if any, remedial action is appropriate in the public interest against John Bravata and Trabulsy pursuant to Section 203(f) 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 Respondents shall each 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 any of the Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, that 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 Respondents 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.

By the Commission.

Jill M. Peterson
Assistant Secretary