

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 74346 / February 20, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16397

In the Matter of

JUAN JOSE ALVAREZ DE LUGO
AZPURUA,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Juan Jose Alvarez De Logo Azpurua (“Alvarez De Lugo” 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 15(b) of the Securities Exchange Act of 1934 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. From approximately 2005 until January 2013, Alvarez De Lugo held himself out as the president of multiple successful businesses specializing in real estate development programs. Alvarez De Lugo regularly solicited and sold to numerous persons investments (*i.e.*, "Promissory Notes") in these businesses that promised a return of 20% per year. In fact, other than soliciting investors and selling these notes, Alvarez De Lugo performed no substantial other duties for his purported businesses. Alvarez De Lugo received at least \$2 million from 10 investors. Instead of investing the money as promised, Alvarez De Lugo compensated himself by spending the invested funds on his own personal expenses and enriched himself and relatives. After the funds had been spent, Alvarez De Lugo wrote a letter to the victims that falsely claimed payments were delayed because one of his companies needed an "investor/broker license" before the plan could be put into effect. As a result of this conduct, Alvarez De Lugo was engaged in the business of effecting transactions in securities for the accounts of others and acted as a broker-dealer. Alvarez De Lugo was a resident of Branford, Connecticut, and is currently incarcerated.

2. On September 18, 2013, Alvarez De Lugo pled guilty to one count of wire fraud before the United States District Court for the District of Connecticut, [United States v. Juan Jose Alvarez De Lugo Azpurua, No.3: 13 CR-00177] and on February 4, 2014 was sentenced to 48 months in prison.

3. The count of the criminal information to which Alvarez De Lugo pled guilty alleged, inter alia, that Alvarez De Lugo made materially false representations to investors, did not invest the money as promised, and spent investment money on his own personal expenses.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Alvarez De Lugo be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent.

barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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.

Brent J. Fields
Secretary