

ADMINISTRATIVE PROCEEDING
File No. 3-17354

SEC Charges San Jose-based Investment Adviser For Making False Statements in Private Offerings

July 21, 2016 – The Securities and Exchange Commission today announced that a San Jose-based investment adviser, its parent company, one of its principals, and its former CFO have agreed to settle charges that they solicited investments in unregistered offerings using materially misleading private placement memoranda.

An SEC investigation found that Concert Global Group Limited (“Concert Global”), Concert Wealth Management, Inc. (“Concert Wealth”), Felipe Luna, and Dennis Navarra raised approximately \$2.2 million from investors in unregistered private offerings of Concert Global’s stock between 2010 and 2013. In connection with the offerings, Concert Global provided investors with private placement memoranda that (1) significantly overstated Concert Global’s subsidiaries’ assets under management; (2) overstated Concert Global’s financial results, including reporting profits when Concert Global actually lost money; and (3) misrepresented or failed to disclose conflicts of interest arising from the use of offering proceeds to pay affiliated entities. No one at Concert Global made any efforts to comply with Commission’s registration requirements and Concert Wealth failed to implement adequate policies and procedures to ensure that possible conflicts of interest between various Luna-controlled entities were adequately disclosed.

The SEC’s order instituting settled administrative and cease and desist proceedings against Concert Global, Concert Wealth, and Luna finds that Concert Global violated Sections 5(a), 5(c), 17(a)(2), and 17(a)(3) of the Securities Act of 1933, that Concert Wealth violated Sections 206(2) and 206(4) of the of the Investment Advisers Act of 1940, and Rule 206(4)-7 thereunder, and that Luna violated Sections 5(a), 5(c), 17(a)(2), and 17(a)(3) of the Securities Act, Section 206(2) of the Advisers Act, and caused Concert Wealth’s violation of Section 206(4), and Rule 206(4)-7 thereunder. Without admitting or denying the findings, Concert Global and Concert Wealth agreed to pay, on a joint and several liability basis, a \$120,000 penalty, and Luna agreed to pay \$60,000 penalty. The SEC’s order also imposed a cease-and-desist order on Concert Global, Concert Wealth, and Luna, and a censure on Concert Wealth and Luna. In addition, the SEC’s order also requires Concert Wealth to continue to retain a compliance consultant to assess its policies and procedures concerning potential conflicts of interest.

The SEC’s order instituting settled administrative and cease and desist proceedings against Navarra finds that he violated Sections 5(a), 5(c), 17(a)(2), and 17(a)(3) of the Securities Act and aided, abetted, and caused Concert Wealth’s violation of Section 206(2) of the Advisers Act. Without admitting or denying the findings, Navarra agreed to a censure and a cease and desist order.

The SEC’s investigation was conducted by Rahul Kolhatkar and supervised by Jennifer J. Lee and Erin E. Schneider in the San Francisco Regional Office’s Division of Enforcement.

See also: [Order – Concert Global, Concert Wealth, and Felipe Luna](#)
[Order – Dennis Navarra](#)