

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4423 / June 15, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17295

In the Matter of

RICHARD W. DAVIS JR.,

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 Richard W. Davis, Jr. (“Respondent” or “Davis”).

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. Davis, acting through DCG ABF Management LLC ("DCG ABF") and DCG Funds Management ("DCG FM") served as the investment adviser to two unregistered investment companies: DCG Commercial Fund I, LLC ("Commercial Fund") and DCG Real Assets, LLC ("Real Assets"). He acted in this capacity from at least February 2008 through July 2015. Davis previously was registered as an associated person of a broker-dealer, holding Series 6, 26, and 63 licenses. Davis, 39 years old, is a resident of Charlotte, North Carolina.

2. On June 3, 2016, a judgment was entered by consent against Davis, permanently enjoining him from future violations of Sections 5 and 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled Securities and Exchange Commission v. Richard Davis, et al., Civil Action No. 3:16-cv-00285, in the United States District Court for the Western District of North Carolina.

3. The Commission's complaint alleged that while acting as manager of the Commercial Fund and Real Assets, Davis caused the funds to invest contrary to the private placement memoranda and engage in conflicted non-arms-length transactions with entities he owned. Further, it alleged that Davis directly or indirectly received for personal use a portion of the investor funds that exceeded the management fee he was entitled to. Additionally it alleged that he also provided the investors with speculative valuations of their respective investments. Finally, it alleged that he failed to register the securities offerings and sold the shares in a manner that did not qualify for a registration exemption.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Davis 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 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