

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 81330 / August 7, 2017**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4741 / August 7, 2017**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18102**

**In the Matter of**

**DONALD J. LESTER,**

**Respondent.**

**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,  
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”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Donald J. Lester (“Respondent” or “Lester”).

**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 paragraphs III.2. below, which are admitted, Respondent consents to the entry of this 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, 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. Lester is a resident of Colorado Springs, Colorado. During all times relevant to the Commission's complaint in the civil action entitled Securities and Exchange Commission v. Donald J. Lester, et al., Civil Action Number 1:15-cv-02301, in the United States District Court for the District of Colorado Lester was the manager of Rubicon Alliance, LLC ("Rubicon"), which in turn was the manager of CFI Fund, LLC ("CFI"), NuPower, LLC ("NuPower"), Equity Edge Preferred Income Fund I, LLC, Equity Edge, LLC, and Equity Edge Companies, LLC (collectively "the Equity Edge Funds"). Lester does not currently hold any securities licenses and is not currently associated with a registered investment adviser or a registered broker-dealer.

2. On July 26, 2017, a final judgment was entered by consent against Lester, permanently enjoining him from future violations of Sections 5(a), 5(c), 17(a)(2), and 17(a)(3) of the Securities Act of 1933 ("Securities Act"), Section 15(a) of the Exchange Act, and Sections 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. Donald J. Lester, et al., Civil Action Number 1:15-cv-02301, in the United States District Court for the District of Colorado.

3. The Commission's complaint alleged that Rubicon was the investment adviser to CFI, NuPower and the Equity Edge Funds. The complaint alleged that Lester, through his management of Rubicon, negligently caused CFI to purchase assets from another entity managed by Rubicon without consulting any third party or following any accepted valuation methodology in determining the price. The complaint further alleged that Lester failed to disclose potential conflicts of interest as to the transaction, and that his conduct contradicted representations in the CFI offering memorandum that any related transactions would be conducted on an arms-length, fair market value basis and that CFI would invest in cash flow-producing assets. The Commission alleged that this conduct violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder and Sections 17(a)(2) and (3) of the Securities Act. The complaint further alleged that Lester effected transactions in securities of two pooled investment vehicles in violation of Section 15(a) of the Exchange Act and that these securities were sold in unregistered transactions in violation of Sections 5(a) and (c) of the Securities Act.

### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Lester 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; and

pursuant to Section 15(b)(6) of the Exchange Act Respondent Lester be, and hereby is 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,

with the right to apply for reentry after five (5) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

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