

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 84018 / September 4, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18709

In the Matter of

DAVID S. LUTTBEG,

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 David S. Luttbeg (“Luttbeg” 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, 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 paragraph 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, 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. Luttbeg, age 42, resides in San Diego, California. From 2011 to 2014, he was an independent contractor of RMR Asset Management Company, a California entity that bought and sold new issue municipal bonds. During that time, Luttbeg was not an associated person of a registered broker-dealer.

2. On August 17, 2018, a final judgment was entered by consent against Luttbeg, permanently enjoining him from future violations of Section 15(a)(1) of the Exchange Act, in the civil action entitled Securities and Exchange Commission v. David S. Luttbeg, et al., Civil Action Number 3:18-cv-01895-AJB-JMA, in the United States District Court for the Southern District of California.

3. The Commission's complaint alleged that, from at least 2011 to 2014, Luttbeg purchased new issue municipal bonds in primary offerings from underwriters, which he then immediately sold, or "flipped" to broker-dealer customers for a profit. Luttbeg functioned as an unregistered broker by taking orders for bonds from broker-dealers who were unable to obtain those bonds directly, filling those orders with bonds he obtained from underwriters in new offerings, and receiving transaction-based compensation.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Luttbeg be, and hereby is suspended for twelve months from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

By the Commission.

Brent J. Fields
Secretary