

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
SECURITIES EXCHANGE ACT OF 1934
Release No. 86105 / June 13, 2019

INVESTMENT ADVISERS ACT OF 1940
Release No. 5252 / June 13, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19200

In the Matter of

HUGH DUNKERLEY,

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 Hugh Dunkerley (“Dunkerley” 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 admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraphs III.2 and III.4 below, and 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. Dunkerley was a Managing Director and registered representative of Burnham Securities, Inc., a broker-dealer previously registered with the Commission, from July 2013 through December 2015. He also served as an officer of BFG Socially Responsible Investing Limited, which was an indirect owner of Atlantic Asset Management LLC (“AAM”), and its predecessor, Hughes Capital Management, LLC (“Hughes”), each an investment adviser previously registered with the Commission. Dunkerley, 43, is currently a resident of Huntington Beach, California.

2. On May 28, 2019, in the civil action entitled Securities and Exchange Commission v. Galanis, 16 Civ. 3505 (WHP) (S.D.N.Y.), a judgment was entered by consent against Dunkerley, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. § 77q(a); Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5; and permanently barring him from acting as an officer or director of any issuer that has a class of securities registered under Section 12 of the Exchange Act, 15 U.S.C. § 78l, or that is required to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d), pursuant to Section 20(e) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2).

3. The Commission’s complaint alleged, inter alia, that in 2014 and 2015, Dunkerley engaged in a scheme to defraud investors by orchestrating the acquisition of AAM and Hughes, and using their respective client funds to purchase \$43 million of bonds issued by a Native American tribal entity, and then misappropriating the proceeds of such bond sales to benefit himself and his associates and their business ventures.

4. On June 13, 2017, Dunkerley pled guilty to criminal conduct relating to certain matters alleged in the complaint in this action. Specifically, in United States v. Dunkerley, 16 Cr. 371 (RA) (S.D.N.Y.), Dunkerley pled guilty to one count of conspiracy to commit securities fraud in violation of 18 U.S.C. § 371, two counts of securities fraud in violation of 15 U.S.C. § 78j (b) and 17 C.F.R. § 240.10b-5, one count of bankruptcy fraud in violation of 18 U.S.C. § 157, and one count of falsification of records to obstruct a government investigation in violation of 18 U.S.C. § 1519. Dunkerley is scheduled to be sentenced on March 8, 2019.

5. The counts of the Superseding Information to which Dunkerley pled guilty alleged, inter alia, that Dunkerley conspired with others to defraud the clients of AAM and Hughes by causing their clients’ funds to be invested in the tribal bonds without disclosing material facts to the clients, and by misappropriating the proceeds of those bond sales for his and others’ personal use.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Dunkerley'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 Dunkerley 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 and Section 203(f) of the Advisers Act, Respondent Dunkerley 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.

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.

Vanessa A. Countryman
Acting Secretary