

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. IA-5683 / February 11, 2021**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20222**

**In the Matter of**

**Derek Payne  
Burcham,**

**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 Derek Payne Burcham (“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, admits the findings contained in paragraph III.2 below, and 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. Derek Payne Burcham was registered as an investment adviser representative and was associated with a Kentucky-registered investment adviser from January 2012 through August 2016. Burcham, 37 years old, is a resident of Louisville, Kentucky.

2. On October 17, 2017, the Commissioner of the Kentucky Department of Financial Institutions issued a final order against Burcham in Commonwealth of Kentucky Department of Financial Institutions v. Cornerstone Benefit Advisors, LLC and Derek Burcham, Case No. 2016-AH-00023 (the “Kentucky Order”). The Kentucky Order, among other things, revoked Burcham’s registration as an investment adviser representative, ordered him to cease and desist from engaging in the securities business and from acting as an investment adviser representative in Kentucky, and ordered him, jointly and severally with his investment advisory firm, to pay a \$575,000 fine and \$830,126 in restitution.

3. The Kentucky Order found that from approximately January 2012 through August 2016, Burcham withdrew \$830,126 in excess advisory fees from his clients’ accounts and provided the clients with inaccurate account information. The Kentucky Order concluded that Burcham’s conduct, among other things, violated Kentucky law KRS 292.320(2), which prohibits an investment adviser from employing any device, scheme, or artifice to defraud a client or from engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the client.

#### IV.

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

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

Vanessa A. Countryman  
Secretary