

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 6729 / September 26, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-22204

In the Matter of

**BLACK DRAGON
CAPITAL, LLC, AND
BLACK DRAGON CAPITAL
INVESTMENT
MANAGEMENT, LLC A/K/A
BLACK DRAGON CAPITAL
INVESTMENT
MANAGEMENT, INC.,**

Respondents.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(e) 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(e) of the Investment Advisers Act of 1940 (“Advisers Act”) against Black Dragon Capital, LLC (“Black Dragon Capital”) and Black Dragon Capital Investment Management, LLC a/k/a Black Dragon Capital Investment Management, Inc. (“Black Dragon CIM”) (collectively “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have each submitted an Offer of Settlement (“Offers”) that 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 them and the subject matter of these proceedings and the findings contained in Section III, Paragraph 4 below, which are admitted, Respondents consent to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(e) 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 Respondents’ Offers, the Commission finds that:

1. Black Dragon Capital is a Florida for-profit company formed as Black Dragon Holdings, LLC in March 2013, with its principal place of business in Boynton Beach, Florida. Black Dragon Capital is engaged in the business of advising others as to the value of securities or the advisability of investing in, purchasing, or selling securities. It receives compensation for these services. On July 11, 2022, Black Dragon Capital filed a Form ADV with the Commission claiming to be an exempt reporting adviser because it was an adviser to private funds with assets under management of less than \$150 million. On April 1, 2024, Black Dragon Capital applied for registration as a mid-sized advisory firm in an umbrella Form ADV filing.

2. Black Dragon CIM is a Delaware limited liability company with its principal place of business in Boynton Beach, Florida. Black Dragon CIM is engaged in the business of advising others as to the value of securities or the advisability of investing in, purchasing, or selling securities. It receives compensation for these services. On September 22, 2022, Black Dragon CIM filed a Form ADV with the Commission claiming to be an exempt reporting adviser because it was an adviser to private funds with assets under management of less than \$150 million. On April 1, 2024, Black Dragon CIM filed a Form ADV with the Commission applying for registration as a large advisory firm.

3. On September 25, 2024, a final judgment was entered by consent against Respondents, permanently enjoining them from future violations of Section 203(a) of the Advisers Act, Section 204 of the Advisers Act and Rules 204(b)-1(a) and 204-2(a)(16) thereunder, Section 204A of the Advisers Act and Rule 204A-1 thereunder, and Section 206(4) of the Advisers Act and Rules 206(4)-1(a)(6), 206(4)-7, and 206(4)-8 thereunder, as set forth in the judgment entered in the civil action entitled *Securities and Exchange Commission v. Black Dragon Capital, LLC, et al.*, Civil Action Number 8:24-CV-81067-CANNON, in the United States District Court for the Southern District of Florida.

4. The Commission's complaint alleged that Respondents failed to register as investment advisers until April 2024, failed to file a report on the Commission's Form PF, violated the Commission's marketing rule through their use of certain performance data on their website, and included an unsupported performance figure on their website. The Commission's complaint further alleged that Black Dragon CIM included misleading performance data in marketing materials. The Commission's complaint also alleged that Black Dragon Capital and Black Dragon CIM failed to maintain certain books and records regarding performance data. Finally, the Commission's complaint alleged Black Dragon Capital and Black Dragon CIM failed to enforce their code of ethics, and violated the Commission's compliance rule by failing to enforce their compliance policies and procedures, and failing to conduct and document, in writing, an annual compliance review.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondents' Offers.

Accordingly, it is hereby ORDERED pursuant to Sections 203(e) of the Advisers Act, that Respondents are censured.

By the Commission.

Vanessa A. Countryman
Secretary