

SEC Enforcement Case Summary

RIA Failed to File Form ADV-W & Produce SEC Exam Document Requests

On January 10, 2025, the Securities and Exchange Commission (**SEC**) charged registered investment adviser (**RIA**), Touradji Capital Management LP, and its sole owner for failing to withdraw its registration notwithstanding the firm having less than \$90 million in regulatory assets under management (**RAUM**), thereby violating Section 203A of the Investment Advisers Act and Rule 203A-1 thereunder. In addition, the firm did not respond to requests for documents by the SEC Exam staff, thereby violating Section 204(a) of the Advisers Act.

According to the SEC's complaint, Touradji Capital registered and filed its initial Form ADV with the SEC on February 14, 2012. From February 2012 through September 2020, Touradji Capital filed Form ADV amendments with the SEC. In its Form ADV amendment filed March 30, 2020, Touradji Capital reported having approximately \$40 million in RAUM, and the firm reported having approximately \$52 million in RAUM in a Form ADV amendment filed September 29, 2020. On February 6, 2023, Touradji Capital terminated investment management agreements with its remaining advisory clients, and its RAUM dropped to \$0. The SEC noted that although Touradji Capital's RAUM was below \$90 million by March 30, 2020, if not sooner, the firm did not file a Form ADV-W withdrawing its SEC registration.

In a letter dated June 8, 2023, SEC Exam Staff requested that Touradji Capital produce for examination certain required documents. Touradji Capital failed to produce the requested documents to the Exam Staff, though Touradji Capital ultimately provided requested records in response to a subpoena served by the Division of Enforcement.

The firm agreed to pay a \$15,000 penalty to settle the case. In order to be eligible for SEC registration, an investment adviser generally must have at least \$100 million in RAUM. Assets may drop to \$90 million before an adviser is required to withdraw its registration. While the SEC can terminate the registration of an investment adviser that does not have requisite RAUM, it is important that RIAs effectively monitor their RAUM and promptly submit amendments to Form ADV when required. If an RIA is no longer eligible for SEC registration but continues to manage client assets, it will need to register with the appropriate state securities regulator, unless it meets an exemption from registration.

See Summary - <https://www.sec.gov/files/litigation/admin/2025/ia-6810.pdf>