

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

Investment Advisers Act of 1940  
Release No. 2503 / March 30, 2006

Securities Exchange Act of 1934  
Release No. 53569 / March 30, 2006

Administrative Proceeding  
File No. 3-12250

ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS INSTITUTED AGAINST  
GLOBAL CROWN CAPITAL, LLC, J&C GLOBAL SECURITIES INVESTMENTS, LLC,  
RANI T. JARKAS, AND ANTOINE K. CHAYA

On March 30, 2006, the Securities and Exchange Commission (“Commission”) instituted administrative and cease-and-desist proceedings against the managers of a San Francisco hedge fund charging them with fraudulently concealing the fund’s trading losses from investors. In the proceedings, the Commission’s Division of Enforcement (“Division”) alleges that the principals of Global Crown Capital, LLC (“Global Crown”), a securities broker and investment adviser, sent misleading account statements to investors in the Cogent Capital Management (“Cogent”) hedge fund that falsely inflated the fund’s performance.

In the Order Instituting Proceedings (“Order”), the Division alleges that within three months of Cogent’s 2003 inception, the fund experienced trading losses of over 20%. According to the Order, rather than disclose the losses to investors, fund managers Rani T. Jarkas (“Jarkas”) and Antoine K. Chaya (“Chaya”), both of San Francisco, added an unfunded “reserve” of over \$200,000 to Cogent’s balance. Jarkas and Chaya provided investors with quarterly account statements that used this additional sum to calculate the investors’ purported return on capital. Yet Jarkas and Chaya did not put any actual cash into the fund at that time. Nor did they disclose that the investment returns detailed in the account statements had been inflated by this unfunded “reserve” and did not reflect Cogent’s actual investment performance. As a result, according to the Order, the account statements sent to investors understated the fund’s actual trading losses by as much as 90%.

In the Order, the Division alleges that Global Crown and related entity J&C Global Securities Investments, LLC (“J&C”) willfully violated Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 (“Advisers Act”), and that Jarkas and Chaya willfully aided and abetted and caused the violations.

A hearing will be scheduled before an administrative law judge to determine whether the Division’s allegations are true and, if so, whether Global Crown, J&C, Jarkas, and Chaya should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 206(1) and 206(2) of the Advisers Act. The administrative law judge will also consider what, if any, remedial actions are appropriate and in the public interest pursuant to

Sections 203(e) and 203(f) of the Advisers Act and Sections 15(b)(4) and 15(b)(6) of the Securities Exchange Act of 1934. The Commission directed that the administrative law judge shall issue an initial decision in this matter no later than 300 days from the date of service of the Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.