

# Raymond J. Lucia, Sr. and His Company Settle with SEC

## **In the Matter of Raymond J. Lucia Companies, Inc. and Raymond J. Lucia, A.P. File No. 3-15006**

June 16, 2020. The Securities and Exchange Commission today announced that former registered investment adviser Raymond J. Lucia, Sr., and his former advisory firm, Raymond J. Lucia Companies, Inc. (RJL), have agreed to settle charges that they made misrepresentations concerning their investment strategy.

The SEC's order finds that from 2006 through 2010, Lucia attempted to generate new advisory clients for RJL through seminar presentations that promoted RJL's purported proprietary "Buckets of Money" strategy. The order finds that these presentations included slides that claimed to show "backtests" of how the strategy would have performed through a series of historical market conditions. The self-described "backtests" were presented as empirical proof that the Buckets of Money strategy provided income for life and growth of principal under difficult market conditions. The order finds that Lucia was responsible for the contents of the presentation, and was personally involved in preparing and reviewing the so-called "backtests." The order further finds that Lucia's presentation of the "backtests" omitted material information about the effects of certain assumptions, and failed to disclose that the "backtests" did not follow the strategy's periodic asset reallocation and that one "backtest" had no support for the numbers presented as the results.

The SEC's order finds that RJL violated the antifraud provisions of Section 206(1), 206(2) and 206(4) of the Investment Advisers Act of 1940 and Rule 206(4)-1 thereunder, and that Lucia willfully aided and abetted RJL's violations. The order requires Lucia and RJL to cease and desist from committing or causing future violations of the Advisers Act, imposes associational bars and an investment company prohibition against Lucia with a right to apply for reentry after three (3) years from an effective date of September 3, 2015, and imposes on Lucia a \$25,000 civil penalty. Lucia and RJL neither admit nor deny the findings in the order.

The SEC's investigation was conducted by Peter Del Greco of the Los Angeles Regional Office. The litigation was conducted by John Bulgozdy, Donald Searles, and Daniel Blau, and supervised by Amy Jane Longo. Bryan Bennett and John Kreimeyer conducted the SEC examination that prompted the investigation.