# SEC Sanctions Hedge Fund Advisory Firm For Improper Valuations of Illiquid Securities

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Returning to an enforcement priority repeatedly articulated over the years (for example, here, here and here), the SEC recently imposed sanctions on a registered investment advisory firm and two principals arising out of an alleged scheme to inflate the valuations of illiquid mortgage-backed securities held by private investment funds managed by the adviser. The SEC charged that the overvaluations improperly increased the management and performance fees collected by the adviser... Continue Reading