

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3044 / July 2, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13953

In the Matter of

**STEPHEN MICHAEL
ALEXANDER,**

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) 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(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Stephen Michael Alexander (“Alexander” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which 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 him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) 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 Respondent's Offer, the Commission finds that

1. Alexander was the President and Chief Executive Officer of Hartford Investments, Inc. ("Hartford"), an investment adviser. Alexander, 59 years old, is a resident of Villanova, Pennsylvania.

2. On March 16, 2010, Alexander pled guilty to two counts of wire fraud in violation of Title 18 United States Code, Section 1343 and one count of money laundering in violation of Title 18 United States Code, Section 1956 before the United States District Court for the Eastern District of Pennsylvania, in *United States v. Michael Alexander*, Crim. Information No. 2:10 CR-00038-TJS (March 16, 2010).

3. The counts of the criminal information to which Alexander pled guilty alleged, *inter alia*, that Alexander sought investors by falsely claiming that he operated Hartford as a hedge fund and that he further falsely claimed that he managed approximately \$300 million from approximately 28 clients, including \$17 million of his own money. Alexander offered to manage investors' funds in exchange for 10 percent of each investor's net profits. Alexander told investors that their money would be kept in separate accounts, when in fact he commingled their funds with other investor funds and his own funds. Alexander also sent out false statements to his clients showing that the value of their investments was consistently increasing. In reality, Alexander invested some funds in investments that lost money, and used much of the money for his own personal living expenses. In total, Alexander raised approximately \$12 million. As part of his plea, Alexander agreed to pay full restitution in the amount of \$7.5 million.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Alexander's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Alexander be, and hereby is barred from association with any investment adviser.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order;

and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions ("Order"), on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557

Deborah E. Siegel, Esq.
Philadelphia Regional Office
Securities and Exchange Commission
701 Market Street, Suite 2000
Philadelphia, PA 19106

Stephen Michael Alexander
c/o Jonathan Sobel, Esq.
1420 Walnut Street
Suite 1420
Philadelphia, PA 19102

Jonathan Sobel, Esq.
1420 Walnut Street
Suite 1420
Philadelphia, PA 19102
(Counsel for Stephen Mich