

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3620 / June 28, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15366

In the Matter of

BRION G. RANDALL,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
203(f) OF THE INVESTMENT ADVISERS
ACT OF 1940 AND NOTICE OF HEARING**

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 Brion G. Randall (“Respondent” or “Randall”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Randall was a registered representative from 1995 through 2002 and an investment adviser registered with the Texas State Securities Board (“TSSB”) from 2002 through 2003. 51 years old, Randall is a resident of the Federal Correctional Institution at Big Spring, Texas.

B. ENTRY OF THE INJUNCTION/RESPONDENT’S CRIMINAL CONVICTION

2. On October 5, 2009, an interlocutory judgment was entered by consent against Randall, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5

thereunder, and Sections 206(1) or 206(2) of the Investment Advisers Act in the civil action entitled *Securities and Exchange Commission v. Randall, et al.*, Civil Action Number 3:09-CV-01465-O, in the United States District Court for the Northern District of Texas, Dallas Division.

3. The Commission's complaint alleged that, in connection with the offer and sale of securities, Randall misused and misappropriated investor funds, falsely stated to investors that their funds were invested, sent out false account statements indicating that investors funds were fully invested and earning returns, and otherwise engaged in a variety of conduct which operated as a fraud and deceit on investors.

4. On May 18, 2010, Randall pled guilty to one count of mail fraud and one count of bank fraud in violation of Title 18 United States Code, Sections 1341 and 1344, respectively, before the United States District Court for the Northern District of Texas, in *United States v. Brion Randall*, Case No. 3:10-CR-117-O. On October 25, 2010, the court entered judgment in the criminal case against Randall. He was sentenced to a prison term of 180 months on each count of conviction, such terms to run concurrently, followed by two concurrent supervised release terms of three years. The court ordered Randall to make restitution in the amount of \$5,526,343.64.

5. The counts of the criminal information to which Randall pled guilty alleged, *inter alia*, that Randall defrauded investors and obtained money and property by means of materially false and misleading statements, that he used the United States mails to send false account statements, and that he caused commercial interstate carriers to deliver fictitious portfolio summaries to his victims.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary