

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 66634 / March 21, 2012**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3384 / March 21, 2012**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14808**

**In the Matter of**

**BRENDA A. ESCHBACH,**

**Respondent.**

**ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO SECTION 15(b) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
AND 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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Brenda A. Eschbach (“Eschbach” 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, Respondent consents to the Commission’s

jurisdiction over her and the subject matter of these proceedings and to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and 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. Eschbach, age 55, is a resident of Tustin, California. From May 2000 to August 2007, Eschbach was a registered representative associated with a broker-dealer and investment adviser registered with the Commission (“Adviser”). From September 2007 through August 2009, Eschbach was a registered representative associated with another broker-dealer. In addition, from September 2007 through November 2009, Eschbach was president and chief executive officer of Aventine Investment Services, Inc. (“Aventine”), an investment adviser registered with the Commission from September 13, 2007 through January 22, 2008.

2. On September 30, 2011, Eschbach pleaded guilty to Counts 1 and II of an Information alleging mail fraud in connection with a scheme to defraud investors in violation of Section 1341, Title 18, United States Code, and money laundering in violation of Section 1957, Title 18, United States Code, before the United States District Court for the Central District of California, in United States v. Brenda A. Eschbach, No. 8:10-cr-00017-JVS-1.

3. The counts of the criminal information to which Eschbach pleaded guilty alleged, inter alia, that she, knowingly and with the intent to defraud, devised, participated in, and executed a scheme to defraud investors as to material matters, and representations, and promises, and the non-disclosure and concealment of material facts; that she used the United States mail to carry out or attempt to carry out an essential part of her scheme; that she engaged in a monetary transaction that involved criminally derived property that had a value greater than \$10,000, and the property, in fact, derived from mail fraud; and that the transaction occurred in the United States.

4. On March 9, 2012, a final judgment was entered by consent against Eschbach enjoining her from future violations of Section 17(a) of the Securities Act of 1933, Sections 10(b) and 15(a) of the Exchange Act, Exchange Act Rule 10b-5, and Sections 206(1) and 206(2) of the Advisers Act in the civil action entitled U.S. Securities and Exchange Commission v. Brenda A. Eschbach, No. SACV-12-0244-AG (JPRx)(C.D.Cal.), in the United States District Court for the Central District of California.

5. The Complaint alleged that Eschbach, through Adviser and Aventine, breached the trust of her brokerage customers and investment advisory clients and engaged in fraud when she misappropriated over \$3 million from several of her customers at Adviser and from certain clients at Aventine, and concealed her misappropriation by, among other things, issuing and mailing false and misleading account statements to those clients. The Complaint also alleged that Eschbach effected transactions in securities without the knowledge of the broker-dealers with whom she was associated and outside their supervision or control.

#### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b) of the Exchange Act and Section 203(f) of the Advisers Act that Respondent Eschbach be, and hereby is, barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent; and barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer, or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by 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 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