

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 71676A / March 10, 2014

INVESTMENT ADVISERS ACT OF 1940
Release No. 3789A / March 10, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15777

In the Matter of

HENRY MORRIS,

Respondent.

**CORRECTED ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b)(6) OF
THE SECURITIES EXCHANGE ACT OF
1934, SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
AND RULE 102(e)(2) OF THE
COMMISSION'S RULES OF PRACTICE,
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)(6) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Henry Morris (“Respondent”). The Commission also deems it appropriate to issue an order of forthwith suspension of Respondent pursuant to Rule 102(e)(2) of the Commission’s Rules of Practice [17 C.F.R. § 201.102(e)(2)].¹

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 entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b)(6) of the Securities

¹ Rule 102(e)(2) provides in pertinent part: “Any . . . person who has been convicted of a felony or a misdemeanor involving moral turpitude shall be forthwith suspended from appearing or practicing before the Commission.”

Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, and Rule 102(e)(2) of the Commission's Rules of Practice, 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. Respondent, age 59, is incarcerated in New York State. From May 2003 through August 2008, Respondent was a registered representative associated with Searle & Co., a registered broker-dealer and investment adviser based in Greenwich, Connecticut. While working at Searle, he held Series 7 and 63 licenses. Respondent was admitted to practice law in the State of New York on June 20, 1979. Respondent was disbarred on November 22, 2010.

2. On March 19, 2009, the Commission filed a civil action against Respondent in the United States District Court for the Southern District of New York, SEC v. Henry Morris, et al., Civil Action No. 09-CV-2518. The Commission's complaint alleges, inter alia, that in connection with the sale of securities to the New York Common Retirement Fund ("Retirement Fund") and the investment of Retirement Fund assets in the purchase and sale of securities, Respondent knowingly engaged in a fraudulent scheme involving undisclosed kickback payments made by investment management firms to Respondent and others.

3. On November 22, 2010, Respondent pled guilty to a felony violation of the Martin Act, New York General Business Law § 352-c(6), before the Supreme Court of the State of New York, County of New York, The People of the State of New York vs. Henry "Hank" Morris, Indictment No. 25/2009. On February 17, 2011, a judgment of conviction in the criminal case was entered against Respondent. He was sentenced to a term of imprisonment of one and one-third years to four years and ordered to pay restitution in the amount of \$19,000,000.

4. On March 3, 2014, the United States District Court for the Southern District of New York entered, by consent, a final judgment against Respondent permanently enjoining him from future violations of Sections 17(a) of the Securities Act of 1933, 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and (2) of the Advisers Act.

IV.

In view of the foregoing, the Commission finds that Respondent has been convicted of a felony within the meaning of Rule 102(e)(2) of the Commission's Rules of Practice and 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)(6) of the Exchange Act and Section 203(f) of the Advisers Act that Respondent be, and hereby is (i) barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent; and (ii)

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 any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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.

It is hereby further ORDERED pursuant to Rule 102(e)(2) of the Commission's Rules of Practice that Respondent is forthwith suspended from appearing or practicing before the Commission.

By the Commission.

Jill M. Peterson
Assistant Secretary