

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 73186 / September 23, 2014

INVESTMENT ADVISERS ACT OF 1940
Release No. 3931 / September 23, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16156

In the Matter of

BLAKE RICHARDS,

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
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 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 Blake Richards (“Respondent” or “Richards”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Richards (CRD #4051402), 36 years of age, was a registered representative and investment adviser representative associated with LPL, a registered broker-dealer and investment adviser. He holds the Series 7, 63 and 65 securities licenses and resides in Buford, GA. Richards utilizes two d/b/a names, Blake Richards Investments and BMO Investments. Richards

was associated with Edward Jones from October 1999 until August 2004, with A.G. Edwards & Sons, Inc. from August 2004 to February 2007, with H&R Block Financial Advisors, Inc. (later acquired by Ameriprise Advisor Services, Inc.) from February 2007 to May 2009, and with LPL from May 2009 until May 3, 2013, when he was terminated by LPL.

B. ENTRY OF THE FINAL JUDGMENT OF PERMANENT INJUNCTION

2. On August 26, 2014, a final judgment was entered against Richards. The final judgment incorporated an earlier order of August 20, 2013, which by consent permanently enjoined Richards from future violations of Sections 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Blake B. Richards, Civil Action Number 1:13-cv-1729, in the United States District Court for the Northern District of Georgia.

3. The Commission's complaint alleged that, since approximately 2008, Richards misappropriated approximately \$2 million from at least six individuals who were his broker-dealer and investment advisor clients. At least two of the investors were elderly, and the majority of the misappropriated funds constituted retirement savings and/or life insurance proceeds from deceased spouses. When his clients informed Richards they had funds available to invest he instructed the investors to write out checks to one of two entities called "Blake Richards Investments" or "BMO Investments," both d/b/a entities used by Richards. Richards represented to the investors that he would invest their funds through his investment vehicle in life insurance, fixed income assets, variable annuities, or household-name stocks. After the transfers were made, Richards misappropriated the funds.

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 15(b) of the Exchange Act; and
- C. 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 as provided for in the Commission's Rules of Practice.

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.

Brent J. Fields
Secretary