

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 76160 / October 15, 2015

INVESTMENT ADVISERS ACT OF 1940
Release No. 4228 / October 15, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16903

In the Matter of

JASON A. MUSKEY,

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 Jason A. Muskey (“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 admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2. below, and consents 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. Muskey, age 39, is a resident of Moosic, Pennsylvania. From June 2006 through June 2014, he was a registered representative at and person associated with a broker-dealer and investment adviser registered with the Commission. Muskey was the owner and operator of Muskey Financial Services, an unregistered entity. He held Series 6, 7, 24, 26, 63, and 65 licenses.

2. On February 17, 2015, Muskey pled guilty to one count each of mail fraud, money laundering, and aggravated identity theft in violation of Title 18 United States Code, Sections 1341, 1956, and 1028A(a) before the United States District Court for the Middle District of Pennsylvania, in United States v. Jason A. Muskey, Criminal Action No. 3-CR-15-18. Muskey is awaiting sentencing.

3. The counts of the criminal information to which Muskey pled guilty alleged and Muskey admitted in a plea colloquy, among other things, that:

(a) From approximately January 2007 through May 2014, while operating Muskey Financial Services, Muskey conducted a Ponzi-like scheme that defrauded 26 advisory clients and brokerage customers (“Clients”) out of approximately \$2 million;

(b) Muskey knowingly devised a fraudulent scheme and artifice whereby he obtained funds from Clients by means of materially false and fraudulent pretenses, representations, and promises by telling Clients that he would invest their funds as they instructed, but instead misappropriated and converted the funds for his own use or to repay other Clients who he had defrauded;

(c) In furtherance of the scheme to defraud, Muskey forged Clients’ signatures on withdrawal forms or had Clients sign withdrawal forms under false pretenses in order to obtain checks on which he forged Clients’ signatures that he deposited into bank accounts under his control; and

(d) Muskey provided Clients with false quarterly account statements, some of which were sent through the United States mail, that misrepresented the value of Clients’ investments.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Muskey’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 Muskey be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Muskey be, and hereby is 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 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.

Brent J. Fields
Secretary