

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**January 25, 2008**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12935**

**In the Matter of**  
  
**Joseph A. Feron, Jr.**  
  
**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 Joseph A. Feron, Jr. (“Respondent” or “Feron”).<sup>1</sup>

**II.**

After an investigation, the Division of Enforcement alleges that:

**A.     RESPONDENT**

1.       From October 2003 through March 2005 Respondent operated two d/b/a’s, Castle Rock Trading Company (“Castle Rock Trading”) and the Global Prosperity Fund (“Global Prosperity Fund”), which were, respectively, an unregistered investment adviser and an unregistered investment company. Acting as an unregistered broker or dealer,

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<sup>1</sup> By order dated February 22, 2006, an administrative law judge dismissed without prejudice a prior administrative proceeding against Feron, which was based upon the entry of the injunction against him, due to the Division of Enforcement’s failure to serve Feron with the Order Instituting Proceedings. See Investment Advisers Act Release No. 2447 (November 25, 2005). The Commission thereafter ratified the actions taken resulting in the dismissal and authorized the institution of this proceeding.

Respondent offered for sale and sold securities of the Global Prosperity Fund. From monies held by the Global Prosperity Fund, Respondent compensated himself for his rendering of investment advice through Castle Rock Trading and his sales of securities. Respondent, age 44, lived in Castle Rock, Colorado, when he operated Castle Rock Trading and the Global Prosperity Fund and acted as an unregistered broker or dealer.

B. ENTRY OF AN INJUNCTION AND CONVICTION AGAINST RESPONDENT

2. On October 13, 2005, a final judgment was entered by default against Respondent, permanently enjoining him from future violations of Sections 5 and 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, Sections 203(a), 204, 206(1) and 206(2) of the Advisers Act and Rule 204-2 thereunder, and Sections 7(a) and 31(b) of the Investment Company Act of 1940 (“Investment Company Act”) in the civil action entitled Securities and Exchange Commission v. Joseph A. Feron, Jr. et al., Civil Action No. 05-CV-00621-WDM-BNB, in the United States District Court for the District of Colorado.

3. The Commission’s first amended complaint alleged that, from at least October 2003 through March 2005 Feron sold interests in the Global Prosperity Fund, an unregistered investment company managed by Castle Rock Trading, an unregistered investment adviser, to at least 35 investors from whom he raised at least \$2.8 million. The complaint further alleged that Feron misappropriated investor funds, falsely stated to investors that their funds were invested, sent out false account statements representing that investors were earning positive returns, and otherwise engaged in a variety of conduct that operated as a fraud and deceit on investors. The complaint also alleged that Feron offered to sell securities in unregistered transactions, failed to register Castle Rock Trading and the Global Prosperity Fund as an investment adviser and investment company, respectively, and failed to make the records of Castle Rock Trading and the Global Prosperity Fund available for inspection by Commission examiners.

4. On June 11, 2007, Respondent pled guilty to one count of mail fraud in violation of Title 18 United States Code, Sections 1341 and 1342 before the United States District Court for the District of Colorado in United States v. Joseph A. Feron, Jr., Case No. 06-cr-00455-EWN. On August 24, 2007, a judgment in the criminal case was entered against Respondent. He was sentenced to a prison term of 70 months followed by three years of supervised release and ordered to make restitution in the amount of \$2,172,783.13.

5. The count of the indictment to which Respondent pled guilty alleged, inter alia, that Respondent defrauded investors and obtained money and property by means of materially false and misleading statements, and that he used the United States mails to send false account statements.

### 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 are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act and 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.

By the Commission.

Nancy M. Morris  
Secretary