

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS  
Release No. 2635/May 6, 2015

ADMINISTRATIVE PROCEEDING  
File No. 3-16182

In the Matter of

PAUL EDWARD "ED" LLOYD, JR., CPA

ORDER DIRECTING BRIEFING  
ON CERTAIN ISSUES

The Securities and Exchange Commission (Commission) instituted this proceeding with an Order Instituting Proceedings on September 30, 2014. The hearing took place on March 19-20 and 23-25, 2015, in Charlotte, North Carolina. On May 1, 2015, the parties each filed a post-hearing brief. Responsive post-hearing briefs are due by May 29, 2015.

The initial post-hearing briefs either do not address or do not sufficiently address the issues numbered below. The parties are asked to address these issues as part of their responsive briefing due by May 29, 2015. Any argument on these subjects should be supported by controlling or persuasive precedent, particularly founded in Opinions of the Commission, the District of Columbia and Fourth Circuit Courts of Appeals, and the district courts within those Circuits.

1. Whether liability for fraud under the Investment Advisers Act of 1940 (Advisers Act) extends to activities outside the advisory relationship. This question should be analyzed separately as to Advisers Act Sections 206(1), 206(2), and 206(4), and the parties are asked to consider *SEC v. DiBella*, 587 F.3d 553, 569 (2d Cir. 2009), and *SEC v. DiBella*, No. 304-cv-1342, 2005 WL 3215899, at \*8 (D. Conn. Nov. 29, 2005), in addressing this issue.
2. The impact if any of *Russell W. Stein*, Securities Exchange Act of 1934 Release No. 47504, 2003 WL 1125746, at \*3-4 & n.5 (Mar. 14, 2003), on the alleged primary violations of Advisers Act Sections 206(1), 206(2), and 206(4).

SO ORDERED.

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Cameron Elliot  
Administrative Law Judge