

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3082/ September 10, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13996

In the Matter of	:	
	:	ORDER MAKING FINDINGS AND
STEVEN W. SALUTRIC	:	IMPOSING SANCTION BY DEFAULT
	:	

The Securities and Exchange Commission (Commission) issued an Order Instituting Proceedings (OIP), pursuant to Section 203(f) of the Investment Advisers Act of 1940 (Advisers Act), on August 5, 2010. Steven W. Salutric (Salutric) received the OIP on August 12, 2010. He is in default because he has not filed an Answer, participated in the prehearing conference held on September 7, 2010, or otherwise defended the proceeding. See 17 C.F.R. §§ 201.155(a), .220(f), .221(f). Based on these facts, I find the following allegations in the OIP to be true. See 17 C.F.R. § 201.155(a).

Findings and Conclusions

Salutric, fifty-one years of age, resides in Carol Stream, Illinois. Until December 2009, Salutric managed investment adviser clients of Results One Financial, LLC (Results One), located in Elmhurst, Illinois, a registered investment adviser during the relevant time period.

On January 8, 2010, the Commission filed a Complaint in the United States District Court for the Northern District of Illinois, in SEC v. Salutric, No. 1:10-cv-00115.

The Complaint alleged that Salutric, from at least 2007 through the present, acting as an investment adviser, misappropriated at least \$1.8 million from at least 17 of his clients to support businesses and entities linked to him and, as part of a Ponzi scheme, to make payments to other clients. The Complaint also alleged that in a particularly egregious example of Salutric's fraudulent conduct, Salutric misappropriated over \$400,000 from a 96-year old client who resides in a nursing home and suffers from dementia. The Complaint also alleged that Salutric misappropriated client funds by making unauthorized withdrawals from his clients' accounts at Charles Schwab & Co., Inc. (Schwab), which served as the custodian of client assets for Results One, through the use of forged client signatures on written withdrawal request forms transmitted

to Schwab. The Complaint also alleged that once Salutric illicitly withdrew client funds, he directed the funds to a number of entities related to Salutric including: approximately \$259,000 to two local restaurants (one of which is partially owned by Salutric); approximately \$610,000 to a film distribution company (Salutric previously co-produced a film with links to this company); and approximately \$321,000 to Salutric's church (Salutric is the treasurer and has signatory authority over the church's bank account). The Complaint also alleged that the clients were not aware that their funds were transferred to these entities. The Complaint also alleged that most, if not all, of the other misappropriated funds were used in a Ponzi-like fashion to pay other clients. Finally, the Complaint alleged that Salutric's conduct violated Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Exchange Act Rule 10b-5, Sections 206(1)-(2) of the Advisers Act, and Advisers Act Rules 204-2(a)(2) and (6).

On July 14, 2010, the court issued an agreed Partial Final Judgment against Salutric that permanently enjoined him from violations of Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5 and temporarily enjoined him from violations of Sections 206(1) and 206(2) of the Advisers Act. SEC v. Salutric, No. 1:10-cv-00115 (N.D. Ill.).

Legal Authority

Section 203(f) of the Advisers Act provides that, if it is in the public interest, the Commission shall take certain actions, including a bar from being associated with an investment adviser, as to someone who was associated with an investment adviser at the time the of the misconduct and who has been permanently or temporarily enjoined by a court from conduct as an investment adviser. See Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979). The Division recommends that Salutric be barred from association, which is appropriate under Steadman.

Order

I ORDER, pursuant to Section 203(f) of the Investment Advisers Act of 1940, that Steven W. Salutric is barred from association with any investment adviser.

Brenda P. Murray
Chief Administrative Law Judge