

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3240 / July 14, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14468

In the Matter of

ROBERT C. BROWN, JR.,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO 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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Robert C. Brown, Jr. (“Brown” or “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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Sections III.2 and III.4 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to 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. Since at least 2001, Brown has held himself out as an investment adviser while operating an unlicensed investment entity called Trebor Company. Brown was an investment adviser to his clients in that, for compensation, he engaged in the business of advising his clients as to the advisability of investing in, purchasing, or selling securities. Brown, age 58 years old, resides in Vallejo, California. He is not currently registered, nor was he ever registered, with the Commission.

2. On July 1, 2011, a final judgment was entered by consent against Brown, permanently enjoining him from future violations of Section 10(b) of the Securities Exchange Act of 1934 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. Robert C. Brown, Jr., et al., Civil Action Number C 08-03517 EMC, in the United States District Court for the Northern District of California.

3. The Commission's complaint alleged, inter alia, that Brown defrauded clients by means of materially false and misleading statements promising clients extraordinary returns on their investments, and that he misappropriated his clients' assets by taking for personal use assets to which he was not entitled.

4. On April 6, 2010, Brown pleaded guilty to one count of wire fraud in violation of Title 18 United States Code Section 1343 before the United States District Court for the Eastern District of California, in United States of America v. Robert Cephas Brown and Duane Allen Eddings, Criminal Action Number CR-S 09-0074 JAM.

5. The count of the criminal indictment to which Brown pled guilty alleged, inter alia, that Brown defrauded investors and obtained money and property by means of materially false and misleading statements, that he used wire and radio communication to falsely promise investors extraordinary returns on their investments, and that he misappropriated his clients' assets by taking for personal use assets to which he was not entitled.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Brown's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Brown 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.

By the Commission.

Elizabeth M. Murphy
Secretary