

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 69377 / April 15, 2013**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15276**

**In the Matter of**  
  
**David Affeldt,**  
  
**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934,**  
**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”) against David Affeldt (“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 Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, 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. Affeldt, 71 years old, is a tax preparer and an attorney admitted to the bar of the District of Columbia and a resident of Potomac, Maryland.
2. On April 5, 2013, a final judgment was entered by consent against Affeldt, permanently enjoining him from future violations of Sections 5(a) and 5(c) of the Securities Act of 1933 ("Securities Act"), and Section 15(a) of the Exchange Act in the civil action entitled Securities and Exchange Commission v. Inofin, Inc., et al., Civil Action Number 11-CV-10633, in the United States District Court for the District of Massachusetts.
3. The Commission's complaint alleged the following facts: Between its founding in 1994 and its involuntary bankruptcy in February 2011, Inofin, Inc. raised approximately \$110 million from investors by selling securities to investors. Neither Inofin, nor its securities offerings were ever registered with the Commission. Beginning in approximately 2003, Inofin's securities sales activities were supported by Affeldt. Originally an Inofin investor, in 2003 Affeldt became a commission-based sales agent for Inofin. Between 2003 and 2010, Affeldt had over one thousand clients for whom he provided tax advice, retirement planning, and tax preparation services. During his consultations with clients, Affeldt discussed the importance of setting aside money for retirement purposes. Clients would routinely ask Affeldt where they could put their money, and Affeldt would mention Inofin as an investment option for those who were looking for a fixed investment or set return. Affeldt told his clients that he was invested in Inofin and that he was receiving a 13% return and that they might receive as much as an 11% return. If his clients were interested, Affeldt provided them with the contact information for Inofin's President, Michael Cuomo, and suggested that they tell Cuomo that they were a client of Affeldt's when they called. Inofin then paid Affeldt a referral fee on each investor that originated from Affeldt. From 2003 through 2010, Inofin paid Affeldt over \$130,000 in investor-based commissions.

### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Affledt 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 is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization and 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 with the right to apply for reentry after 3 years to the appropriate self-regulatory organization, or if there is none, to the Commission.

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.

Elizabeth M. Murphy  
Secretary