UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 70126 / August 6, 2013

INVESTMENT ADVISERS ACT OF 1940
Release No. 3645 / August 6, 2013

INVESTMENT COMPANY ACT OF 1940
Release No. 30642 / August 6, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15409

In the Matter of **THOMAS GARY COOPER** **Respondent.**	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 15(b) OF THE SECURITIES EXCHANGE ACT OF 1934, SECTIONS 203(f) AND 203(k) OF THE INVESTMENT ADVISERS ACT OF 1940, AND SECTION 9(b) OF THE INVESTMENT COMPANY ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act"), Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act"), and Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act") against Thomas Gary Cooper ("Cooper" 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, which are admitted, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

Respondent

1. **Cooper**, age 58, resides in Houston, Texas. Cooper is the sole owner of Second Mile Wealth Management, Inc. From January 1993 until December 2007, Cooper was a registered representative with a firm that was registered as a broker-dealer and investment adviser. Cooper held Series 7, 63, and 65 licenses, and became a Certified Financial Planner in 2006.

Other Relevant Entity

2. **Second Mile Wealth Management, Inc.** ("Second Mile" or "SMWM") is a Texas corporation formed by Cooper on November 16, 2007. Second Mile was registered with the Commission as an investment adviser from January 07, 2008 until May 26, 2009, and with the Texas Securities Board from January 23, 2009 to May 26, 2009.

Facts

3. From January 1993 to December 2007, Cooper was employed as a broker-dealer and investment adviser representative. Near the end of 2007, Cooper convinced 17 of his customers to move their existing brokerage accounts to a different registered broker-dealer with Second Mile as the investment adviser on the accounts.

4. Second Mile maintained an omnibus trading account ("omnibus account") at the registered broker-dealer, which it used to place most of the trades on behalf of its advisory clients. The buying power of the omnibus account was based on the aggregate buying power of *all* Second Mile client accounts - including cash and margin accounts. However, because the omnibus account was not a client account, it was not subject to the broker-dealer's margin limits for client accounts, and possessed buying power in excess of the aggregate buying power of Second Mile's cash and margin client accounts.

5. Based on information contained in account opening forms, Second Mile's advisory clients: (1) had investment objectives that ranged from preservation of capital to speculation; (2) ranged in age from fifty to eighty years old (with the majority in their sixties); (3) had annual income ranging from $40 thousand to $1 million; and (4) had a net worth between $125,000 and $1 million. Although their net worth varied, almost all of Second Mile's clients indicated that their

level of investment experience was low. Finally, many of Second Mile's client accounts were retirement accounts.

6. In connection with establishing the advisory relationship, Second Mile provided each client with its Form ADV, which disclosed that Second Mile would: (1) emphasize continuous personal client contact in providing discretionary investment supervisory services; (2) work with its clients to identify their investment goals and objectives as well as their risk tolerance; and (3) manage each client's portfolio in accordance with his or her particular investment goals and objectives.

7. Second Mile's Form ADV stated that "Investment Strategies may include long-term buy and hold, short-term trading, short sales and option writing strategies." However, based on Cooper's oral representations and their prior dealings with Cooper, most of the clients believed that Cooper, through Second Mile, would continue to manage their accounts conservatively.

8. Second Mile's Form ADV also stated that "[t]ransactions for each client account generally will be effected independently, unless SMWM decides to purchase or sell the same securities for several clients at approximately the same time. SMWM may (but is not obligated to) combine or 'batch' such orders to obtain 'best execution' or to negotiate more favorable commission rates. SMWM will attempt to equally distribute differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions *will be averaged as to price* and will be allocated among SMWM's clients in proportion to the purchase and sale orders placed for each client account on any given day." (emphasis added)

9. Generally, Cooper traded in various securities (*i.e.*, day traded), and at the end of each trading day he zeroed out the omnibus account and allocated all profits, losses, and remaining securities to the Second Mile client accounts. Cooper was not consistent in how, or at what prices, he executed these allocations. Sometimes Cooper allocated all of the trades to one or a small group of accounts, while other times he allocated the trades among all of the accounts. In addition, sometimes Cooper allocated trades in a single security among client accounts at disparate prices. And, sometimes Cooper allocated profits to one account and losses to another – even though those purported profits and losses came from trading in a single security on a single day. Cooper's allocations were inconsistent with the disclosures in Second Mile's Form ADV.

10. Most of Second Mile's clients had been customers of Cooper for many years and implicitly trusted him. However, Cooper failed to explain to the clients how their accounts (both cash and margin) would be used in conjunction with Second Mile's omnibus account and the risks associated with such use. As a result, even though the clients received trade confirmations and monthly statements from Second Mile's broker-dealer, the clients did not understand the frequency or size of the trading undertaken by Cooper through the omnibus account, and therefore could not comprehend the associated risks.

11. Between January 2008 to April 2009, Cooper lost $7,847,688 day-trading on behalf of Second Mile's clients, and earned $48,300.23 in advisory fees.

12. As a result of the conduct described above, Cooper willfully violated Sections 206(1) and 206(2) of the Advisers Act, which prohibit an investment adviser from employing any device, scheme, or artifice to defraud any client or prospective client, and from engaging in any transaction, practice, or course of business that operates as a fraud or deceit upon any client or prospective client. In addition, Cooper willfully violated Section 207 of the Advisers Act, which prohibits any person from, among other things, willfully making any untrue statement of a material fact in any Form ADV (or amendment thereto) filed with the Commission.

Disgorgement and Civil Penalties

13. Respondent has submitted a sworn Statement of Financial Condition dated December 31, 2011 ("Sworn Financial Statement"), and other evidence, and has asserted his inability to pay disgorgement, plus prejudgment interest thereon, or a civil penalty.

IV.

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

Accordingly, pursuant to Section 15(b)(6) of the Exchange Act, Sections 203(f) and 203(k) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that**:**

A. Cooper cease and desist from committing or causing any violations and any future violations of Sections 206(1), 206(2), and 207 of the Advisers Act.

B. Cooper 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;

prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor or principal underwriter; and

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.

C. Any reapplication for association by Cooper 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 Cooper, 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.

D. Cooper shall pay disgorgement of $48,300.23, plus prejudgment interest of $5,502.75 thereon, but that payment of those amounts is waived based upon Cooper's sworn representations in his Sworn Financial Statement and other documents submitted to the Commission. Furthermore, based upon Cooper's Sworn Financial Statement and other documents, the Commission is not imposing a penalty against him.

E. The Division of Enforcement may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondent provided accurate and complete financial information at the time such representations were made; and (2) seek an order directing payment of disgorgement and pre-judgment interest and payment of the maximum civil penalty allowable under the law. No other issue shall be considered in connection with this petition other than whether the financial information provided by Respondent was fraudulent, misleading, inaccurate, or incomplete in any material respect. Respondent may not, by way of defense to any such petition: (3) contest the findings in this Order; (4) assert that payment of disgorgement and interest or that payment of a penalty should not be ordered; (5) contest the amount of disgorgement and interest to be ordered or the imposition of the maximum penalty allowable under the law; or (6) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

By the Commission.

Elizabeth M. Murphy
Secretary