

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3640 / July 31, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15402

In the Matter of

CHAUNCEY C. MAYFIELD
and MAYFIELDGENTRY
REALTY ADVISORS, LLC

Respondents.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTIONS 203(e) AND
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 Sections 203(e) and 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Chauncey C. Mayfield (“Mayfield”) and MayfieldGentry Realty Advisors, LLC (“MGRA”) (together, “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”) 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, Respondents consent to the Commission’s jurisdiction over them and the subject matter of these proceedings and to the entry of this Order Instituting Administrative Proceedings Pursuant to Sections 203(e) and 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 Respondents' Offers, the Commission finds that:

1. Mayfield is the president, CEO, and majority shareholder of MGRA, an investment adviser registered with the Commission since 2004. Mayfield, 56 years old, is a resident of Fort Lauderdale, Florida.

2. On July 2, 2013, a final judgment was entered by consent against Mayfield and MGRA, permanently enjoining them from future violations of Section 17(a) of the Securities Act of 1933, 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 United States Securities and Exchange Commission v. Kwame Kilpatrick, et al., Civil Action Number 12-CV-12109, in the United States District Court for the Eastern District of Michigan.

3. The Commission's complaint alleged that, throughout 2007, former Detroit Mayor Kwame M. Kilpatrick ("Kilpatrick") and former Detroit Treasurer Jeffrey W. Beasley ("Beasley") secretly solicited and received lavish gifts from Mayfield and MGRA. The complaint further alleged that Mayfield and MGRA supplied Kilpatrick and Beasley with more than \$125,000 worth of entertainment and travel, including multiple flights on private jets, concert tickets, hotel rooms, and limousines. The complaint further alleged that at the same time Mayfield and MGRA secretly provided these gifts, they were seeking approval from the trustees of the Detroit public employee pension funds, including Kilpatrick and Beasley, for over \$115 million in investments. The complaint also alleged that the failure by Kilpatrick, Beasley, Mayfield, and MGRA to disclose these gifts and the resulting conflicts of interest constituted a fraud on the pension funds.

4. On February 7, 2013, Mayfield pled guilty to one count of Conspiracy to Influence or Reward Local Public Officials in violation of Title 18 United States Code, Sections 371 and 666(a), before the United States District Court for the Eastern District of Michigan, in United States v. Jeffrey Beasley, et al., Crim. No. 12-20030.

5. The count of the criminal information to which Mayfield pled guilty alleged, inter alia, that Mayfield gave things of value worth over \$180,000 to Beasley and other conspirators in an effort to influence and reward them relating to their power as public officials in connection with their decisions as to how to invest the pension money of Detroit's two public employee pension funds.

IV.

On the basis of this Order and Respondents' Offers, the Commission finds that:

1. On June 26, 2013, a final judgment was entered by consent against Mayfield and MGRA, permanently enjoining them from future violations of Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled United States Securities and Exchange

Commission v. MayfieldGentry Realty Advisors, LLC, et al., Civil Action Number 13-CV-12520, in the United States District Court for the Eastern District of Michigan.

2. The Commission's complaint alleged that, in early 2008, Mayfield and MGRA misappropriated approximately \$3.1 million belonging to one of the Detroit public employee pension funds and used the money to purchase two retail shopping centers on behalf of MGRA affiliates. The complaint further alleged that, for more than four years, Mayfield and MGRA did not tell the pension fund about the misappropriation. During that time period, Mayfield and MGRA regularly provided investment advisory services to the pension fund.

V.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondents' Offers.

Accordingly, pursuant to Sections 203(e) and 203(f) of the Advisers Act, it is hereby ORDERED that:

- A. Respondent Mayfield be barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and
- B. Respondent MGRA's registration as an investment adviser is revoked.

Any reapplication for association by Respondent Mayfield 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 Respondent Mayfield, 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