

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 71907 / April 8, 2014

INVESTMENT ADVISERS ACT OF 1940
Release No. 3813 / April 8, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15829

In the Matter of

RICHARD J. BUSWELL,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION 15(b)
OF THE SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE INVESTMENT
ADVISERS ACT OF 1940
AND NOTICE OF HEARING**

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”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Richard J. Buswell (“Respondent” or “Buswell”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. At the time of the relevant conduct, Respondent was a registered representative at, and a person associated with, Brookstone Securities, Inc., also d/b/a Brookstone Investment Advisory Services, a firm that was located in Lakeland, Florida and was formerly registered with the Commission as a broker-dealer and an investment adviser. Respondent, 45 years old, was a resident of Lafayette, Louisiana; however, he is currently incarcerated at Iberia Parish Jail located in New Iberia, Louisiana pending sentencing.

B. RESPONDENT' S CRIMINAL CONVICTION

2. On July 24, 2013, Buswell 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 Western District of Louisiana, in *United States v. Buswell et al*, Crim. No. 6:11-cr00198-RTH-PJH. Buswell is currently awaiting sentencing.

3. The count of the criminal indictment to which Buswell pleaded guilty alleged, among other things, that Buswell defrauded investors and obtained money and property by means of materially false and misleading statements. Pursuant to the plea agreement, Buswell admitted that he engaged in excessive and frequent stock transactions on his clients' accounts for his own benefit. He also admitted that he exaggerated guaranteed rates of returns in communications with his clients. Additionally, he admitted that he placed a number of his client in Direct Private Placements even though he knew that the investments were unsuitable. He further admitted that he failed to explain the risks of these investments to his clients and falsified Bowman Investment Group LLC account applications to make the clients appear to be accredited investors when, in fact, they were not. The misconduct underlying the criminal charges occurred during the period in which the Respondent was associated with a registered investment adviser and a registered broker-dealer.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act;

C. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act; and

D. Whether, pursuant to Section 15(b) of the Exchange Act, it is appropriate and in the public interest to bar Respondent from participating in any offering of 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.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and

before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Jill M. Peterson
Assistant Secretary