

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 83178 / May 7, 2018**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4908 / May 7, 2018**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18470**

**In the Matter of**

**Paul W. Smith,**

**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,  
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”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Paul W. Smith (“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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraphs III.2 and III.4 below, and consents to the entry of this 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, Making Findings, and Imposing Remedial Sanctions (the “Order”), as set forth below.

### III.

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

1. Smith, age 63, is residing in Wayne, Pennsylvania. From approximately 2007 to 2016, Smith was a registered representative associated with Bolton Global Capital, Inc. (“Bolton”), a registered broker-dealer. From approximately 1982 through 2007, Smith was also a registered representative associated with broker-dealers registered with the Commission. From 1991 to 2016, Smith acted as investment adviser to The Haverford Group (“Haverford”), a partnership that Smith formed to serve as a pooled investment vehicle.

2. On December 20, 2017, a final judgment was entered by consent against Smith, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled *Securities and Exchange Commission v. Paul W. Smith*, Civil Action Number 17-5480, in the United States District Court for the Eastern District of Pennsylvania.

3. The Commission’s complaint alleged, among other things, that while associated with Bolton and while acting as investment adviser to Haverford, Smith engaged in a scheme to defraud Haverford and its investors. Smith misappropriated Haverford’s assets, falsely stated to investors that their money was being invested in securities, and mailed them false account statements and other documents. Smith did not invest investors’ money as promised or as represented in Haverford’s operating documents and instead used the money to pay other investors and for his personal expenses.

4. On January 11, 2018, Smith pled guilty to one count of mail fraud in violation of 18 U.S.C. § 1341 and one count of securities fraud in violation of 15 U.S.C. § 78j(b) before the United States District Court for the Eastern District of Pennsylvania, in *United States v. Paul W. Smith*, Criminal Case No. 2:17-626.

5. The counts of the criminal information to which Smith pled guilty allege, among other things, that Smith devised or intended to devise a scheme to defraud investors in Haverford and obtain money and property by means of false and fraudulent pretenses, representations, and promises in connection with the purchase and sale of securities.

### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Smith 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

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Smith be, and hereby 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.

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.

Brent J. Fields  
Secretary