

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 88680 / April 17, 2020

INVESTMENT ADVISERS ACT OF 1940
Release No. 5481 / April 17, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-19754

In the Matter of

JAMES ARTHUR YOUNG III,

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 James Arthur Young III (“Young” 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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 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 (“Order”), as set forth below.

III.

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

1. Young, age 50, is a resident of Cantonment, Florida. From June 2000 through June 2007 and from January 2013 through July 2014, Young was associated with Ameriprise Financial Services, Inc. ("Ameriprise"). Between June 2007 and January 2013, Young was associated with United Planners' Financial Services of America, a Limited Partnership ("United Planners"). Both Ameriprise and United Planners are and were at the relevant time broker-dealers and investment advisers registered with the Commission. Between June 2000 and July 2006, Young was also associated with another Commission-registered broker-dealer. Young held Series 7 and 66 licenses.

2. On October 30, 2019, Young pled guilty to two counts of wire fraud in violation of Title 18, United States Code, Section 1343, and three counts of failure to file tax returns in violation of Title 26, United States Code, Section 7203, before the United States District Court for the Northern District of Florida, in *United States v. James A. Young III*, Case No. 3:19-cr-00065-MCR. On November 1, 2019, the District Court accepted the plea.

3. In connection with that plea, Young admitted that between June 2010 and July 2014 he solicited approximately three dozen individuals—some of whom were clients and many of whom were between the ages of 60 and 90—to invest in "side investments" unavailable through the firms with which he was associated. Young knew the fraudulent nature of these side investments, which included real estate he did not own and natural resource rights in which he had no interest. Young presented false documents to potential investors and falsely told them he had personally invested in the projects. Young converted investors' funds to his personal use and also used investor funds and money borrowed from clients to pay back other investors, fraudulently representing that the payments represented a return on investment. To conceal the scheme, Young did not disclose to Ameriprise or United Planners that he was soliciting outside investments or receiving loans from clients.

IV.

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

Vanessa A. Countryman
Secretary