

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 5484 / April 22, 2020**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 4126 / April 22, 2020**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19763**

**In the Matter of**

**N. SCOTT GILLIS, CPA,**

**Respondent.**

**ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO SECTION 203(f) OF THE  
INVESTMENT ADVISERS ACT OF 1940  
AND RULE 102(e) OF THE  
COMMISSION'S RULES OF PRACTICE,  
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 against N. Scott Gillis (“Gillis” or “Respondent”) pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) and Rule 102(e)(3)(i) of the Commission’s Rules of Practice.<sup>1</sup>

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<sup>1</sup> Rule 102(e)(3)(j) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, temporarily suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

## 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, and the findings contained in Section III.2. below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940 and Rule 102(e) of the Commission’s Rules of Practice, 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. Gillis was a certified public accountant licensed to practice in the State of Georgia until his license lapsed at the end of 2017. Gillis was Chief Financial Officer and Chief Operating Officer of Aequitas Management, LLC (“Aequitas Management”), an Oregon limited liability company formed in 2007 with a principal place of business in Lake Oswego, Oregon. Aequitas Management is the parent company of a number of entities, including Aequitas Investment Management, LLC (“AIM”), an Oregon limited liability company formed in 2006 with a principal place of business in Lake Oswego, Oregon. AIM was the investment adviser to a number of Aequitas funds that raised monies from investors. From 2007 to 2016, AIM was registered as an investment adviser with the Commission. Gillis, age 66, resides in Lake Oswego, Oregon.

2. On April 13, 2020, a final judgment was entered by consent against Gillis, permanently enjoining him from future violations of Sections 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Securities Exchange Act of 1934 (“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. Aequitas Management LLC, et al., Civil Action Number 3:16-CV-00438-JR, in the United States District Court for the District of Oregon.

3. The Commission’s complaint alleged that, in connection with the sale of securities, Gillis engaged in a scheme to defraud and aided and abetted the making of materially false and misleading statements to investors regarding the financial condition of the Aequitas companies, the use of investor funds, and the collateral that backed the 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 Gillis’ Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act and Rule 102(e)(3) of the Commission's Rules of Practice, effective immediately, that:

A. Respondent Gillis 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.

B. 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.

C. Gillis is suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Vanessa A. Countryman  
Secretary