

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

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18890**

**In the Matter of**

**ELDRICK E. WOODLEY d/b/a**  
**WOODLEY & CO. WEALTH**  
**STRATEGIES,**

**Respondent.**

**DIVISION OF ENFORCEMENT'S**  
**MOTION FOR DEFAULT JUDGMENT**

Pursuant to Rule 155 of the Securities and Exchange Commission's ("Commission") Rules of Practice, the Division of Enforcement ("Division") moves for default judgment against Respondent Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies ("Woodley").

**I. BACKGROUND**

On July 5, 2018, U.S. District Judge Keith Ellison issued a Memorandum and Order in *Securities and Exchange Commission v. Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies*, Civil Action Number 4:15-CV-2767 (S.D. Tex. Houston Division), granting the SEC's motion for final judgment by default against Woodley. See Exhibit 1 (**APP. 0001--0009**), District Court Memorandum and Order. Judge Ellison found that, from at least 2010, Woodley conducted business as an investment adviser through Woodley & Co. Wealth Strategies, an unincorporated sole proprietorship. *Id.* at **APP. 0001** (¶5). Further, Judge Ellison found that from December 2010 to December 2012, Woodley was registered as an investment adviser with the State of Texas. *Id.* at **APP. 0002** (¶6). Judge Ellison also found that, from May 2012 to June 2014, Woodley perpetuated a fraudulent scheme against his clients, which entailed submitting invoices to bill his clients for

services he never actually performed, expenses that his clients did not request, and investments for his clients that were never made. *Id.* (¶¶ 8-9). As a result of this conduct, the Court found that Woodley submitted at least 34 fraudulent invoices that resulted in the misappropriation of \$147,023.39 in funds from 10 clients. *Id.* (¶¶ 10-11). The Court also made a number of conclusions of law, including:

- Woodley was an investment adviser for purposes of the Investment Advisers Act of 1940 (“Advisers Act”), because he was registered as an investment adviser with the state when his violations began and he held himself out as one to his clients. *Id.* at **APP. 0003**. “His ostensibly legitimate business included advising his clients ‘as to the advisability of investing in, purchasing, or selling securities,’ per 15 U.S.C. § 80b-2(11).” *Id.* at **APP. 0003-4**.
- Woodley violated Sections 206(1) and (2) of the Advisers Act, because his fraudulent fee invoices constituted a “device, scheme, or artifice” to defraud his clients, and his fraudulent billing constituted a “transaction, practice, or course of conduct” that operated as a fraud upon his clients. *Id.* at **APP. 0004**.
- Woodley engaged in his misconduct with scienter, because he “submitted inaccurate bills repeatedly, far too often for it to be accident or mistake. He was challenged by a suspicious client and responded with a false story. Pressed further, he cut off communication altogether. This course of conduct suffices to show that Woodley employed his ‘device, scheme, or artifice’ intentionally to defraud his clients.” *Id.*
- Permanent injunctions were appropriate because the conduct was “fairly egregious, recurrent over a period of two years, and intentional, given its frequency and duration.” *Id.* at **APP. 0005**. The Court also concluded that “Woodley’s confrontation with his suspicious client indicates that he did not sincerely express recognition that his conduct was wrong, as does his failure to make an appearance in this Court.” *Id.* And, “the course of conduct established by the SEC lasted long enough and was brazen enough on its own to establish the requisite likelihood of future transgressions.” *Id.*
- Woodley fraudulently obtained \$147,023.39 from his clients, which should be disgorged. *Id.* at **APP. 0006**.
- Woodley’s conduct warranted a third-tier penalty, because his violations involved fraud, deceit, and manipulation toward his clients, resulting in substantial losses. *Id.* at **APP. 0007**.

- Noting that Woodley’s 34 violations harmed 10 clients, a penalty of \$100,000 for each client harmed by Woodley was proportionate to his wrongdoing; thus, the Court imposed a penalty of \$1 million. *Id.* at **APP. 0008**.

That same day (July 5, 2018), Judge Ellison issued a Final Judgment by Default against Woodley. *See Exhibit 2 (APP. 0010–13)*, District Court Final Judgment. The Final Judgment: (a) permanently enjoined Woodley from future violations of Sections 206(1) and 206(2) of the Advisers Act; and (b) ordered Woodley to pay disgorgement of \$147,023.39, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$22,549.47, and a civil penalty in the amount of \$1 million pursuant to Section 209(e) of the Advisers Act. *Id.* at **APP. 0010–11**.

On November 9, 2018, the Commission instituted this proceeding against Woodley through the issuance of an Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940 and Notice of Hearing (the “OIP”). *See Exhibit 3 (APP. 0014–20)*, OIP.

On April 16, 2019, the Commission issued an Order Regarding Service, ordering the Division to file a status report concerning service of the OIP by April 30, 2019. *See Exhibit 4 (APP. 0021–23)*, Order Regarding Service. On April 30, 2019, the Division filed a Notice Regarding Status of Service. *See Exhibit 5 (APP. 0024–58)*, April 30, 2019 Notice. On May 20, 2019, the Division filed its Second Notice Regarding Status of Service, attaching the Second Declaration of B. David Fraser Regarding Status of Service. *See Exhibit 6 (APP. 0059–63)*, Second Notice. Therein, the Division advised the Commission that:

- The Division engaged a private process server to effect service on Woodley.
- On May 8, 2019, the process server served Woodley, in accordance with Rule 150(c)(1) of the Rules of Practice, with: (1) the OIP; (2) the April 16, 2019 Order

Regarding Service; and (3) the Division's April 30, 2019 Notice Regarding Status of Service. (Attaching executed Proof of Service from the process server).

*Id.* at **APP. 0061--63**.

On October 16, 2020, the Commission issued an Order to Show Cause. *See* Exhibit 7 (**APP. 0064--66**), Order to Show Cause. The Commission identified that service of the OIP was made on Woodley on May 8, 2019, pursuant to Rule 141(a)(2)(i) of the Rules of Practice. *Id.* at **APP. 0064**. Further, the Order stated that Woodley's answer to the OIP was required to be filed within 20 days of service of the OIP and, as of October 16, 2020, Woodley had not filed an answer. *Id.* Accordingly, the Commission ordered Woodley to show cause by October 30, 2020 why he should not be deemed in default due to his failure to file an answer and to otherwise defend this proceeding. *Id.* The Commission identified that, "[w]hen a party defaults, the allegations in the OIP will be deemed to be true and the Commission may determine the proceeding against that party upon consideration of the record without holding a public hearing." *Id.* at **APP. 0064--65**.

To date, Woodley has neither filed an answer to the OIP nor responded to the Commission's Order to Show Cause nor communicated with counsel for the Division.

## **II. ARGUMENT**

### **A. Respondent is in default.**

Woodley was properly served on May 8, 2019, pursuant to Rule 141(a)(2)(i) of the Rules of Practice, as reflected by the Commission's October 16, 2020 Order to Show Cause. *See* **APP. 0061, 0063--64**. Having been properly served, Woodley was required by Rule 220 of the Rules of Practice to file an answer within 20 days of May 8, 2019. *See* **APP. 0015, 0064**. To date, Woodley has not filed an answer.



**B. The allegations in the OIP are deemed true.**

Because Woodley has failed to answer the OIP, Rule 155 of the Rules of Practice provides that Woodley may be deemed to be in default and the Commission may determine the proceeding against him upon consideration of the record, including the OIP, *the allegations of which may be deemed to be true*. See 17 C.F.R. § 201.155(a)(2) (emphasis added). As Rule 155(a) and the Commission's October 16, 2020 Order to Show Cause make clear, when a party defaults, the allegations in the OIP may be deemed true. *Id.*; **APP. 0064--65** (citing Rules 155 and 180 of the Rules of Practice).

Among other things, the OIP alleges:

- Woodley is 36 years old and resides in Katy, Texas. See **APP. 0014**.
- From December 2010 through December 2012, Woodley was registered as an investment adviser with the State of Texas, and at all relevant times conducted his investment advisory business under the name Woodley & Co. Wealth Strategies, an unincorporated sole proprietorship. *Id.*
- On July 5, 2018, a final judgment by default was entered against Woodley, permanently enjoining him from future violations of Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled *Securities and Exchange Commission v. Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies*, Civil Action No. 4:15-cv-2767, in the United States District Court for the Southern District of Texas. See **APP. 0010-13**; see also **APP. 0015**.
- The Commission's Complaint in the civil action, attached hereto as Exhibit 8 (**APP. 0067--78**) alleged that:
  - Woodley, a state-registered investment adviser, perpetuated a fraudulent scheme to misappropriate money from his clients over the course of more than two years. See **APP. 0015, 0067--73**.
  - From May 2012 to June 2014, Woodley submitted a series of invoices to his custodian to collect funds from client accounts as compensation purportedly for services performed or investment made on their behalf. However, Woodley simply misappropriated money from his clients using invoices that billed clients for: (i) services that Woodley never performed, (ii) items and

expenses his clients never agreed to pay, and (iii) purported investments for clients that were never made. *See APP. 0015, 0070--73.*

- Woodley directed all of these transactions and fraudulently collected more than \$147,000 from his clients' accounts. *See APP. 0015, 0070--73.*

**C. It is in the public interest to impose remedial sanctions against Woodley.**

Section III.B. of the OIP sets out that this proceeding was instituted to determine, “what, if any remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.” **APP. 0015.** Section 203(f) of the Advisers Act provides that the Commission shall impose a remedial sanction if it finds that such sanction is in the public interest and that such person, among other things, has: (a) willfully violated any provision of the Advisers Act, or (b) been enjoined from any action, conduct, or practice specified in Section 203(e)(4), which includes acting as an investment adviser. Section 203(f) of the Advisers Act. *See 15 U.S.C. § 80b-3(f) (referring to Sections 203(e)(4) and (5)).*

**1. Woodley willfully violated Sections 206(1) and (2) of the Advisers Act.**

As discussed in detail above, and as reflected in Exhibits 1 – 3 (**APP. 0001--20**), Woodley willfully violated Sections 206(1) and 206(2) of the Advisers Act. *See APP. 0004, 0008, 0010--11, 0015.* In particular, the District Court found that Woodley’s fraudulent fee invoices constituted a device, scheme, or artifice to defraud his clients, and his fraudulent billing constituted a transaction, practice, or course of conduct that operated as a fraud upon his clients. *See APP. 0004.* The Court also found that Woodley engaged in his misconduct with scienter, because he:

submitted inaccurate bills repeatedly, far too often for it to be accident or mistake. He was challenged by a suspicious client and responded with a false story. Pressed further, he cut off communication altogether. This course of conduct suffices to show that Woodley employed his ‘device, scheme, or artifice’ intentionally to defraud his clients.

*Id.*

**2. It is in the public interest to bar Respondent.**

In determining whether remedial sanctions are in the public interest, the Commission considers the factors set forth in *Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979), *aff'd on other grounds*, 450 U.S. 91 (1981). *See David R. Wulf*, Exchange Act Release No. 77411, 2016 SEC LEXIS 1074, at \*13-14 (March 21, 2016), *vacated in part on other grounds*, Exchange Act Release No. 86309, 2019 SEC LEXIS 1665 (July 5, 2019); *Brendan E. Murray*, Advisers Act Release No. 2809, 2008 SEC LEXIS 2924, at \*34-35 (Nov. 21, 2008). These factors include: (1) the egregiousness of a respondent's actions; (2) the degree of scienter involved; (3) the isolated or recurrent nature of the infraction; (4) the recognition of the wrongful nature of the conduct; (5) the sincerity of any assurances against future violations; and (6) the likelihood that the respondent's occupation will present opportunities for future violations. *Steadman*, 603 F.2d at 1140. No single factor is dispositive. *Id.*

Woodley's conduct was egregious, recurred over a period of two years, and was intentional, as found by the District Court. *See APP. 0005*. Further, there is no record evidence reflecting that Woodley has acknowledged his wrongful conduct or provided any assurances against future violations. Rather, Woodley has chosen to ignore two separate legal proceedings instituted against him to hold him responsible for his conduct.

**a. Woodley's conduct was egregious.**

As an investment adviser, Woodley owed fiduciary duties to his clients. *See SEC v. Capital Gains Research Bureau, Inc.*, 375 U.S. 180 (1963). These duties required Woodley to act in good faith, to disclose fully and fairly all material facts to his clients, to employ reasonable care to avoid misleading his clients, and to act for the benefit of his clients (and not use his clients' assets to

benefit himself). *Id.* at 191, 194; *SEC v. Moran*, 922 F. Supp. 867, 895-96 (S.D.N.Y. April 2, 1996). Woodley breached his fiduciary duties by, without his clients' knowledge or authorization, submitting materially false and misleading invoices, and collecting funds from clients for items they never agreed to pay for, services he never performed, and investments his clients never made. *See APP. 0002, 0004--5, 0007--8, 0015, 0067--75.* Similarly, this was not a one-time lapse in judgment or a reckless mistake. To the contrary, Woodley repeatedly and flagrantly abused the position of trust he enjoyed as a fiduciary to 10 clients on 34 separate occasions over a span of two years, misappropriating a total of \$147,023.39 in client funds.

**b. Woodley acted with a high degree of scienter.**

Woodley *intentionally* certified and submitted fee invoices that he knew to be materially false and misleading. *See APP. 0004--5, 0007--8, 0015, 0070--75.* As the District Court found, this occurred "repeatedly, far too often for it to be accident or mistake." **APP. 0004.** Further, when Woodley was challenged by a suspicious client, he responded with a false story. *Id.* Pressed further, he cut off communications altogether. *Id.* Based on these findings, the District Court concluded that "Woodley employed his 'device, scheme, or artifice' intentionally to defraud his clients." *Id.* Because there were 34 separate occasions over the course of two years in which Woodley defrauded his clients, Woodley consciously and knowingly decided on 34 occasions to engage in this misconduct. Based on the record, there can be no doubt that his actions reflect a high degree of scienter.

**c. Woodley's misconduct recurred over a period of two years.**

As alleged by the Commission in its Complaint, and as found by the District Court, Woodley defrauded 10 investors on 34 separate occasions over the course of two years. *See APP. 0002, 0005, 0014, 0067, 0070-75.*

**d. Woodley has neither recognized the wrongful nature of his conduct nor provided any assurances against future violations.**

There is absolutely no evidence in the record (or otherwise) to reflect that Woodley has admitted his wrongdoing, recognized the wrongful nature of his actions, or provided any assurances against future violations. On the contrary, he has chosen to ignore two legal proceedings (this AP and the District Court case) brought against him to hold him responsible for his actions.

Further, as discussed above, when a suspicious client confronted Woodley about his conduct, Woodley first lied to the client and then cut off communications with the client altogether. These actions do not reflect the actions of an individual acknowledging his wrongdoing and/or providing assurances against future violations.

**e. Woodley's occupation.**

At best, this factor is neutral, because Woodley's failure to participate in this proceeding precludes the Division from determining, or presenting evidence of, Woodley's current occupation and whether that occupation presents opportunities for future violations. However, it is worth noting that Woodley is only 38-years-old [APP. 0014 (identifying that he was 36-years-old at the time the OIP was issued)], so his relative youth will provide opportunities over a longer period of time for future violations.

On balance, the *Steadman* factors weigh heavily in favor of protecting the public interest by imposing remedial sanctions against Woodley.

**D. The Commission should bar Woodley.**

As discussed in Section II.C. above, the evidence is undisputed that: (1) Woodley has been found to have willfully violated Sections 206(1) and 206(2) of the Advisers Act; (2) Woodley has been permanently enjoined from future violations of Sections 206(1) and 206(2) of the Advisers Act; and (3) the *Steadman* factors weigh heavily in favor of protecting the public interest by

imposing remedial sanctions against Woodley. Thus, Section 203(f) of the Advisers Act authorizes the Commission to:

censure or place limitations on the activities of any person associated, seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated with an investment adviser, or suspend for a period not exceeding 12 months or bar any such person from being associated with an investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization ...

15 U.S.C. § 80b-3(f).

In light of all these facts and the overwhelming weight of the *Steadman* factors, the Commission should bar Woodley from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization. Allowing Woodley to remain in the securities industry would present him with future opportunities for further misconduct and would put the investing public at risk. Additionally, imposing a bar against Woodley will serve the Commission's interest in deterring others from engaging in similar misconduct.

Therefore, the Division respectfully asks the Commission to grant this relief.

Dated: November 16, 2020.

Respectfully submitted,

/s/ B. David Fraser

B. David Fraser

Texas Bar No. 24012654

Attorney for the Division of Enforcement  
Securities and Exchange Commission

Burnett Plaza, Suite 1900

801 Cherry Street, Unit #18

Fort Worth, Texas 76102-6882

E-mail: [FraserB@sec.gov](mailto:FraserB@sec.gov)

Telephone: (817) 978-1409

Facsimile: (817) 978-4927

**SERVICE LIST**

In accordance with Rule 150 of the Commission's Rules of Practice, I hereby certify that a true and correct copy of the foregoing ***DIVISION OF ENFORCEMENT'S MOTION FOR DEFAULT JUDGMENT*** was served on the persons listed below on the 16<sup>th</sup> day of November, 2020, *via* certified mail, return-receipt requested:

Honorable Jason S. Patil  
Acting Chief Administrative Law Judge  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-2557

Mr. Eldrick E. Woodley  
19223 Gettysburg Valley Drive  
Katy, TX 77449  
And  
700 Louisiana Street, Suite 3950  
Houston, TX 77002  
*Pro Se Respondent*

*/s/ B. David Fraser* \_\_\_\_\_  
B. David Fraser

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

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18890**

**In the Matter of**

**ELDRICK E. WOODLEY d/b/a**  
**WOODLEY & CO. WEALTH**  
**STRATEGIES,**

**Respondent.**

**APPENDIX INDEX IN SUPPORT OF**  
**DIVISION OF ENFORCEMENT'S**  
**MOTION FOR DEFAULT JUDGMENT**

Exhibit 1	Memorandum & Order Regarding Civil Default vs. Woodley, 7/5/18	APP. 0001 - 9
Exhibit 2	Final Judgment by Default as to Woodley in Civil Action, 7/5/18	APP. 0010 - 13
Exhibit 3	OIP, 11/9/18	APP. 0014 - 20
Exhibit 4	Order Regarding Service, 4/16/19	APP. 0021 - 23
Exhibit 5	DOE's Notice Regarding Status of Service, 4/30/19	APP. 0024 - 58
Exhibit 6	DOE's Second Notice Regarding Status of Service on Woodley, 5/20/19	APP. 0059 - 63
Exhibit 7	Order to Show Cause, 10/16/20	APP. 0064 - 66
Exhibit 8	Complaint in Civil Action, 9/22/15	APP. 0067 - 78

Dated: November 16, 2020.

Respectfully submitted,

*/s/ B. David Fraser*

B. David Fraser

Texas Bar No. 24012654

Attorney for the Division of Enforcement  
Securities and Exchange Commission



Burnett Plaza, Suite 1900  
801 Cherry Street, Unit #18  
Fort Worth, Texas 76102-6882  
E-mail: [FraserB@sec.gov](mailto:FraserB@sec.gov)  
Telephone: (817) 978-1409  
Facsimile: (817) 978-4927

**SERVICE LIST**

In accordance with Rule 150 of the Commission's Rules of Practice, I hereby certify that a true and correct copy of the foregoing ***APPENDIX INDEX IN SUPPORT OF DIVISION OF ENFORCEMENT'S MOTION FOR DEFAULT JUDGMENT*** was served on the persons listed below on the 16<sup>th</sup> day of November, 2020, *via* certified mail, return-receipt requested:

Honorable Jason S. Patil  
Acting Chief Administrative Law Judge  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-2557

Mr. Eldrick E. Woodley  
19223 Gettysburg Valley Drive  
Katy, TX 77449  
And  
700 Louisiana Street, Suite 3950  
Houston, TX 77002  
*Pro Se Respondent*

/s/ B. David Fraser

B. David Fraser

**ENTERED**

July 05, 2018

David J. Bradley, Clerk

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**VS.**

**ELDRICK E. WOODLEY,**

**Defendant.**

§  
§  
§  
§  
§  
§  
§  
§  
§

**CIVIL ACTION NO. 4:15-CV-2767**

**MEMORANDUM & ORDER**

Pending before the Court is the Motion for Final Judgment by Default filed by Plaintiff Securities and Exchange Commission against Defendant Eldrick E. Woodley. (Doc. No. 11.) Based on careful consideration of the filings and applicable law, the Court will grant the Motion. Pursuant to Rule 52 of the Federal Rules of Civil Procedure, the Court bases its ruling on the following findings of fact and conclusions of law.

**I. FINDINGS OF FACT**

1. The SEC commenced this action on September 22, 2015. (Doc. No. 1.)
2. Woodley was personally served with summons and complaint on September 29, 2015, and the SEC filed proof of service on October 5, 2015. (Doc. No. 5.)
3. Woodley has never made an appearance in this action.
4. The SEC requested entry of default against Woodley on November 12, 2015, and the Clerk obliged on the same day. (Doc. No. 6, 7.)
5. From at least 2010, Woodley conducted business as an investment adviser through Woodley & Co. Wealth Strategies, an unincorporated sole proprietorship.

6. From December 2010 to December 2012, Woodley was registered as an investment adviser with the state of Texas.

7. From May 2012 to June 2014, Woodley perpetuated a fraudulent scheme against his clients.

8. Woodley's fraudulent scheme entailed submitting "Invoice Fee Form for Investment Advisor's Fee" documents to a third-party company, SEI Private Trust Company ("SEI"). SEI would then bill Woodley's clients for the services he purported to perform and would issue quarterly statements to his clients.<sup>1</sup>

9. Woodley's Fee Invoices described services that he never actually performed, expenses that his clients did not request, and investments for his clients that were never made.

10. From May 2012 to June 2014, Woodley submitted at least 34 fraudulent Fee Invoices to SEI that resulted in the misappropriation of \$147,023.39.

11. The 34 fraudulent Fee Invoices misappropriated money from ten unique clients.

12. When a client grew suspicious about Woodley's charges, Woodley responded first with a false explanation and then by cutting off communication altogether.

13. Woodley's current occupation and financial condition are not known.

## II. APPLICABLE LAW

"The Investment Advisers Act of 1940 was the last in a series of Acts designed to eliminate certain abuses in the securities industry, abuses which were found to have contributed to the stock market crash of 1929 and the depression of the 1930's." *S.E.C. v. Capital Gains Research Bureau, Inc.*, 375 U.S. 180, 187 (1963). The Advisers Act's purpose is "to impose fiduciary standards on investment advisers." *Steadman v. S.E.C.*, 603 F.2d 1126, 1134 (5th Cir.

---

<sup>1</sup> No wrongdoing by SEI has been alleged or found in the present action.

1979). The Act defines “investment advisers” to include “any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities.” 15 U.S.C. § 80b-2(11).

Among other prohibitions, the Act makes it unlawful for investment advisers “to employ any device, scheme, or artifice to defraud any client or prospective client” or “to engage in any transaction, practice, or course of business, which operates as a fraud or deceit upon any client or prospective client.” *Id.* § 80b-6(1), (2). A showing of scienter is not required for the latter prohibition, but it is required for the former. *Steadman*, 603 F.2d at 1134. Construing Section 17 of the Securities Act of 1933, which predated and influenced the Advisers Act, the Supreme Court ruled that scienter entailed “intent to deceive, manipulate, or defraud,” and was more than mere negligence. *Ernst & Ernst v. Hochfelder*, 425 U.S. 185, 193, 215 (1976). The Fifth Circuit has adopted that standard for the Advisers Act. *Steadman*, 603 F.2d at 1130, 1134.

### **III. CONCLUSIONS OF LAW**

#### **a. Liability**

“It is universally understood that a default operates as a deemed admission of liability.” *In re Dierschke*, 975 F.2d 181, 185 (5th Cir. 1992). By failing to appear and earning an entry of default, Woodley has admitted to the foregoing facts and the following liability.

The SEC’s allegations, accepted as true due to Woodley’s nonappearance, establish that he was an investment adviser for purposes of the Act. He was registered as an investment adviser with the state when his violations began, and he held himself out as one to clients. His ostensibly

legitimate business included advising his clients “as to the advisability of investing in, purchasing, or selling securities,” per 15 U.S.C. § 80b-2(11).

The SEC has established that Woodley violated Subsections 1 and 2 of 15 U.S.C. § 80b-6. His fraudulent Fee Invoices constituted a “device, scheme, or artifice” to defraud his clients within the meaning of Subsection 1. His fraudulent billing likewise constituted a “transaction, practice, or course of conduct” that operated as a fraud upon his clients within the meaning of Subsection 2.

The SEC’s showing is sufficient to conclude that Woodley engaged in his misconduct with scienter. He submitted inaccurate bills repeatedly, far too often for it to be accident or mistake. He was challenged by a suspicious client and responded with a false story. Pressed further, he cut off communication altogether. This course of conduct suffices to show that Woodley employed his “device, scheme, or artifice” intentionally to defraud his clients.

**b. Permanent Injunction**

Under the Advisers Act, the SEC can seek an injunction against a person who “has engaged, is engaged, or is about to engage in any act or practice constituting a violation” of the Act. 15 U.S.C. § 80b-9(d). Upon an adequate showing, an injunction “shall be granted without bond.” *Id.*

“A permanent injunction is appropriate only if a defendant’s past conduct gives rise to an inference that, in light of present circumstances, there is a reasonable likelihood of future transgressions.” *S.E.C. v. Life Partners Holdings, Inc.*, 854 F.3d 765, 784 (5th Cir. 2017) (quotation omitted). “In deciding this issue, the court must consider the (1) egregiousness of the defendant’s conduct, (2) isolated or recurrent nature of the violation, (3) degree of scienter, (4) sincerity of the defendant’s recognition of his transgression, and (5) likelihood of the defendant’s job providing opportunities for future violations.” *Id.* (quotation omitted).

The SEC's allegations establish conduct that is fairly egregious, recurrent over a period of two years, and intentional, given its frequency and duration. Woodley's confrontation with his suspicious client indicates that he did not sincerely express recognition that his conduct was wrong, as does his failure to make an appearance in this Court. Nothing in the record equips the Court to determine the likelihood that Woodley's job will provide opportunities for future violations.

Despite the lack of information about Woodley's current occupation, the course of conduct established by the SEC lasted long enough and was brazen enough on its own to establish the requisite likelihood of future transgressions. Whatever Woodley's current occupation, these other factors weigh sufficiently heavily in favor of granting the injunction. Moreover, there are minimal equities weighing against it. The injunction requested by the SEC simply restrains him from future violations of the Advisers Act. It does not preclude Woodley from working as an investment adviser or in financial services generally; he retains the option of pursuing a lawful career in these fields. Accordingly, a permanent injunction against Woodley is warranted.

**c. Disgorgement**

The SEC seeks an order against Woodley requiring him to disgorge the sum that he fraudulently billed to his clients. The Court has the power to order disgorgement, though the power "extends only to the amount with interest by which the defendant profited from his wrongdoing." *S.E.C. v. Kahlon*, 873 F.3d 500, 509 (5th Cir. 2017) (quotation omitted). "The purpose of disgorgement is not to compensate the victims of the fraud, but to deprive the wrongdoer of his ill-gotten gain." *Id.* "In actions brought by the SEC involving a securities violation, disgorgement need only be a reasonable approximation of profits causally connected to the violation." *Allstate Ins. Co. v. Receivable Fin. Co., L.L.C.*, 501 F.3d 398, 413 (5th Cir. 2007).

The SEC has established that Woodley fraudulently obtained \$147,023.39 from his clients. This is the sum Woodley shall be ordered to disgorge.

**d. Prejudgment Interest**

Courts may add prejudgment interest to a defendant's disgorgement amount. *See S.E.C. v. Blatt*, 583 F.2d 1325, 1335 (5th Cir. 1978). "It comports with the fundamental notions of fairness to award prejudgment interest," because defendants' ill-gotten gains are akin to interest-free loans until they have disgorged the sums. *S.E.C. v. Hughes Capital Corp.*, 917 F. Supp. 1080, 1090 (D.N.J. 1996). The rate applied by the IRS in cases of underpaid federal income tax, 26 U.S.C. § 6621(a)(2), is appropriate for calculating prejudgment interest in an enforcement action under the Advisers Act. That rate of interest "reflects what it would have cost to borrow the money from the government and therefore reasonably approximates one of the benefits the defendant derived from the fraud." *S.E.C. v. First Jersey Sec., Inc.*, 101 F.3d 1450, 1476 (2d Cir. 1996).

Because Woodley enjoyed the benefit of its clients' misappropriated funds for years, it is appropriate for him to pay prejudgment interest. Based on a disgorgement amount of \$147,023.39 and the application of the IRS underpayment rate from May 2014 up to the present, Woodley shall be ordered to pay \$22,549.47 in prejudgment interest.

**e. Civil Penalty**

The Advisers Act authorizes the imposition of a further civil penalty according to a three-tiered structure, with penalties increasing as conduct worsens. 15 U.S.C. § 80b-9(e)(2). The first tier applies to violations generally. *Id.* § 80b-9(e)(2)(A). The second applies to violations that "involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement." *Id.* § 80b-9(e)(2)(B). The third applies to violations meeting the second-tier standard that also "resulted in substantial losses or created a significant risk of substantial losses

to other persons.” *Id.* § 80b-9(e)(2)(C). At each tier, the penalty is limited to the greater of the defendant’s gross pecuniary gain or a certain sum for each violation. This certain sum increases markedly from one tier to the next and is increased further to adjust for inflation. *See* 17 C.F.R. § 201.1001(a). The Court is to determine the appropriate penalty “in light of the facts and circumstances.” *Id.* § 80b-9(e)(2)(A).

The SEC has established that Woodley’s conduct warrants a third-tier penalty. His violations of the Advisers Act involved fraud, deceit, and manipulation toward his clients. At just under \$15,000 per client on average, Woodley’s violations resulted in less substantial losses than violations triggering third-tier penalties in recent cases. *See, e.g., S.E.C. v. Guzman*, 2018 WL 229535 (W.D.N.C. May 18, 2018) (\$2.1 million); *S.E.C. v. Sample*, 2017 WL 5569873 (N.D. Tex. Nov. 20, 2017) (\$919,875). It may nevertheless be said that Woodley’s conduct caused “substantial losses,” in that \$15,000 may be quite substantial for some, and that his conduct “created a significant risk of substantial losses,” in that he may have defrauded his clients to a greater extent had one client not grown suspicious.

Once courts determine the penalty tier, they are afforded considerable discretion to choose a penalty amount. As noted, the maximum amount is the greater of Woodley’s gross pecuniary gain or of a statutory maximum sum per violation. That statutory maximum is \$150,000 for violations committed before March 5, 2013 and \$160,000 for violations committed thereafter. If each of Woodley’s Fee Invoices is considered a discrete violation, 34 such violations entail a maximum penalty in excess of \$5 million.

When determining a penalty amount, courts generally consider the following factors:

(1) the egregiousness of the defendant’s conduct; (2) the degree of the defendant’s scienter; (3) whether the defendant’s conduct created substantial losses or the risk of substantial losses to other persons; (4) whether the defendant’s conduct was isolated or recurrent; (5) whether the defendant has admitted



wrongdoing; and (6) whether the penalty should be reduced due to the defendant's demonstrated current and future financial condition.

*S.E.C. v. Life Partners Holdings, Inc.*, 71 F. Supp. 3d 615 (W.D. Tex. 2014), *aff'd in part, rev'd in part on other grounds*, 854 F.3d 765 (5th Cir. 2017)). *See also S.E.C. v. Opulentica, LLC*, 479 F. Supp. 2d 319 (S.D.N.Y. 2007); *S.E.C. v. Kane*, 2003 WL 1741293 (S.D.N.Y. Apr. 1, 2003); *S.E.C. v. Credit Bancorp, Ltd.*, 2002 WL 31422602 (S.D.N.Y. Oct. 29, 2002); *S.E.C. v. Coates*, 137 F. Supp. 2d 413, 416 (S.D.N.Y. 2001) (Motley, J.).

The preceding discussion has touched on each of these factors already. In deciding to grant a permanent injunction, the Court noted that Woodley's conduct was egregious, recurrent, and intentional, that he has made no admission of wrongdoing, and that his current occupation and financial condition are not in the record. In selecting a third-tier penalty, the Court determined that Woodley's course of conduct created the risk of substantial losses for his clients. Therefore, a substantial penalty is warranted. Taking note of these factors and of the fact that Woodley's 34 violations harmed ten unique clients, the Court concludes that a penalty of \$100,000 for each client harmed by Woodley is proportionate to his wrongdoing. Accordingly, the Court will impose a penalty of \$1,000,000.

#### IV. CONCLUSION

Plaintiff Securities and Exchange Commission has alleged conduct by Defendant Eldrick E. Woodley that violates the Investment Advisers Act of 1940, 15 U.S.C. § 80b-6. Woodley's failure to appear leads this Court to accept the SEC's allegations as true, entitling the SEC to a default judgment and its requested relief against Woodley. Accordingly, the Motion for Final Judgment by Default is **GRANTED**. A final judgment will issue by separate document pursuant to Rule 58(a) of the Federal Rules of Civil Procedure.

**IT IS SO ORDERED.**

**SIGNED** at Houston, Texas, on the 5th day of July, 2018.

A handwritten signature in black ink, appearing to read "Keith P. Ellison". The signature is written in a cursive style with a horizontal line underneath it.

KEITH P. ELLISON  
UNITED STATES DISTRICT JUDGE

**ENTERED**

July 05, 2018

David J. Bradley, Clerk

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<hr/>	
<b>SECURITIES AND EXCHANGE</b>	:
<b>COMMISSION,</b>	:
	:
Plaintiff,	:
	:
	: Civil Action No. 4:15-cv-2767
	:
vs.	:
	:
<b>ELDRICK E. WOODLEY</b>	:
<b>D/B/A WOODLEY &amp; CO. WEALTH</b>	:
<b>STRATEGIES,</b>	:
	:
Defendant.	:
<hr/>	

**FINAL JUDGMENT BY DEFAULT AS TO DEFENDANT  
ELDRICK E. WOODLEY D/B/A/ WOODLEY & CO. WEALTH STRATEGIES**

Plaintiff Securities and Exchange Commission (“Plaintiff” or the “Commission”) filed a Complaint (“Complaint”) in this action, Defendant Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies (“Defendant”) failed to answer or to otherwise defend itself, and the District Clerk entered default against Defendant. Thereafter, the Commission filed a Motion for Final Judgment by Default against Defendant, which the Court granted. Therefore:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT Defendant is permanently restrained and enjoined from violating Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§ 80b-6(1) and 80b-6(2)] by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, to:

- (a) employ any device, scheme, or artifice to defraud any client or prospective client; and

(b) engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$147,023.39, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$22,549.47, and a civil penalty in the amount of \$1,000,000.00 pursuant to Section 209(e) of the Investment Advisers Act of 1940 [15 U.S.C. § 80b-9(e)]. Defendant shall satisfy this obligation by paying \$1,169,572.86 to the Securities and Exchange Commission within 14 days after entry of this Final Judgment.

Defendant may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

Enterprise Services Center  
Accounts Receivable Branch  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Defendant shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendant. The Commission shall send the funds paid pursuant to this Final Judgment to the United States Treasury.

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after 14 days following entry of this Final Judgment. Defendant shall pay post judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

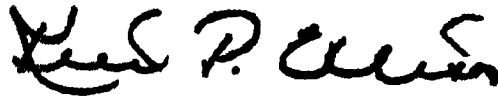
### III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the allegations in the complaint are true and admitted by Defendant, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under this Final Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendant of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

SO ORDERED this 5<sup>th</sup> day of July, 2018, at Houston, Texas.



---

KEITH P. ELLISON  
UNITED STATES DISTRICT JUDGE

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940  
Release No. 5064 / November 9, 2018

ADMINISTRATIVE PROCEEDING  
File No. 3-18890

In the Matter of

ELDRICK E. WOODLEY  
d/b/a WOODLEY & CO.  
WEALTH STRATEGIES,

Respondent.

ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO 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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies (“Respondent” or “Woodley”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From December 2010 through December 2012, Respondent was registered as an investment advisor with the State of Texas. At all relevant times, Respondent conducted his investment advisory business under the name Woodley & Co. Wealth Strategies, an unincorporated sole proprietorship. Respondent, 36 years old, resides in Katy, Texas.

## **B. ENTRY OF INJUNCTION**

2. On July 5, 2018, a final judgment by default was entered against Woodley, permanently enjoining him from future violations of Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies, Civil Action No. 4:15-cv-2767, in the United States District Court for the Southern District of Texas.

3. The Commission's complaint alleged that Woodley, a state-registered investment adviser, perpetuated a fraudulent scheme to misappropriate money from his clients over the course of more than two years. From May 2012 to June 2014, Woodley submitted a series of invoices to his custodian to collect funds from client accounts as compensation purportedly for services performed or investments made on their behalf. However, Woodley simply misappropriated money from his clients using invoices that billed clients for: (i) services that Respondent never performed, (ii) items and expenses his clients never agreed to pay, and (iii) purported investments for clients that were never made. Woodley directed all of these transactions and fraudulently collected more than \$147,000 from his clients' accounts.

## **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 and cease-and-desist 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; and

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

## **IV.**

IT IS ORDERED that a public hearing before the Commission 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 by further order of the Commission, pursuant to 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(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.220(b).

IT IS FURTHER ORDERED that the Division of Enforcement and Respondent shall conduct a prehearing conference pursuant to Rule 221 of the Commission's Rules of Practice, 17 C.F.R. § 201.221, within fourteen (14) days of service of the Answer. The



parties may meet in person or participate by telephone or other remote means; following the conference, they shall file a statement with the Office of the Secretary advising the Commission of any agreements reached at said conference. If a prehearing conference was not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer.

If Respondent fails to file the directed answer, or fails to appear at a hearing or conference 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 by any means permitted by Commission's Rules of Practice.

Attention is called to Rule 151(b) and (c) of the Commission's Rules of Practice, 17 C.F.R. § 201.151(b) and (c), providing that when, as here, a proceeding is set before the Commission, all papers (including those listed in the following paragraph) shall be filed with the Office of the Secretary and all motions, objections, or applications will be decided by the Commission. The Commission requests that an electronic courtesy copy of each filing should be mailed to [APFilings@sec.gov](mailto:APFilings@sec.gov) in PDF text-searchable format. Any exhibits should be sent as separate attachments, not a combined PDF.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to filing with or disposition by a hearing officer, all filings, including those under Rules 210, 221, 222, 230, 231, 232, 233, and 250 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.210, 221, 222, 230, 231, 232, 233, and 250, shall be directed to and, as appropriate, decided by the Commission, and that any motion for summary disposition shall be filed under Rule 250(a) or (b).

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that the Commission shall issue a decision on the basis of the record in this proceeding, which shall consist of the items listed at Rule 350(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.350(a), and any other document or item filed with the Office of the Secretary and accepted into the record by the Commission. The provisions of Rule 351 of the Commission's Rules of Practice, 17 C.F.R. § 201.351, relating to preparation and certification of a record index by the Office of the Secretary or the hearing officer are not applicable to this proceeding.

The Commission will issue a final order resolving the proceeding after one of the following: (A) The completion of post-hearing briefing in a proceeding where the public hearing has been completed; (B) The completion of briefing on a motion for a ruling on the

pleadings or a motion for summary disposition pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250, where the Commission has determined that no public hearing is necessary; or (C) The determination that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155, and no public hearing is necessary.

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.

Brent J. Fields  
Secretary



**By: J. Lynn Taylor**  
**Assistant Secretary**

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant To Section 203(f) of the Investment Advisers Act of 1940 and Notice of Hearing ("Order"), on Respondent Woodley.

The attached Order has been sent to the following parties and other persons entitled to notice:

B. David Fraser, Esq.  
Fort Worth Regional Office  
Securities and Exchange Commission  
801 Cherry Street, Suite 1900, Unit 18  
Fort Worth, TX 76182

CERTIFIED MAIL  
Mr. Eldrick E. Woodley  
19223 Gettysburg Valley Drive  
Katy, TX 77449  
*Pro Se Respondent*

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**OFFICIAL USE**

7017 2400 0000 0838 1062

Certified Mail Fee \$ \_\_\_\_\_  
Extra Services & Fees (check box, add fee as appropriate)  
 Return Receipt (hardcopy) \$ \_\_\_\_\_  
 Return Receipt (electronic) \$ \_\_\_\_\_  
 Certified Mail Restricted Delivery \$ \_\_\_\_\_  
 Adult Signature Required \$ \_\_\_\_\_  
 Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postmark  
Here

Postage \$ \_\_\_\_\_  
Total Postage and Fees \$ \_\_\_\_\_

Sent to Eldrick E. Woodley  
Street and Apt. No., or PO Box No. 3-18890  
City, State, ZIP+4® 8046954





OFFICE OF  
THE SECRETARY

UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**

100 F Street, N.E.  
Washington, D.C. 20549

NOV -9 2010

Re: In the Matter of Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies

Please find enclosed the Order issued by the Securities and Exchange Commission in the above-referenced matter.

Your attention is directed to Section IV of the Order, which requires, among other things, that an answer be filed pursuant to Rule 220 of the Commission's Rules of Practice. The Commission's Rules of Practice include requirements for filing answers, notice of appearance, and other actions. The Rules of Practice can be found at <http://www.sec.gov/about/rulesofpractice.shtml>.

If you have any questions or wish to discuss any aspect of the proceedings, you may communicate with the Division of Enforcement attorney appearing on the service list attached to the enclosed Order.

A handwritten signature in blue ink that reads "Brent J. Fields".

Brent J. Fields  
Secretary

Enclosure

APP. 0020

RF  
DF

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 85658 / April 16, 2019

Admin. Proc. File No. 3-18890

In the Matter of  
  
ELDRICK E. WOODLEY d/b/a  
WOODLEY & CO. WEALTH STRATEGIES

ORDER REGARDING SERVICE

On November 9, 2018, the Securities and Exchange Commission issued an order instituting administrative proceedings (“OIP”) against Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies pursuant to Section 203(f) of the Investment Advisers Act of 1940.<sup>1</sup> It appears that there have been no filings in this proceeding since issuance of the OIP, including as to whether the OIP was served upon Woodley. Accordingly, it is ORDERED that the Division of Enforcement file a status report concerning service of the OIP by April 30, 2019, and every 28 days thereafter until service is accomplished.

The parties are reminded that an electronic courtesy copy of each filing should be emailed to APFilings@sec.gov in PDF text-searchable format.

For the Commission, by the Office of the General Counsel, pursuant to delegated authority.

Vanessa A. Countryman  
Acting Secretary

  
By: Jill M. Peterson  
Assistant Secretary

<sup>1</sup> *Eldrick E. Woodley*, Advisers Act Release No. 5064, 2018 WL 5881785 (Nov. 9, 2018).

7018 3090 0000 5631 4481

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**OFFICIAL USE**

Certified Mail Fee	\$ _____
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$ _____
<input type="checkbox"/> Return Receipt (electronic)	\$ _____
<input type="checkbox"/> Certified Mail Restricted Delivery	\$ _____
<input type="checkbox"/> Adult Signature Required	\$ _____
<input type="checkbox"/> Adult Signature Restricted Delivery	\$ _____
Postage	\$ _____
Total Postage and Fees	\$ _____

Postmark  
Here

Sent To	<i>E. Woodkey</i>	
Street and Apt. No., or PO Box No.	<i>3-18890</i>	
City, State, ZIP+4®	<i>8049231</i>	





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

**Administrative Proceeding**  
**File No. 3-18890**

**In the Matter of**

**ELDRICK E. WOODLEY d/b/a**  
**WOODLEY & CO. WEALTH**  
**STRATEGIES,**

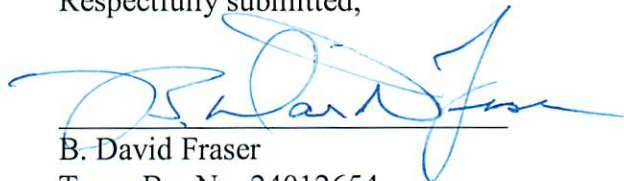
**Respondent.**

**DIVISION OF ENFORCEMENT'S NOTICE**  
**REGARDING STATUS OF SERVICE**

Pursuant to the Order Regarding Service issued in this proceeding on April 16, 2019, the Division of Enforcement files the attached Declaration of B. David Fraser regarding the status of service of the OIP in this matter.

Dated: April 30, 2019

Respectfully submitted,



B. David Fraser  
Texas Bar No. 24012654  
United States Securities and  
Exchange Commission  
Fort Worth Regional Office  
Burnett Plaza, Suite 1900  
801 Cherry Street, Unit 18  
Fort Worth, Texas 76102  
(817) 978-1409  
(817) 978-4927 (facsimile)  
FraserB@sec.gov

LEAD COUNSEL FOR  
DIVISION OF ENFORCEMENT

Service List

Pursuant to Rule 150 of the Commission's Rules of Practice, I hereby certify that a true and correct copy of the *Division of Enforcement's Notice Regarding Status of Service* was served on the following on April 30, 2019 via United Parcel Service, Overnight Delivery:

Honorable Brenda P. Murray  
Chief Administrative Law Judge  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-2557

B. David Fraser, Esq.  
Fort Worth Regional Office  
Securities and Exchange Commission  
801 Cherry Street, Suite 1900, Unit 18  
Fort Worth, TX 76182

CERTIFIED MAIL  
Mr. Eldrick E. Woodley  
19223 Gettysburg Valley Drive  
Katy, TX 77449  
*Pro Se Respondent*

  
B. David Fraser

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

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18890**

**In the Matter of**

**ELDRICK E. WOODLEY d/b/a**  
**WOODLEY & CO. WEALTH**  
**STRATEGIES,**

**Respondent.**

**DECLARATION OF B. DAVID**  
**FRASER**

B. DAVID FRASER, pursuant to 28 U.S.C. § 1746, declares:

I am the Regional Trial Counsel in the Securities and Exchange Commission's ("Commission") Fort Worth Regional Office. I serve as lead counsel in representing the Division of Enforcement ("Division") in the above-captioned administrative proceeding. I submit this Declaration regarding the status of service on Respondent, Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies ("Woodley").

On November 9, 2018, the Commission instituted this proceeding by issuing the *Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940 and Notice of Hearing* (the "OIP").

That same day, and pursuant to Rule 141 of the Commission's Rules of Practice, the Commission's Office of the Secretary served a copy of the OIP on Respondent by U.S. Postal Service ("USPS") certified mail (Tracking No. 70172400000008381063). A true and correct copy of the OIP served on the Respondent is attached hereto as Exhibit A (see page 6 for USPS certified mail receipt).

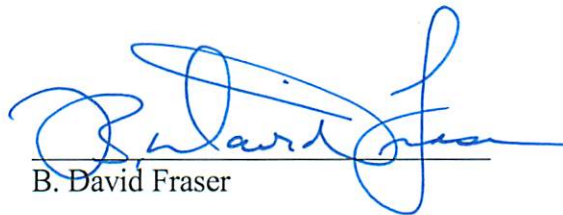
The USPS's online tracking feature shows that, on November 14, 2018, a delivery notice was left at the Respondent's last known address, that there was "No Authorized Recipient Available," and that the package was scheduled to be redelivered. A true and correct copy of the USPS Tracking information from USPS's website is attached hereto as Exhibit B. On December 20, 2018, the package remained unclaimed and was returned to sender. *Id.*

Additionally, the Division of Enforcement also forwarded a copy of the OIP to Respondent via UPS [Tracking No. 1ZA3781X2494423466] and USPS certified mail [Tracking No. 70081830000317997742]. The UPS package was signed for (see Exhibit C), but the certified mail package was returned to sender unclaimed (see Exhibit D).

As directed by the April 16, 2019 Order Regarding Service in this proceeding, the Division will continue to "file a status of service concerning service of the OIP . . . every 28 days thereafter until service is accomplished.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 30, 2019.

  
B. David Fraser

# Exhibit A

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940  
Release No. 5064 / November 9, 2018

ADMINISTRATIVE PROCEEDING  
File No. 3-18890

In the Matter of

ELDRICK E. WOODLEY  
d/b/a WOODLEY & CO.  
WEALTH STRATEGIES,

Respondent.

ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO 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 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") against Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies ("Respondent" or "Woodley").

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From December 2010 through December 2012, Respondent was registered as an investment advisor with the State of Texas. At all relevant times, Respondent conducted his investment advisory business under the name Woodley & Co. Wealth Strategies, an unincorporated sole proprietorship. Respondent, 36 years old, resides in Katy, Texas.

**B. ENTRY OF INJUNCTION**

2. On July 5, 2018, a final judgment by default was entered against Woodley, permanently enjoining him from future violations of Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies, Civil Action No. 4:15-cv-2767, in the United States District Court for the Southern District of Texas.

3. The Commission's complaint alleged that Woodley, a state-registered investment adviser, perpetuated a fraudulent scheme to misappropriate money from his clients over the course of more than two years. From May 2012 to June 2014, Woodley submitted a series of invoices to his custodian to collect funds from client accounts as compensation purportedly for services performed or investments made on their behalf. However, Woodley simply misappropriated money from his clients using invoices that billed clients for: (i) services that Respondent never performed, (ii) items and expenses his clients never agreed to pay, and (iii) purported investments for clients that were never made. Woodley directed all of these transactions and fraudulently collected more than \$147,000 from his clients' accounts.

**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 and cease-and-desist 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; and

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

**IV.**

IT IS ORDERED that a public hearing before the Commission 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 by further order of the Commission, pursuant to 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(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.220(b).

IT IS FURTHER ORDERED that the Division of Enforcement and Respondent shall conduct a prehearing conference pursuant to Rule 221 of the Commission's Rules of Practice, 17 C.F.R. § 201.221, within fourteen (14) days of service of the Answer. The



parties may meet in person or participate by telephone or other remote means; following the conference, they shall file a statement with the Office of the Secretary advising the Commission of any agreements reached at said conference. If a prehearing conference was not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer.

If Respondent fails to file the directed answer, or fails to appear at a hearing or conference 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 by any means permitted by Commission's Rules of Practice.

Attention is called to Rule 151(b) and (c) of the Commission's Rules of Practice, 17 C.F.R. § 201.151(b) and (c), providing that when, as here, a proceeding is set before the Commission, all papers (including those listed in the following paragraph) shall be filed with the Office of the Secretary and all motions, objections, or applications will be decided by the Commission. The Commission requests that an electronic courtesy copy of each filing should be mailed to [APFilings@sec.gov](mailto:APFilings@sec.gov) in PDF text-searchable format. Any exhibits should be sent as separate attachments, not a combined PDF.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to filing with or disposition by a hearing officer, all filings, including those under Rules 210, 221, 222, 230, 231, 232, 233, and 250 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.210, 221, 222, 230, 231, 232, 233, and 250, shall be directed to and, as appropriate, decided by the Commission, and that any motion for summary disposition shall be filed under Rule 250(a) or (b).

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that the Commission shall issue a decision on the basis of the record in this proceeding, which shall consist of the items listed at Rule 350(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.350(a), and any other document or item filed with the Office of the Secretary and accepted into the record by the Commission. The provisions of Rule 351 of the Commission's Rules of Practice, 17 C.F.R. § 201.351, relating to preparation and certification of a record index by the Office of the Secretary or the hearing officer are not applicable to this proceeding.

The Commission will issue a final order resolving the proceeding after one of the following: (A) The completion of post-hearing briefing in a proceeding where the public hearing has been completed; (B) The completion of briefing on a motion for a ruling on the



pleadings or a motion for summary disposition pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250, where the Commission has determined that no public hearing is necessary; or (C) The determination that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155, and no public hearing is necessary.

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.

Brent J. Fields  
Secretary



**By: J. Lynn Taylor**  
**Assistant Secretary**

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant To Section 203(f) of the Investment Advisers Act of 1940 and Notice of Hearing ("Order"), on Respondent Woodley.

The attached Order has been sent to the following parties and other persons entitled to notice:

B. David Fraser, Esq.  
Fort Worth Regional Office  
Securities and Exchange Commission  
801 Cherry Street, Suite 1900, Unit 18  
Fort Worth, TX 76182

CERTIFIED MAIL  
Mr. Eldrick E. Woodley  
19223 Gettysburg Valley Drive  
Katy, TX 77449  
*Pro Se Respondent*

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)™.

**OFFICIAL USE**

7017 2400 0000 0838 1063

Certified Mail Fee	
\$	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$ _____
<input type="checkbox"/> Return Receipt (electronic)	\$ _____
<input type="checkbox"/> Certified Mail Restricted Delivery	\$ _____
<input type="checkbox"/> Adult Signature Required	\$ _____
<input type="checkbox"/> Adult Signature Restricted Delivery	\$ _____

Postmark  
Here

Postage	
\$	
Total Postage and Fees	
\$	

Sent to	<i>Eldrick E. Woodley</i>
Street and Apt. No., or PO Box No.	<i>3-18890</i>
City, State, ZIP+4®	<i>8046954</i>

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



OFFICE OF  
THE SECRETARY

UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**

100 F Street, N.E.  
Washington, D.C. 20549

NOV -9 2018

Re: In the Matter of Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies

Please find enclosed the Order issued by the Securities and Exchange Commission in the above-referenced matter.

Your attention is directed to Section IV of the Order, which requires, among other things, that an answer be filed pursuant to Rule 220 of the Commission's Rules of Practice. The Commission's Rules of Practice include requirements for filing answers, notice of appearance, and other actions. The Rules of Practice can be found at <http://www.sec.gov/about/rulesofpractice.shtml>.

If you have any questions or wish to discuss any aspect of the proceedings, you may communicate with the Division of Enforcement attorney appearing on the service list attached to the enclosed Order.

A handwritten signature in blue ink that reads "Brent J. Fields".

Brent J. Fields  
Secretary

Enclosure

APP. 0035

# Exhibit B



# USPS Tracking®

Tracking

FAQs

Track Another Package +

Tracking Number: 70172400000008381063

Remove X

## Status

Your item departed our USPS facility in NORTH HOUSTON TX DISTRIBUTION CENTER on December 26, 2018 at 11:17 pm. The item is currently in transit to the destination.

## In-Transit

December 26, 2018 at 11:17 pm  
Departed USPS Regional Facility  
NORTH HOUSTON TX DISTRIBUTION CENTER

Vertical text on the right edge of the page.



In-Transit

## Tracking History



**December 26, 2018, 11:17 pm**  
Departed USPS Regional Facility  
NORTH HOUSTON TX DISTRIBUTION CENTER  
Your item departed our USPS facility in NORTH HOUSTON TX DISTRIBUTION CENTER on December 26, 2018 at 11:17 pm. The item is currently in transit to the destination.

**December 20, 2018, 1:52 pm**  
Unclaimed/Being Returned to Sender  
KATY, TX 77449

Reminder to Schedule Redelivery of your item

November 14, 2018, 1:36 pm  
Notice Left (No Authorized Recipient Available)  
KATY, TX 77449

November 14, 2018  
In Transit to Next Facility

November 10, 2018, 3:39 pm  
Arrived at USPS Regional Facility  
NORTH HOUSTON TX DISTRIBUTION CENTER

November 9, 2018, 11:32 pm  
Arrived at USPS Regional Facility  
GAITHERSBURG MD DISTRIBUTION CENTER

Product Information ^

Postal Product:

Features:  
Certified Mail™

See Less ^

Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

# Exhibit C



UPS CampusShip: View/Print Label

- 1. Ensure there are no other shipping or tracking labels attached to your package. Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.
- 2. Fold the printed label at the solid line below. Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.
- 3. **GETTING YOUR SHIPMENT TO UPS**  
**Customers with a Daily Pickup**  
 Your driver will pickup your shipment(s) as usual.

**Customers without a Daily Pickup**

Take your package to any location of The UPS Store®, UPS Access Point(TM) location, UPS Drop Box, UPS Customer Center, Staples® or Authorized Shipping Outlet near you. Items sent via UPS Return Services(SM) (including via Ground) are also accepted at Drop Boxes. To find the location nearest you, please visit the Resources area of CampusShip and select UPS Locations.




Schedule a same day or future day Pickup to have a UPS driver pickup all your CampusShip packages. Hand the package to any UPS driver in your area.

UPS Access Point™  
THE UPS STORE  
209 W 2ND ST  
FORT WORTH, TX 76102

UPS Access Point™  
TCU CAMPUS STORE  
2950 W GERRY ST  
FORT WORTH, TX 76109

UPS Access Point™  
BOOST MOBILE - MJ WIRELESS  
2427 AZLE AVE  
FORT WORTH, TX 76106

FOLD HERE

REBECCA FAIRCHILD 817-900-2608 SEC FORT WORTH 801 CHERRY ST FORT WORTH, TX 76102  <b>SHIP TO:</b> ELDRICK E. WOODLEY WOODLEY & CO. WEALTH STRATEGIES 19223 GETTYSBURG VALLEY DRIVE KATY TX 77449-5201	1.0 LBS LTR 1 OF 1	<b>TX 776 5-04</b> 	<b>UPS NEXT DAY AIR</b> TRACKING #: 1Z A37 81X 24 9412 3466 <b>1</b>		<b>BILLING: P/P</b> <b>SIGNATURE REQUIRED</b>  Reference # 1: FW-3927 Reference # 2: 3-18890   <small>CS 21.0.21. WNRMS0 12.0A 04/2019</small>
---	-----------------------	---	--	--	--

# Fairchild, Rebecca R.

---

**From:** UPS Quantum View <pkginfo@ups.com>  
**Sent:** Thursday, April 25, 2019 10:07 AM  
**To:** Fairchild, Rebecca R.  
**Subject:** UPS Delivery Notification, Tracking Number 1ZA3781X2494423466



**Your package has been delivered.**

**Delivery Date:** Thursday, 04/25/2019  
**Delivery Time:** 10:00 AM



[Set Delivery Instructions](#)

[Get Free Alerts](#)

[View Delivery Planner](#)

At the request of SEC FORT WORTH REG OFFICE this notice alerts you that the status of the shipment listed below has changed.

## Shipment Detail

---

<b>Tracking Number:</b>	<a href="#">1ZA3781X2494423466</a>
<b>Ship To:</b>	Woodley & Co. Wealth Strategies 19223 GETTYSBURG VALLEY DR KATY, TX 77449 US
<b>UPS Service:</b>	UPS NEXT DAY AIR
<b>Number of Packages:</b>	1
<b>Package Weight:</b>	1.0 LBS
<b>Delivery Location:</b>	RESIDENTIAL
<b>Signed by:</b>	CRUSE

**Signature Required:** A signature is required for package delivery  
**Reference Number 1:** FW-3927  
**Reference Number 2:** 3-18890  
**Reference Number 3:** Service of OIP

**Hundreds of ticket deals & offers,  
updated daily.**

**START SAVING NOW ▶**

*UPS My Choice®*



[Download the UPS mobile app](#)

---

© 2019 United Parcel Service of America, Inc. UPS, the UPS brandmark, and the color brown are trademarks of United Parcel Service of America, Inc. All rights reserved.

All trademarks, trade names, or service marks that appear in connection with UPS's services are the property of their respective owners.

Please do not reply directly to this e-mail. UPS will not receive any reply message. For more information on UPS's privacy practices, refer to the UPS Privacy Notice. For questions or comments, visit the Help and Support Center.

This communication contains proprietary information and may be confidential. If you are not the intended recipient, the reading, copying, disclosure or other use of the contents of this e-mail is strictly prohibited and you are instructed to please delete this e-mail immediately.

[UPS Privacy Notice](#)

[Help and Support Center](#)




ATTN : REBECCA FAIRCHILD  
PHONE : (817)900-2608

**DELIVERY NOTIFICATION**

**INQUIRY FROM:** IDA FOWLDS  
SEC FORT WORTH REG OFFICE.  
801 CHERRY ST BURNETT PLAZA  
FORT WORTH TX 76102

<b>SHIPMENT TO:</b>	<b>ELDRICK E. WOODLEY WOODLEY &amp; CO. WEALTH STRATEG 19223 GETTYSBURG VALLEY DR KATY TX 77449</b>
Shipper Number..... <b>A3781X</b>	Tracking Identification Number... <b>1ZA3781X2494423466</b>

According to our records 1 parcel was delivered on **04/25/19** at **10:00 A.M.**, and left at **RESIDENTIAL**.  
The shipment was received by **CRUSE** as follows:

SHIPPER NUMBER	PKG ID NO.	TRACKING NUMBER	ADDRESS (NO/STREET,CITY)	SIGNATURE
A3781X		1ZA3781X2494423466	19223 GETTYSBURG VALLEY DR KATY	

PZB1MRD:000A0000

# Exhibit D

Fairchild FW3927 OIP

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
FORT WORTH REGIONAL OFFICE  
BURNETT PLAZA - SUITE 1900  
801 CHERRY STREET - UNIT #18  
FORT WORTH, TEXAS 76102-6882

OFFICIAL BUSINESS  
PENALTY FOR PRIVATE USE, \$300  
RETURN AFTER FIVE DAYS

**CERTIFIED MAIL™**



7008 1830 0003 1799 7742



Mr Eldrick E Woodley  
19223 Gettysburg Valley Dr  
Katy TX 77449

7008 1830 0003 1799 7742

<b>U.S. Postal Service™</b>	
<b>CERTIFIED MAIL™ RECEIPT</b>	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
FW3927 3-18890 OIP	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Postmark Here	
To: Mr Eldrick E Woodley	
St: 19223 Gettysburg Valley Dr	
City: Katy TX 77449	
PS Form 3800, August 2005 See Reverse for Instructions	



Fairchild FW3927 01P

CERTIFIED MAIL™

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
FORT WORTH REGIONAL OFFICE  
BURNETT PLAZA - SUITE 1900  
801 CHERRY STREET - UNIT #18  
FORT WORTH, TEXAS 76102-6882

OFFICIAL BUSINESS  
PENALTY FOR PRIVATE USE, \$300  
RETURN AFTER FIVE DAYS



7008 1830 0003 1799 7742



Mr Eldrick E Woodley  
19223 Gettysburg Valley Dr  
Katy TX 77449

*M.E.W.*

NIXIE 773 DE 1 0004/26/19

RETURN TO SENDER  
UNCLAIMED  
UNABLE TO FORWARD

UNC  
76102-6882  
7744955201 0027

BC: 76102688218 \*1034-80280-05-02

APP. 0046

# Fairchild, Rebecca R.

---

**From:** Fairchild, Rebecca R.  
**Sent:** Tuesday, April 30, 2019 5:22 PM  
**To:** SEC - Office of Secretary (Business Fax)  
**Cc:** ALJ; Fraser, B. David  
**Subject:** In the Matter of Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies, AP No. 3-18890  
**Attachments:** DOE's Notice Regarding Status of Service.4.30.19.pdf; 01 Ltr to OS. Notice of Service.4.30.19.pdf

Attached please find the *Division of Enforcement's Notice Regarding Status of Service* in the above-referenced matter. The original and three copies will be sent by UPS to the Office of the Secretary, and service copies will be forwarded as noted in the attached cover letter.

Respectfully,  
Rebecca R. Fairchild, CP, CFE  
Supervisory Paralegal | Division of Enforcement  
U.S. Securities and Exchange Commission  
Fort Worth Regional Office  
801 Cherry Street, Suite 1900  
Fort Worth, Texas 76102  
Main: (817) 978-3821 | Direct: (817) 900-2608  
Fax: (817) 978-4927  
[fairchildr@sec.gov](mailto:fairchildr@sec.gov)



# Fairchild, Rebecca R.

---

**From:** RightFax.Service  
**Sent:** Tuesday, April 30, 2019 5:24 PM  
**To:** Fairchild, Rebecca R.  
**Subject:** Your fax has been successfully sent to SEC - Office of Secretary at (703) 813-9793.

Your fax has been successfully sent to SEC - Office of Secretary at (703) 813-9793.

-----  
4/30/2019 6:23:21 PM Transmission Record  
Sent to 038139793 with remote ID ""  
Result: (0) Success  
Page record: 1 - 27  
Elapsed time: 00:00 on channel 24

UPS CampusShip: View/Print Label

1. Ensure there are no other shipping or tracking labels attached to your package. Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.
2. Fold the printed label at the solid line below. Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.
3. **GETTING YOUR SHIPMENT TO UPS**  
**Customers with a Daily Pickup**  
 Your driver will pickup your shipment(s) as usual.

**Customers without a Daily Pickup**

Take your package to any location of The UPS Store®, UPS Access Point(TM) location, UPS Drop Box, UPS Customer Center, Staples® or Authorized Shipping Outlet near you. Items sent via UPS Return Services(SM) (including via Ground) are also accepted at Drop Boxes. To find the location nearest you, please visit the Resources area of CampusShip and select UPS Locations.


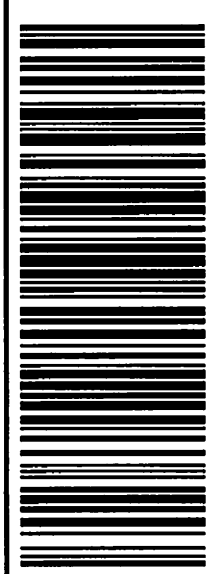

Schedule a same day or future day Pickup to have a UPS driver pickup all your CampusShip packages. Hand the package to any UPS driver in your area.

UPS Access Point™  
THE UPS STORE  
209 W 2ND ST  
FORT WORTH, TX 76102

UPS Access Point™  
TCU CAMPUS STORE  
2850 W BERRY ST  
FORT WORTH, TX 76109

UPS Access Point™  
BOOST MOBILE - MJ WIRELESS  
2427 AZLE AVE  
FORT WORTH, TX 76106

FOLD HERE

<p>REBECCA FAIRCHILD 817.900.2608 SEC-FORT WORTH 801 CHERRY ST FORT WORTH TX 76102</p> <p><b>SHIP TO:</b> OFFICE OF THE SECRETARY SEC 100 F STREET, N.E. WASHINGTON DC 20549-2000</p>	<p>1.0 LBS LTR</p> <p>1 OF 1</p>	<p><b>MD 201 9-65</b></p> 	<p><b>UPS NEXT DAY AIR</b></p> <p><b>1</b></p> <p>TRACKING #: 1Z A37 81X 24 9949 7995</p> 	<p><b>BILLING: P/P</b> <b>SIGNATURE REQUIRED</b></p> <p>Reference # 1: FW-3927 Reference # 2: 3-18890</p>  <p>CS 21.0.21. WNTMVS0 12.0A 04/2019</p>
---	----------------------------------	---	--	--

# Fairchild, Rebecca R.

---

**From:** UPS Quantum View <pkginfo@ups.com>  
**Sent:** Wednesday, May 01, 2019 9:23 AM  
**To:** Fairchild, Rebecca R.  
**Subject:** UPS Delivery Notification, Tracking Number 1ZA3781X2499497995



## Your package has been delivered.

**Delivery Date:** Wednesday, 05/01/2019  
**Delivery Time:** 10:07 AM

At the request of SEC FORT WORTH REG OFFICE this notice alerts you that the status of the shipment listed below has changed.

## Shipment Detail

---

**Tracking Number:** [1ZA3781X2499497995](#)  
Office of the Secretary  
SEC  
100 F ST NE  
WASHINGTON, DC 20549  
US

**Ship To:**

**UPS Service:** UPS NEXT DAY AIR

**Number of Packages:** 1

**Weight:** 1.0 LBS

**Delivery Location:** INSIDE DELIVERY  
WILLIS

**Signature Required:** A signature is required for package delivery

**Reference Number 1:** FW-3927

**Reference Number 2:** 3-18890

**Reference Number 3:** DOE's Status of Service





[Download the UPS mobile app](#)

---

© 2019 United Parcel Service of America, Inc. UPS, the UPS brandmark, and the color brown are trademarks of United Parcel Service of America, Inc. All rights reserved.

All trademarks, trade names, or service marks that appear in connection with UPS's services are the property of their respective owners.

Please do not reply directly to this e-mail. UPS will not receive any reply message. For more information on UPS's privacy practices, refer to the UPS Privacy Notice. For questions or comments, visit the Help and Support Center.

This communication contains proprietary information and may be confidential. If you are not the intended recipient, the reading, copying, disclosure or other use of the contents of this e-mail is strictly prohibited and you are instructed to please delete this e-mail immediately.

[UPS Privacy Notice](#)

[Help and Support Center](#)



UPS CampusShip: View/Print Label

1. Ensure there are no other shipping or tracking labels attached to your package. Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.
2. Fold the printed label at the solid line below. Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.
3. GETTING YOUR SHIPMENT TO UPS  
Customers with a Daily Pickup  
Your driver will pickup your shipment(s) as usual.

Customers without a Daily Pickup

Take your package to any location of The UPS Store®, UPS Access Point™ location, UPS Drop Box, UPS Customer Center, Staples® or Authorized Shipping Outlet near you. Items sent via UPS Return Services(SM) (including via Ground) are also accepted at Drop Boxes. To find the location nearest you, please visit the Resources area of CampusShip and select UPS Locations.

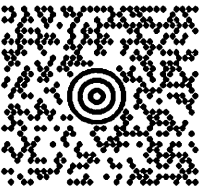

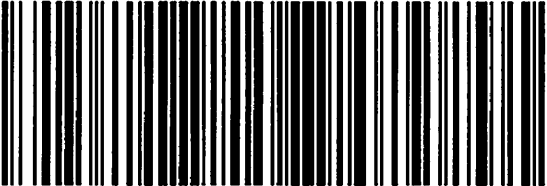

Schedule a same day or future day Pickup to have a UPS driver pickup all your CampusShip packages. Hand the package to any UPS driver in your area.

UPS Access Point™  
THE UPS STORE  
208 W 2ND ST  
FORT WORTH, TX 76102

UPS Access Point™  
TCU CAMPUS STORE  
2890 WILBERRY ST  
FORT WORTH, TX 76109

UPS Access Point™  
BOOST MOBILE - AU WIRELESS  
2427 AZLE AVE  
FORT WORTH, TX 76106

FOLD HERE

REBECCA FAIRCHILD 817-900-2608 SEC.FORT WORTH 801 CHERRY ST FORT WORTH TX 76102		1.0 LBS LTR	1 OF 1
<b>SHIP TO:</b> HON. BRENDA P. MURRAY 202-551-6030 SEC 100 F STREET, NE WASHINGTON DC 20549-2000			
	<b>MD 201 9-65</b> 		
<b>UPS NEXT DAY AIR</b>		<b>1</b>	
TRACKING #: 1Z A37 81X 24 9638 5807			
			
BILLING: P/P SIGNATURE REQUIRED			
Reference #1: FW-3927 Reference # 2: 3-18890		 ™	
CS 21.0.21. WNTINV50 12.0A 04/2019			



# Fairchild, Rebecca R.

---

**From:** UPS Quantum View <pkginfo@ups.com>  
**Sent:** Wednesday, May 01, 2019 9:24 AM  
**To:** Fairchild, Rebecca R.  
**Subject:** UPS Delivery Notification, Tracking Number 1ZA3781X2496385807



## Your package has been delivered.

**Delivery Date:** Wednesday, 05/01/2019  
**Delivery Time:** 10:07 AM

At the request of SEC FORT WORTH REG OFFICE this notice alerts you that the status of the shipment listed below has changed.

## Shipment Detail

---

<b>Tracking Number:</b>	<a href="#"><u>1ZA3781X2496385807</u></a>
<b>Ship To:</b>	Hon. Brenda P. Murray SEC 100 F ST NE WASHINGTON, DC 20549 US
<b>UPS Service:</b>	UPS NEXT DAY AIR
<b>Number of Packages:</b>	1
<b>Weight:</b>	1.0 LBS
<b>Delivery Location:</b>	INSIDE DELIVERY WILLIS
<b>Signature Required:</b>	A signature is required for package delivery
<b>Reference Number 1:</b>	FW-3927
<b>Reference Number 2:</b>	3-18890
<b>Reference Number 3:</b>	DOE's Notice of Status of Service





[Download the UPS mobile app](#)

---

© 2019 United Parcel Service of America, Inc. UPS, the UPS brandmark, and the color brown are trademarks of United Parcel Service of America, Inc. All rights reserved.

All trademarks, trade names, or service marks that appear in connection with UPS's services are the property of their respective owners.

Please do not reply directly to this e-mail. UPS will not receive any reply message. For more information on UPS's privacy practices, refer to the UPS Privacy Notice. For questions or comments, visit the Help and Support Center.

This communication contains proprietary information and may be confidential. If you are not the intended recipient, the reading, copying, disclosure or other use of the contents of this e-mail is strictly prohibited and you are instructed to please delete this e-mail immediately.

[UPS Privacy Notice](#)

[Help and Support Center](#)



UPS CampusShip: View/Print Label

1. **Ensure there are no other shipping or tracking labels attached to your package.** Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.
2. **Fold the printed label at the solid line below.** Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.
3. **GETTING YOUR SHIPMENT TO UPS**  
**Customers with a Daily Pickup**  
 Your driver will pickup your shipment(s) as usual.

**Customers without a Daily Pickup**

Take your package to any location of The UPS Store®, UPS Access Point(TM) location, UPS Drop Box, UPS Customer Center, Staples® or Authorized Shipping Outlet near you. Items sent via UPS Return Services(SM) (including via Ground) are also accepted at Drop Boxes. To find the location nearest you, please visit the Resources area of CampusShip and select UPS Locations.

Schedule a same day or future day Pickup to have a UPS driver pickup all your CampusShip packages. Hand the package to any UPS driver in your area.

UPS Access Point™  
THE UPS STORE  
209 W 2ND ST  
FORT WORTH, TX 76102

UPS Access Point™  
TCU CAMPUS STORE  
2990 WEBBERRY ST  
FORT WORTH, TX 76109

UPS Access Point™  
BOOST MOBILE - MJ WIRELESS  
2427 AZLE AVE  
FORT WORTH, TX 76106

FOLD HERE

*RETURNS*

1 OF 1

IES

KIT

5

UP

CS 21.0.21 04/2019

B  
A

R  
R





First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

9590 9402 1716 6074 6365 88

**United States  
Postal Service**

• Sender: Please print your name, address, and ZIP+4® in this box•  
  
U.S. Securities & Exchange Commission  
Burnet Plaza, Suite 1900  
801 Cherry St., Unit #18  
Fort Worth, TX 76102-6882

*Fairchild FW-3927 3-18890 Status of Serv*

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
  - Print your name and address on the reverse so that we can return the card to you.
  - Attach this card to the back of the mailpiece, or on the front if space permits.
1. Article Addressed to:

Mr Eldrick E Woodley  
19223 Gettysburg Valley Dr  
Katy TX 77449



9590 9402 1716 6074 6365 88

2. Article Number (Transfer from service label)

7008 1830 0003 1799 7780

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 Addressee

B. Received by \_\_\_\_\_ Date of Delivery \_\_\_\_\_

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Restricted Delivery

Domestic Return Receipt

FIRST CLASS

OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL™



7008 1830 0003 1799 7780



# First Class Mail

# First Class Mail

U.S. SECURITIES AND EXCHANGE COMMISSION <sup>RF</sup>  
801 CHERRY STREET  
UNIT 18, SUITE 1900  
FORT WORTH, TX 76102

TO:  
Mr Eldrick E Woodley  
19223 Gettysburg Valley Drive  
Katy TX 77449

7008 1830 0003 1799 7780

U.S. Postal Service™  
**CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)  
For delivery information visit our website at [www.usps.com](http://www.usps.com)  
*FW3927 3-18890 Status of*

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		

*Service*

Postmark Here

Mr Eldrick E Woodley  
19223 Gettysburg Valley Dr  
Katy TX 77449

PS Form 3800, August 2006 See Reverse for Instructions

FIRST CLASS

FIRST CLASS

FIRST CLASS

FIRST CL

APP. 0058



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

**Administrative Proceeding**  
**File No. 3-18890**

**In the Matter of**

**ELDRICK E. WOODLEY d/b/a**  
**WOODLEY & CO. WEALTH**  
**STRATEGIES,**

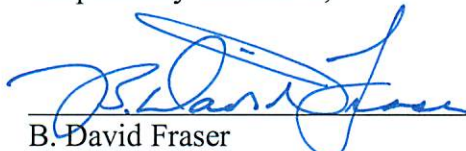
**Respondent.**

**DIVISION OF ENFORCEMENT'S**  
**SECOND NOTICE REGARDING STATUS**  
**OF SERVICE**

Pursuant to the Order Regarding Service issued in this proceeding on April 16, 2019, the Division of Enforcement files the attached Declaration of B. David Fraser regarding the status of service of the OIP in this matter.

Dated: May 20, 2019

Respectfully submitted,



B. David Fraser  
Texas Bar No. 24012654  
United States Securities and  
Exchange Commission  
Fort Worth Regional Office  
Burnett Plaza, Suite 1900  
801 Cherry Street, Unit 18  
Fort Worth, Texas 76102  
(817) 978-1409  
(817) 978-4927 (facsimile)  
FraserB@sec.gov

LEAD COUNSEL FOR  
DIVISION OF ENFORCEMENT

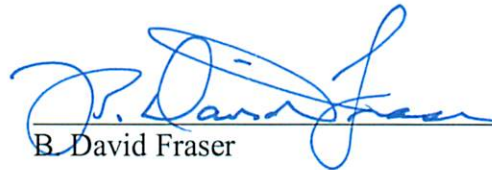
Service List

Pursuant to Rule 150 of the Commission's Rules of Practice, I hereby certify that a true and correct copy of the *Division of Enforcement's Second Notice Regarding Status of Service* was served on the following on May 20, 2019 via United Parcel Service, Overnight Delivery:

Honorable Brenda P. Murray  
Chief Administrative Law Judge  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-2557

B. David Fraser, Esq.  
Fort Worth Regional Office  
Securities and Exchange Commission  
801 Cherry Street, Suite 1900, Unit 18  
Fort Worth, TX 76182

CERTIFIED MAIL  
Mr. Eldrick E. Woodley  
19223 Gettysburg Valley Drive  
Katy, TX 77449  
and  
700 Louisiana Street, Suite 3950  
Houston TX 77002  
*Pro Se Respondent*

  
B. David Fraser

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

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18890**

**In the Matter of**

**ELDRICK E. WOODLEY d/b/a**  
**WOODLEY & CO. WEALTH**  
**STRATEGIES,**

**Respondent.**

**SECOND DECLARATION OF B.**  
**DAVID FRASER REGARDING**  
**STATUS OF SERVICE**

B. DAVID FRASER, pursuant to 28 U.S.C. § 1746, declares:

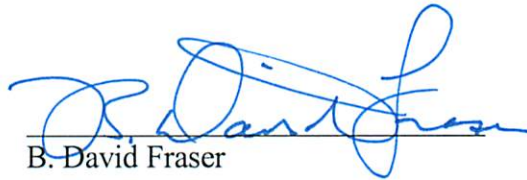
I am the Regional Trial Counsel in the Securities and Exchange Commission's ("Commission") Fort Worth Regional Office. I serve as lead counsel in representing the Division of Enforcement ("Division") in the above-captioned administrative proceeding. I submit this Declaration regarding the status of service on Respondent Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies ("Woodley").

Following the Division's April 30, 2019 Notice Regarding Status of Service, the Division engaged a private process server to effect service on Woodley. On May 8, 2019, the process server served Woodley, in accordance with Rule 50(c)(1) of the Commission's Rules of Practice, with: (1) the *Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940 and Notice of Hearing* (the "OIP"); (2) the *Order Regarding Service* issued on April 16, 2019; and (3) the *Division of Enforcement's Notice Regarding Status of Service* dated

April 30, 2019. Attached hereto as Exhibit A is the executed Proof of Service from the process server.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 20, 2019.



B. David Fraser

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

Case Number: 3-18890

vs.

In the Matter Of:  
**Woodley, Eldrick E.**

For:  
U.S. Securities and Exchange Commission  
100 F St NE  
Washington, DC 20549

Received by Cavalier Courier & Process Service to be served on **Eldrick E. Woodley,** [REDACTED]  
**Katy, TX** [REDACTED].

I, Cody Anderson, do hereby affirm that on the **8th day of May, 2019** at **11:45 am, I:**

Served Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940 and Notice of Hearing; Order Regarding Service; Division of Enforcement's Notice Regarding Status of Service; Declaration of B David Fraser with Exhibits A-D to Christina Doe at 700 Louisiana St, Suite 3950, Houston, TX as Administrator/Person Found in Charge, being of suitable position and discretion to accept service. Upon information and belief, 700 Louisiana St, Suite 3950, Houston, TX is the usual place of business or employment of Eldrick E. Woodley.

**Additional Information pertaining to this Service:**  
Service made pursuant to SEC Rule of Practice 150(c)(1).

I am a natural person over the age of eighteen and am not a party to or otherwise interested in the subject matter in controversy. I am a private process server authorized to serve this process in accordance with relevant law. Under penalty of perjury, I declare that the foregoing is true and correct.



Cody Anderson

5/13/19

**Cavalier Courier & Process Service**  
823-C South King Street  
Leesburg, VA 20175  
(703) 431-7085

Our Job Serial Number: CAV-2019005211  
Ref: FWRO-57084

Copyright © 1992-2019 Database Services, Inc. - Process Server's Toolbox V8.0g



APP. 0063



UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940  
Release No. 5614 / October 16, 2020

Admin. Proc. File No. 3-18890

In the Matter of  
  
ELDRICK E. WOODLEY d/b/a  
WOODLEY & CO. WEALTH STRATEGIES

ORDER TO SHOW CAUSE

On November 9, 2018, the Securities and Exchange Commission issued an order instituting administrative proceedings (“OIP”) against Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies pursuant to Section 203(f) of the Investment Advisers Act of 1940.<sup>1</sup> On May 21, 2019, the Division of Enforcement filed the Declaration of B. David Fraser, appending a process server’s affidavit, which shows that service of the OIP was made on Woodley on May 8, 2019, pursuant to Rule 141(a)(2)(i) of the Commission’s Rules of Practice.<sup>2</sup>

As stated in the OIP, Woodley’s answer was required to be filed within 20 days of service of the OIP.<sup>3</sup> As of the date of this order, Woodley has not filed an answer. The prehearing conference and the hearing are thus continued indefinitely.

Accordingly, Woodley is ORDERED to SHOW CAUSE by October 30, 2020, why he should not be deemed to be in default due to his failure to file an answer and to otherwise defend this proceeding. When a party defaults, the allegations in the OIP will be deemed to be true and the Commission may determine the proceeding against that party upon consideration of the

---

<sup>1</sup> *Eldrick E. Woodley*, Advisers Act Release No. 5064, 2018 WL 5881785 (Nov. 9, 2018).

<sup>2</sup> 17 C.F.R. § 201.141(a)(2)(i); *see also Eldrick E. Woodley*, Exchange Act Release No. 85658, 2019 WL 1616733 (Apr. 16, 2019) (directing the Division to file status report regarding service).

<sup>3</sup> *Eldrick E. Woodley*, 2018 WL 5881785, at \*2; Rules of Practice 151(a), 160(b), 220(b), 17 C.F.R. §§ 201.151(a), 160(b), .220(b).

record without holding a public hearing.<sup>4</sup> The OIP informed Woodley that a failure to file an answer could result in his being deemed in default and the proceedings determined against him.<sup>5</sup>

If Woodley responds to this order to show cause, the Division may file a reply within 14 days after its service. If Woodley does not file a response, the Division shall file a motion for default and other relief by December 11, 2020. The motion should discuss relevant authority relating to the legal basis for and the appropriateness of the requested sanctions and include evidentiary support sufficient to make an individualized assessment of whether those sanctions are in the public interest.<sup>6</sup> The parties may file opposition and reply briefs within the deadlines provided by the Rules of Practice.<sup>7</sup> The failure to timely oppose a dispositive motion is also a basis for a finding of default;<sup>8</sup> it may result in the determination of particular claims, or the proceeding as a whole, adversely to the non-moving party and may be deemed a forfeiture of arguments that could have been raised at that time.<sup>9</sup>

The parties' attention is called to the Commission's March 18, 2020 order regarding the filing and service of papers, which provides that pending further order of the Commission parties to the extent possible shall submit all filings electronically at [apfilings@sec.gov](mailto:apfilings@sec.gov).<sup>10</sup>

---

<sup>4</sup> Rules of Practice 155, 180, 17 C.F.R. §§ 201.155, .180.

<sup>5</sup> *Eldrick E. Woodley*, 2018 WL 5881785, at \*2 (“If Respondent fails to file the directed Answer, . . . the Respondent may be deemed in default and the proceedings may be determined against [him] . . . .”).

<sup>6</sup> *See generally Rapoport v. SEC*, 682 F.3d 98, 108 (D.C. Cir. 2012) (requiring “meaningful explanation for imposing sanctions”); *McCarthy v. SEC*, 406 F.3d 179, 190 (D.C. Cir. 2005) (“each case must be considered on its own facts”); *Gary McDuff*, Exchange Act Release No. 74803, 2015 WL 1873119, at \*1 (Apr. 23, 2015); *Ross Mandell*, Exchange Act Release No. 71668, 2014 WL 907416, at \*2 (Mar. 7, 2014), *vacated in part on other grounds*, Exchange Act Release No. 77935, 2016 WL 3030883 (May 26, 2016); *Don Warner Reinhard*, Exchange Act Release No. 61506, 2010 WL 421305, at \*3-4 (Feb. 4, 2010), *appeal after remand*, Exchange Act Release No. 63720, 2011 WL 121451, at \*5-8 (Jan. 14, 2011).

<sup>7</sup> *See* Rules of Practice 154, 160, 17 C.F.R. §§ 201.154, .160.

<sup>8</sup> *See* Rules of Practice 155(a)(2), 180(c), 17 C.F.R. § 201.155(a)(2), .180(c); *see, e.g., Benham Halali*, Exchange Act Release No. 79722, 2017 WL 24498, at \*3 n.12 (Jan. 3, 2017).

<sup>9</sup> *See, e.g., McBarron Capital LLC*, Exchange Act Release No. 81789, 2017 WL 4350655, at \*3-5 (Sep. 29, 2017); *Bennett Group Fin. Servs., LLC*, Exchange Act Release No. 80347, 2017 WL 1176053, at \*2-3 (Mar. 30, 2017); *Apollo Publ’n Corp.*, Securities Act Release No. 8678, 2006 WL 985307, at \*1 n.6 (Apr. 13, 2006).

<sup>10</sup> *See Pending Administrative Proceedings*, Exchange Act Release No. 88415, <https://www.sec.gov/litigation/opinions/2020/33-10767.pdf>.

Upon review of the filings in response to this order, the Commission will either direct further proceedings by subsequent order or issue a final opinion and order resolving the matter.

For the Commission, by the Office of the General Counsel, pursuant to delegated authority.

Vanessa A. Countryman  
Secretary

  
**By: Jill M. Peterson**  
**Assistant Secretary**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

**Securities and Exchange Commission,**

Plaintiff,

v.

**Eldrick E. Woodley d/b/a Woodley & Co.  
Wealth Strategies,**

Defendant.

**Case No: 4:15-CV-2767**

**COMPLAINT**

Plaintiff, the United States Securities and Exchange Commission (the “Commission”), files this Complaint against Defendant Eldrick E. Woodley, doing business as Woodley & Co. Wealth Strategies (“Woodley”), and alleges:

**SUMMARY**

1. For more than two years, investment adviser Woodley perpetuated a fraudulent scheme to misappropriate money from his clients. Between May 2012 and June 2014, Woodley submitted a series of invoices to his custodian (“Custodian”) to collect funds from client accounts as compensation purportedly for services performed or investments made on their behalf. However, Woodley was simply misappropriating money from his clients. The invoices Woodley submitted were for services that he never performed, items and expenses his clients never agreed to pay for, and purported investments for clients that were never made. Woodley directed all of these transactions and fraudulently collected more than \$147,000 from his clients’ accounts.

2. By engaging in these transactions, Woodley violated the anti-fraud provisions of the Investment Advisers Act of 1940 (the “Advisers Act”). The Commission seeks an order

enjoining Woodley from future violations of those provisions, directing him to disgorge ill-gotten gains with prejudgment interest thereon, and ordering him to pay civil monetary penalties.

### **JURISDICTION AND VENUE**

3. The Commission seeks a permanent injunction, disgorgement, and the imposition of civil penalties pursuant to Section 209 of the Advisers Act [15 U.S.C. § 80b-9].

4. This Court has jurisdiction over this action pursuant to Sections 209 and 214 of the Advisers Act [15 U.S.C. §§ 80b-9 and 80b-14].

5. Defendant has, directly or indirectly, made use of the mails and of the means and instrumentalities of interstate commerce in connection with the acts, transactions, practices, and courses of business described in this Complaint.

6. Venue is appropriate in this district under Section 214 of the Advisers Act [15 U.S.C. § 80b-14] because Woodley resides in, and a substantial portion of the conduct alleged in this complaint occurred within, the Southern District of Texas.

### **PARTIES**

7. **Eldrick E. Woodley**, doing business as Woodley & Co. Wealth Strategies, age 33, lives in the Houston area and based his business in Houston, Texas. Woodley was registered as an investment advisor with the state of Texas from December 2010 through December 2012. At all relevant times, Woodley conducted his investment advisory business under the name Woodley & Co. Wealth Strategies, an unincorporated sole proprietorship.

## **FACTUAL ALLEGATIONS**

### **A. Woodley's Investment Advisory Business**

8. Woodley started his investment advisory business in or before November 2010 under the name Woodley & Co. Wealth Strategies to provide investment advisory services to individual clients. During the relevant period, Woodley had a total of sixteen clients, primarily located in the Houston area.

9. New clients reviewed and executed a "Woodley & Co Wealth Strategies Investment Advisory Agreement" (the "Advisory Agreement") upon the client's selection of Woodley as an adviser. The terms of the Advisory Agreement provided that Woodley would act as the client's adviser and manage the client's investment portfolio in exchange for an annual advisory fee based on the client's assets. Clients would pay a portion of the annual advisory fee each quarter. The Advisory Agreement, however, contained no provisions stating that Woodley's clients were responsible for paying expenses relating to Woodley's travel, lodging, or meals, or for paying for Woodley to attend any retreats or seminars.

10. In March 2011, Woodley and Custodian entered into an agreement for Custodian to provide Woodley with advisory custodial services. As part of that contract, once a client's assets were deposited into Custodian's custodial accounts, Custodian would withdraw advisory fees from accounts and transfer them to the adviser at specified times. Custodian account holders received their account statements directly from Custodian on a quarterly basis. Woodley's clients' quarterly statements from Custodian specifically reflected every withdrawal for annual advisory fees and included a description of how that quarter's fees were calculated.

11. Custodian also provided investment advisers, including Woodley, with a mechanism to recover fees, in addition to their annual advisory fees, for additional items and

services the adviser provided to clients. Advisers could submit an Invoice Fee Form for Investment Advisor's Fee (a "Fee Invoice") to Custodian to collect fees from a client's account. The typical Fee Invoice required the adviser to provide its contact information, select a fee description,<sup>1</sup> describe what the fee was for, and provide the amount of the fee being charged to a specific client account. An adviser could use one Fee Invoice to collect fees from multiple client accounts.

12. Once Custodian processed a Fee Invoice, it withdrew the fee requested from the applicable client account and deposited the funds into the adviser's pre-specified account. Every fee withdrawn from a client's account via a Fee Invoice was reflected on the client's quarterly statement. However, the descriptions of those fees in clients' quarterly statement were very general, and did not include explanatory information similar to that contained on the Fee Invoices. Other than including one of the aforementioned fee descriptions, the clients' quarterly statements provided no information about these fees — there was no indication as to what they were, why they were being assessed, or even who received the fees deducted from a client's account. Additionally, as Woodley knew or was reckless in not knowing, Custodian did not, as a matter of course, send a copy of a Fee Invoice to the client being charged the additional fee.

**B. Woodley Devises a Fraudulent Scheme to Misappropriate Client Assets**

13. In May 2012, Woodley embarked on a fraudulent scheme to steal money from his clients. Woodley began submitting Fee Invoices to Custodian to collect fees for services that he never performed, items and expenses his clients never agreed to pay for, and purported investments for clients that were never made. The fraudulent Fee Invoices, and resulting

---

<sup>1</sup> The choices available were Management Fee, Financial Planning Services, Investment Management Fee, Asset Management Services, and Investment Advisory Services.

payments, are detailed below in paragraph 14. The following are just a few examples of the fraudulent Fee Invoices Woodley submitted to Custodian:

- a. February 21, 2013: \$6,000 Fee Invoice for Financial Planning Services. Woodley described the fees on this Fee Invoice as relating to “Estate Planning Fees and Family Consultation” and sought to collect these fees from five clients. Woodley, however, never performed any estate planning or family consultation for any of these clients. Custodian paid the \$6000 to Woodley on February 25, 2013.
- b. March 14, 2013: \$3,640 Fee Invoice for Management Fees. Woodley described these as management fees for a private equity investment and sought to collect them from five clients. However, Woodley should not have charged these clients “management fees” because: (1) three of the five clients never invested in the private equity deal; (2) the two clients that did invest in the deal did so outside of their relationship with Woodley and Custodian; and (3) Woodley never disclosed to the two clients that did invest in the deal the existence of management fees related to the venture, and they never agreed to pay any such fees to Woodley. Custodian paid the \$3,640 to Woodley on March 20, 2013.
- c. April 15, 2013: \$6,366.10 Fee Invoice for Financial Planning Services. Woodley described the fees on this Fee Invoice as “Tax Retreat (Austin, TX) planning fees based on assets and time spent on case,” and sought to collect them from five clients. However, none of these clients knew about this retreat or its purpose, and none of them ever agreed to pay Woodley’s expenses to take this or any other trip or retreat. Custodian paid the requested \$6,366.10 to Woodley on April 19, 2013.



14. Between May 2012 and June 2014, Woodley sent Custodian the following Fee Invoices, which Custodian then processed and paid:

<u>Invoice Date</u>	<u>Fee Description</u>	<u>Fee Collected</u>
5/29/2012	Investment Advisory Fee	\$4,142.54
6/12/2012	Financial Planning Services	\$3,400.00
7/10/2012	Investment Advisory Fee	\$1,750.00
7/30/2012	Financial Planning Services	\$4,050.00
8/21/2012	Investment Management Fee	\$5,010.00
10/2/2012	Investment Management Fee	\$1,475.00
11/12/2012	Investment Management Fee	\$1,550.00
11/23/2012	Asset Management Services	\$3,025.00
12/8/2012	Financial Planning Services	\$1,625.00
12/14/2012	Management Fee	\$4,900.00
1/21/2013	Financial Planning Services	\$1,125.00
1/25/2013	Financial Planning Services	\$3,900.00
2/21/2013	Financial Planning Services	\$6,000.00
3/14/2013	Management Fee	\$3,640.00
4/15/2013	Financial Planning Services	\$6,366.60
5/10/2013	Management Fee	\$2,979.00
5/20/2013	Investment Advisory Fee	\$3,000.00
6/12/2013	Financial Planning Services	\$2,110.00
6/24/2013	Financial Planning Services	\$3,356.25
7/22/2013	Financial Planning Services	\$6,694.00

8/15/2013	Financial Planning Services	\$3,585.00
8/28/2013	Management Fee	\$9,070.00
9/16/2013	Management Fee	\$4,500.00
9/27/2013	Financial Planning Services	\$6,665.00
10/17/2013	Management Fee	\$4,500.00
10/28/2013	Management Fee	\$7,250.00
11/25/2013	Management Fee	\$9,275.00
12/23/2013	Management Fee	\$5,220.00
1/22/2014	Management Fee	\$1,945.00
2/10/2014	Management Fee	\$4,100.00
3/6/2014	Management Fee	\$3,130.00
3/24/2014	Asset Management Services	\$5,235.00
4/21/2014	Management Fee	\$8,225.00
5/20/2014	Management Fee	\$4,225.00

As Woodley knew or was reckless in not knowing, each of these Fee Invoices falsely contained descriptions of work Woodley never performed, items that Woodley's clients never agreed to pay for, or investments that Woodley never made for his clients. And, as he knew it would, Custodian withdrew these requested fees from Woodley's clients' accounts and transferred all withdrawn fees to bank accounts held in the name of Woodley individually, Woodley & Co. Wealth Strategies, or Woodley doing business as Woodley & Co. Wealth Strategies. Woodley collected at least \$147,023.39 in fees from eleven clients through the materially false and misleading Fee Invoices specified above.

**C. Woodley Misleads a Client Who Discovered his Fraudulent Conduct**

15. One of Woodley's clients (Client 1) eventually discovered that Woodley had fraudulently collected fees from her account. In or around November 2013, Client 1 received a quarterly statement and became concerned with the amount of fees taken out of her account for the year to date. At or near that same time, Client 1 contacted both Woodley and Custodian for an explanation. Woodley concocted a false story to hide his conduct and told Client 1 that she had been mistakenly charged these fees. Woodley claimed that some of his clients had invested in certain hedge funds, that he had given specific fee instructions for those accounts, and that Client 1's account had been mistakenly included within the instructions given for these accounts. Woodley falsely told Client 1 that he had started the paperwork with Custodian to reverse the charges. In fact, as Custodian informed Client 1, all fees deducted from her account were consistent with instructions Custodian received from Woodley. Woodley knew this or was severely reckless in not knowing, as evidenced by the fact that he never — contrary to his assurances to Client 1 — actually tried to return Client 1's money.

16. Between November 2013 and January 2014, Client 1 and Woodley continued to communicate about the fees charged to her account. In January 2014, Client 1 told Woodley she had contacted Custodian about the fee issue and was told that Custodian had received no instructions from Woodley regarding restoring the fees to her account. Woodley responded by telling Client 1 that he had instructed Custodian to stop all withdrawals from Client 1's account and that it would take two business weeks to return the funds withdrawn from Client 1's account along with any growth calculations. This representation was also untrue. Woodley never instructed Custodian to stop withdrawing fees from Client 1's account and had taken no action to try to restore the fees withdrawn from Client 1's account.

17. In or around early May 2014, Client 1 again contacted Custodian to complain about the fees withdrawn from her account. Custodian responded by sending Client 1 copies of the Fee Invoices Woodley had submitted relating to her account. Client 1 had never seen, and had no knowledge of, these Fee Invoices prior to this time. After receiving the Fee Invoices, Client 1's spouse contacted Woodley and told him that Client 1 suspected fraudulent activity by Woodley and threatened to take legal action unless Woodley returned the full amount fees withdrawn from Client 1's account, along with any gains or losses. In response, Woodley stopped all communication with Client 1. To date, Woodley has not restored any of the fees fraudulently withdrawn from Client 1's account, or any other client's account.

### **CLAIMS FOR RELIEF**

#### **Violations of Sections 206(1) and (2) of the Advisers Act**

18. The Commission realleges and incorporates the foregoing paragraphs as if fully set forth herein.

19. At all relevant times, Woodley operated as an "investment adviser" as defined by Section 202(a)(11) of the Advisers Act [15 U.S.C. 80b-2(a)(11)].

20. By engaging in the acts and conduct alleged above, Woodley, while acting as an investment adviser, directly or indirectly, by use of the mails or any means or instrumentality of interstate commerce, knowingly, willfully, or recklessly (a) employed a device, scheme, or artifice to defraud clients or prospective clients; and (b) engaged in transactions, practices, and courses of business which operated as a fraud or deceit upon clients or prospective clients.

21. By reason of the foregoing, Woodley violated, and unless enjoined will continue to violate, Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and 80b-6(2)].

**PRAYER FOR RELIEF**

WHEREFORE, PREMISES CONSIDRED, the Commission respectfully requests that this Court:

- a. Permanently enjoin Woodley from directly or indirectly violating Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and 80b-6(2)];
- b. Order Woodley to disgorge any wrongfully obtained benefits, including prejudgment interest thereon;
- c. Order Woodley to pay civil penalties pursuant to Section 209 of the Advisers Act [15 U.S.C. § 80b-9]; and
- d. Grant the Commission such other and further relief, at law or in equity, to which it may show itself justly entitled.

DATED: September 22, 2015

Respectfully submitted,

*s/ David B. Reece*

David B. Reece  
Attorney-in-Charge  
Texas Bar No. 24002810  
SD Bar No. 896560  
U. S. Securities and Exchange Commission  
Burnett Plaza, Suite 1900  
801 Cherry Street, Unit #18  
Fort Worth, Texas 76102-6882  
Tel: (817) 978-6476  
Fax: (817) 978-4927  
[Reeced@sec.gov](mailto:Reeced@sec.gov)

ATTORNEY FOR PLAINTIFF

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS
U.S. Securities and Exchange Commission
(b) County of Residence of First Listed Plaintiff
(c) Attorneys (Firm Name, Address, and Telephone Number)
David B. Reece
801 Cherry St., Suite 1900
Fort Worth, TX 76102 (817) 978-6476

DEFENDANTS
Eldrick E. Woodley d/b/a Woodley & Co. Wealth Strategies
County of Residence of First Listed Defendant Harris
NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED
Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)
X 1 U.S. Government Plaintiff
2 U.S. Government Defendant
3 Federal Question (U.S. Government Not a Party)
4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)
PTF DEF
Citizen of This State 1 1
Citizen of Another State 2 2
Citizen or Subject of a Foreign Country 3 3
Incorporated or Principal Place of Business In This State 4 4
Incorporated and Principal Place of Business In Another State 5 5
Foreign Nation 6 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)
CONTRACT: 110 Insurance, 120 Marine, 130 Miller Act, 140 Negotiable Instrument, 150 Recovery of Overpayment & Enforcement of Judgment, 151 Medicare Act, 152 Recovery of Defaulted Student Loans (Excludes Veterans), 153 Recovery of Overpayment of Veteran's Benefits, 160 Stockholders' Suits, 190 Other Contract, 195 Contract Product Liability, 196 Franchise
REAL PROPERTY: 210 Land Condemnation, 220 Foreclosure, 230 Rent Lease & Ejectment, 240 Torts to Land, 245 Tort Product Liability, 290 All Other Real Property
TORTS: PERSONAL INJURY: 310 Airplane, 315 Airplane Product Liability, 320 Assault, Libel & Slander, 330 Federal Employers' Liability, 340 Marine, 345 Marine Product Liability, 350 Motor Vehicle, 355 Motor Vehicle Product Liability, 360 Other Personal Injury, 362 Personal Injury - Medical Malpractice
PERSONAL INJURY: 365 Personal Injury - Product Liability, 367 Health Care/Pharmaceutical Personal Injury Product Liability, 368 Asbestos Personal Injury Product Liability
PERSONAL PROPERTY: 370 Other Fraud, 371 Truth in Lending, 380 Other Personal Property Damage, 385 Property Damage Product Liability
FORFEITURE/PENALTY: 625 Drug Related Seizure of Property 21 USC 881, 690 Other
LABOR: 710 Fair Labor Standards Act, 720 Labor/Management Relations, 740 Railway Labor Act, 751 Family and Medical Leave Act, 790 Other Labor Litigation, 791 Employee Retirement Income Security Act
IMMIGRATION: 462 Naturalization Application, 465 Other Immigration Actions
BANKRUPTCY: 422 Appeal 28 USC 158, 423 Withdrawal 28 USC 157
PROPERTY RIGHTS: 820 Copyrights, 830 Patent, 840 Trademark
SOCIAL SECURITY: 861 HIA (1395ff), 862 Black Lung (923), 863 DIWC/DIWW (405(g)), 864 SSID Title XVI, 865 RSI (405(g))
FEDERAL TAX SUITS: 870 Taxes (U S Plaintiff or Defendant), 871 IRS—Third Party 26 USC 7609
OTHER STATUTES: 375 False Claims Act, 400 State Reapportionment, 410 Antitrust, 430 Banks and Banking, 450 Commerce, 460 Deportation, 470 Racketeer Influenced and Corrupt Organizations, 480 Consumer Credit, 490 Cable/Sat TV, 850 Securities/Commodities/Exchange, 890 Other Statutory Actions, 891 Agricultural Acts, 893 Environmental Matters, 895 Freedom of Information Act, 896 Arbitration, 899 Administrative Procedure Act/Review or Appeal of Agency Decision, 950 Constitutionality of State Statutes

V. ORIGIN (Place an "X" in One Box Only)
X 1 Original Proceeding
2 Removed from State Court
3 Remanded from Appellate Court
4 Reinstated or Reopened
5 Transferred from Another District (specify)
6 Multidistrict Litigation

VI. CAUSE OF ACTION
Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and 80b-6(2)]
Brief description of cause:
securities violations

VII. REQUESTED IN COMPLAINT:
CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$
CHECK YES only if demanded in complaint:
JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY (See instructions):
JUDGE DOCKET NUMBER

DATE 09/22/2015 SIGNATURE OF ATTORNEY OF RECORD s/ David B. Reece

FOR OFFICE USE ONLY
RECEIPT # AMOUNT APPLYING IFP JUDGE MAG FEE APP. 0077

**INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44**

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
  - (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
  - (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.  
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.  
 United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.  
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.  
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an "X" in one of the six boxes.  
 Original Proceedings. (1) Cases which originate in the United States district courts.  
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.  
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.  
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.  
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.  
 Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.  
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.  
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

**Date and Attorney Signature.** Date and sign the civil cover sheet.