

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-20198

In the Matter of

MICHELLE MORTON,

Respondent.

**MOTION FOR ENTRY OF DEFAULT
AND LEAVE TO FILE MOTION FOR
SUMMARY DISPOSITION**

The Division of Enforcement (“Division”) respectfully requests entry of default against Respondent Michelle Morton (“Morton”) pursuant to Rule 155(a)(2) and 220(f) of the Commission’s Rules of Practice (“Practice Rules”), 17 C.F.R. §§ 201.155(a)(2) and 201.220(f). In addition, the Division respectfully seeks leave to submit a motion for summary disposition on the issue of remedial sanctions.

A. Morton Is in Default.

The Commission commenced this proceeding on January 6, 2021, with an Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, and Notice of Hearing, Advisers Act Rel. No. 5663 (Jan. 6, 2021) (“OIP”). The OIP alleges, in summary, that Morton pled guilty to one count of conspiracy to commit securities fraud, and one count of investment adviser fraud before the United States District Court for the Southern District of New York in United States v. Hirst, et al., 16 Cr. 371 (RA) (S.D.N.Y.).

(OIP at II.B.4.) The counts of the indictment to which Morton pled guilty alleged, inter alia, that Morton conspired with others to defraud certain investment advisory clients by causing client funds to be invested without disclosing material facts to these clients. The OIP further alleges that a final judgment was entered by consent against Morton, permanently enjoining her from future violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1), 206(2) and 206(4) of the Investment Advisers Act of 1940 (“Advisers Act”) and Rule 206(f)-8 thereunder, in the parallel civil action entitled SEC v. Archer, et al., Civil Action No. 16 Civ. 3505 (WHP), in the United States District Court for the Southern District of New York. (OIP at II.B.2.)

On or about January 7, 2021, the Commission’s Office of the Secretary served Morton with the OIP by U.S. Mail at her current address at [REDACTED], Colonia, New Jersey [REDACTED] and U.S. Mail records indicate that the OIP was delivered on January 11, 2021. See Declaration of Nancy A. Brown, dated March 16, 2021, and submitted herewith.

In the OIP, Morton was directed to file an Answer within twenty days after service of the OIP. (OIP at IV; see also Rules of Practice 160(a) and 220(b), 17 C.F.R. §§ 201.160(a) and 201.220(b).) Under these provisions, Morton’s Answer was due no later than February 1, 2021. As of the date of this Motion, Morton has neither filed nor served an Answer, nor has she moved for any extension of her time to Answer. Because she has failed to appear and file an Answer, entry of default against Morton is appropriate pursuant to Rules of Practice 155(a)(2) and 220(f), 17 C.F.R. §§ 201.155(a)(2) and 201.220(f).

B. A Motion for Summary Disposition Is Appropriate.

The Division also respectfully requests leave to file a motion for summary disposition pursuant to Rule of Practice 250, 17 C.F.R. § 201.250. As the Division alleges in the OIP,

Morton pled guilty to the violation described above and consented to permanent injunctive relief against future violations of the Advisers Act (among other provisions) in the Consent Judgment. Determination of the appropriate sanctions, if any, can therefore be resolved by summary disposition.

Conclusion

For the foregoing reasons, the Division respectfully requests that default be entered against Morton and that the Division be granted leave to submit a motion for summary disposition addressing the sanctions that should be entered against her.

Dated: March 16, 2021

Respectfully submitted,

s/ Nancy A. Brown
Nancy A. Brown
Tejal D. Shah

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CERTIFICATE OF SERVICE

I certify that I caused copies of the foregoing Motion for Entry of Default and Leave to File Motion for Summary Disposition, and the accompanying Declaration of Nancy A. Brown, dated March 16, 2021, to be served upon Respondent, Michelle Morton, by causing the same to be sent to Respondent on March 16, 2021 by email and UPS Overnight at

Michelle Morton

[REDACTED]
Colonia, NJ [REDACTED]
[REDACTED]

s/ Nancy A. Brown