

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 69885 / June 28, 2013

INVESTMENT ADVISERS ACT OF 1940
Release No. 3619 / June 28, 2013

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3468 / June 28, 2013

Admin. Proc. File No. 3-14565

In the Matter of

LPB CAPITAL
D/B/A FAMILY OFFICE GROUP, LLC
and GARY J. PAPPAS
c/o Mary Pappas
5 Brookhaven Road
Pinehurst, NC 28374
and
c/o Corporation Service Company
2711 Centerville Road, Suite 400
Wilmington, DE 19808

ORDER DISMISSING
PROCEEDINGS

On September 27, 2011, the Commission instituted administrative and cease-and-desist proceedings against LPB Capital d/b/a Family Office Group, LLC, formerly registered with the Commission as an investment adviser, under Sections 203(e) and 203(k) of the Investment Advisers Act of 1940.¹ The Commission also instituted administrative and cease-and-desist proceedings against Gary J. Pappas, the firm's founder and former majority owner, chief executive officer, and chief compliance officer, under Advisers Act Sections 203(f) and 203(k) and Rule 102(e)(1)(iii) of the Commission's Rules of Practice.² The Order Instituting Proceedings alleges, among other things, that Family Office Group and Pappas overstated the firm's assets under management and violated antifraud provisions.

¹ 15 U.S.C. §§ 80b-3(e), 80b-3(k).

² *Id.*, §§ 80b-3(f), 80b-3(k); 17 C.F.R. § 201.102(e)(1)(iii).

Following the institution of proceedings, the Commission authorized the staff to accept a settlement offer pursuant to which the respondents agreed to: (i) a cease-and-desist order; (ii) the revocation of Family Office Group's registration with the Commission; (iii) a full collateral bar against Pappas from association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, with the right to reapply after five years; and (iv) a denial of Pappas's privilege of appearing or practicing before the Commission as an accountant with the right to reapply after five years. Based on Pappas's sworn financial declaration and supporting documentation and Family Office Group's status as a defunct entity with no assets, the settlement did not impose disgorgement or civil penalties.

Subsequently, Commission staff learned that Pappas had died in July 2012. Before his death, Pappas and Family Office Group had submitted a Form ADV-W to withdraw and terminate the firm's investment adviser registration with the Commission. The respondents also had submitted withdrawals terminating Family Office Group's investment adviser registration in two states.

On May 21, 2013, the Division of Enforcement filed a motion to dismiss the proceedings instituted against the respondents, stating that "[i]n light of Pappas'[s] demise and his estate having no assets to pay disgorgement or penalties, there is no further relief that can be obtained against him or his estate." The Division also stated that "Family Office [Group] is a defunct entity that is non-operational, is not in good standing, has no assets, and has already withdrawn and terminated its Commission and state registrations." Family Office Group has not responded to the Division's motion.

It is appropriate to grant the Division's motion in light of Pappas's death and Family Office Group's status.

Accordingly, IT IS ORDERED that the proceedings against LPB Capital d/b/a Family Office Group, LLC and Gary J. Pappas be dismissed.

By the Commission.

Elizabeth M. Murphy
Secretary