

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 95019 / June 1, 2022

INVESTMENT ADVISERS ACT OF 1940
Release No. 6037 / June 1, 2022

Admin. Proc. File No. 3-19726

In the Matter of

BRUCE C. WORTHINGTON

ORDER REQUESTING ADDITIONAL MATERIALS

On March 10, 2020, the Securities and Exchange Commission issued an order instituting administrative proceedings (“OIP”) against Bruce C. Worthington pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940.¹ Worthington was served with the OIP but did not file an answer to it. Worthington also did not respond to an order to show cause why he should not be found in default or to the Division of Enforcement’s motion for default and for the imposition of an industry bar on Worthington.

On March 30, 2022, we issued an order requesting additional briefing and materials from the Division.² In that order, we explained that when determining whether remedial action is in the public interest, “the Commission must consider the question with reference to the underlying facts and circumstances of the case.”³ We explained that, in this instance, the Commission’s consideration of those facts and circumstances would benefit from further briefing, as well as “further development of the evidentiary record . . . as to why an industry bar is warranted.”⁴

On April 29, 2022, the Division filed a responsive brief and a declaration from an attorney for the Division who was involved in the investigation of Worthington. The declaration

¹ *Bruce C. Worthington*, Exchange Act Release No. 88347, 2020 WL 1231409 (Mar. 10, 2020).

² *Bruce C. Worthington*, Exchange Act Release No. 94557, 2022 WL 969939 (Mar. 30, 2022).

³ *Id.* at *1; (citing *Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979), *aff’d on other grounds*, 450 U.S. 91 (1981)).

⁴ *Worthington*, 2022 WL 969939, at *2.

explained that, in the course of investigating Worthington, the attorney “reviewed documents and data produced to the Commission and conducted witness interviews and testimony.” The declaration then summarized the facts established by that evidence, but it did not attach any of the evidence. The declaration stated that the evidence includes the following:

- (i) Testimony of Worthington;
- (ii) Interview(s) with the “Retired Investor” described in the Massachusetts Securities Division’s complaint against Worthington;
- (iii) Interview(s) with the Chief Compliance Officer of Founders Financial Securities, LLC;
- (iv) Bank records for the Retired Investor and Worthington;
- (v) Records of the Retired Investor’s brokerage account;
- (vi) Documents produced to the Commission by the Retired Investor, including documents given to the Retired Investor by Worthington; and
- (vii) Analyses of the bank records and brokerage records by an accountant for the Division.

Based on our review of the Division’s submissions, it appears that the Commission would benefit from being able to review some of the evidence supporting the declaration.⁵ With consideration for the possibility that the evidence is voluminous, the Division may provide only such evidence that it believes necessary to establish the misconduct alleged in Section VII of the Massachusetts Securities Division’s complaint and that an industry bar is in the public interest. For example, based on the declaration, it appears that the Commission would benefit from reviewing the transcripts of the testimony of Worthington; the transcripts of the interviews with the Retired Investor and the Chief Compliance Officer; the accountant’s analyses; the portions of the bank and brokerage records reflecting the misappropriation; and the following documents produced by the Retired Investor: “Fixed Income Investment Portfolio” dated June 9, 2008, “Client 360 Overview” dated June 9, 2008, “Laddered Portfolio” dated April 15, 2009, “Laddered Portfolio” dated October 5, 2009, and “Portfolio Summary” dated October 18, 2011.

Accordingly, it is ORDERED that the Division of Enforcement shall provide by August 1, 2022, evidence supporting its declaration that it believes necessary to establish the misconduct alleged in Section VII of the Massachusetts Securities Division’s complaint and that an industry bar is in the public interest. The evidence may be accompanied by a brief, not to exceed 5,000

⁵ See *Shawn K. Dicken*, Exchange Act Release No. 90215, 2020 WL 6117716, at *1 (Oct. 16, 2020) (requesting the transcripts of jury instructions and sentencing hearings summarized in a declaration filed by the Division in support of its motion for default and sanctions).

words, limited to addressing the facts underlying Worthington's alleged misconduct and the appropriateness of the sanction sought.

It is further ORDERED that Worthington may file a brief by August 31, 2022, not to exceed 5,000 words, responding to the Division's filings. Worthington's brief shall also address why he has failed to file an answer previously or to otherwise defend this proceeding until now, and why the Commission should not find him in default as a result.⁶ If Worthington files such a responsive brief, the Division may file a reply within 14 days after its service. If Worthington does not file a response, he may be held in default and the proceeding may be determined against him.

The parties' attention is directed to the most recent amendments to the Commission's Rules of Practice, which took effect on April 12, 2021, and which include new e-filing requirements.⁷

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

Vanessa A. Countryman
Secretary

⁶ See *Bruce C. Worthington*, Exchange Act Release No. 92464, 2021 WL 3110030, at *1 (July 22, 2021) (show cause order warning Worthington that failure to respond may cause the Commission to find him in default, and noting that the OIP did the same).

⁷ Amendments to the Commission's Rules of Practice, Exchange Act Release No. 90442, 2020 WL 7013370 (Nov. 17, 2020), 85 Fed. Reg. 86,464, 86,474 (Dec. 30, 2020); Instructions for Electronic Filing and Service of Documents in SEC Administrative Proceedings and Technical Specifications, <https://www.sec.gov/efapdocs/instructions.pdf>. The amendments impose other obligations such as a new redaction and omission of sensitive personal information requirement. Amendments to the Commission's Rules of Practice, 85 Fed. Reg. at 86,465–81.