UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 2619 / July 12, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12683

In the Matter of

C. WESLEY RHODES, JR.,
Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") against C. Wesley Rhodes, Jr. ("Rhodes" or "Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.
III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Rhodes was the sole owner and president of Rhodes Econometrics, Inc., an investment adviser registered with the Commission. Rhodes also was the sole owner and president of The Rhodes Company and the president of Resource Transactions, Inc., investment advisers not registered with the Commission in any capacity. Rhodes, 55 years old, is a resident of West Linn, Oregon.

2. On May 30, 2007, a final judgment was entered by consent against Rhodes, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act in the civil action entitled Securities and Exchange Commission v. C. Wesley Rhodes, Jr., et al., Civil Action Number CV06-01353-MO, in the United States District Court for the District of Oregon.

3. The Commission’s amended complaint alleges that Rhodes and companies he controlled raised millions of dollars from individual investors by representing that he would invest their money in stock or bond funds or portfolios or directly in stocks and bonds. The complaint further alleges that in July 2006, Rhodes sent account statements to the individual investors showing that their balances had an aggregate value of nearly $40 million as of June 30, 2006. The complaint alleges that, contrary to representations made to investors, Rhodes had not been using the investors’ money to invest in stocks and bonds and, instead, was actually misappropriating and misusing the investor funds for other purposes, including the purchase of automobiles and sports memorabilia. The complaint alleges that by the time a receiver was appointed for Rhodes’ companies in September 2006, Rhodes had less than $2 million invested in stocks and bonds as compared to the almost $40 million that he had claimed was invested as of June 30, 2006, in the statements that he had provided to his investors.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Rhodes’ Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Rhodes be, and hereby is barred from association with any investment adviser.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served
as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.

Nancy M. Morris
Secretary