

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**April 16, 2008**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13008**

**In the Matter of**

**Mitchell M. Maynard and  
Dorice A. Maynard,**

**Respondents.**

**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 Mitchell M. Maynard and Dorice A. Maynard (collectively “Respondents” or “Maynards”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. RESPONDENTS**

1. The Respondents are residents of Orange, California and are former residents of the State of Vermont.

2. From at least December 1998 through June 2001, Respondents were associated with Leveraged Index Management Company (“LIMCO”), a Vermont-based investment

adviser, which was registered with the Commission from April 19, 1999 to January 24, 2001. The Respondents founded LIMCO. Mitchell Maynard served as LIMCO's president, treasurer and investment adviser representative; Dorice Maynard served as its vice-president and corporate secretary.

3. During the relevant period, Respondents were persons associated with an investment adviser.

#### B. ENTRY OF THE FINAL STATE ORDER

3. On January 3, 2007, the Commissioner for the State of Vermont's Department of Banking, Insurance, Securities, and Health Care Administration issued a decision and order ("Order") against the Respondents in an administrative action entitled *In Re: Mitchell M. Maynard and Dorice A. Maynard*, Docket No. 02-009-S.

4. The Order affirmed that the Respondents violated multiple provisions of Vermont's Securities Act, 9 V.S.A. 4224a ("Fraudulent and other prohibited practices"), including section 4224a(a)(1) (prohibiting employing a device, scheme, or artifice to defraud in connection with the sale of a security); section 4224a(a)(2) (prohibiting the making or omitting of an untrue statement of material fact in connection with the sale of a security); section 4224a(a)(3) (prohibiting engaging in an act, practice, or course of business that operates as a fraud or deceit upon a person in connection with the sale of a security); and section 4224a(e)(5) (prohibiting engaging in unethical or dishonest practices in providing investment advice). The Order also barred the Respondents for five years from any association or employment with a registered broker-dealer or investment adviser, or any "federal covered" investment adviser; required them to pay \$400,000 in restitution; and imposed a \$20,000 administrative penalty.

5. The Order found that, from at least December 1998 to June 2001, at the time they were associated with LIMCO, the Respondents (i) misappropriated investor funds, including by diverting large investments in LIMCO to themselves; (ii) made numerous misrepresentations or omissions about LIMCO's performance and financial condition, including by showing investors high projected rates of return which had no reasonable basis; and (iii) engaged in unethical or dishonest practices, including by failing to disclose a prior bankruptcy to investors.

6. The Respondents did not appeal the Order. By operation of law, the Order became final on February 2, 2007, thirty days after it initially issued. The Order constitutes a final order of a state securities commission (or agency or officer performing like functions) that (i) is based on violations of laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct and (ii) imposes a bar from association with an entity regulated by a state securities commission or from engaging in the business of securities.

### 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 proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations; and

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

#### IV.

IT IS ORDERED that a public hearing 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, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents 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 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them 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 Respondents personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

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.

Nancy M. Morris  
Secretary