

UNITED STATES OF AMERICA  
Before The  
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940  
Release No. 2768 / August 7, 2008

ADMINISTRATIVE PROCEEDING  
File No. 3-12910

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In the Matter of

GEORGE J. SANDHU,

Respondent.

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: ORDER MAKING FINDINGS  
: AND IMPOSING REMEDIAL SANCTIONS  
: PURSUANT TO SECTION 203(f) OF THE  
: INVESTMENT ADVISERS ACT OF 1940  
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**I.**

On December 21, 2007, the Securities and Exchange Commission (“Commission”) issued an Order Instituting Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) and Notice of Hearing, AP File No. 3-12910. Respondent George J. Sandhu (“Sandhu” or “Respondent”), has submitted an Offer of Settlement (“Offer”), which the Commission has determined to accept. Solely for the purpose of settling these proceedings and any other proceedings brought by or on behalf of the Commission or in which the Commission is a party, prior to a hearing pursuant to the Commission’s Rules of Practice, 17 C.F.R. § 201.100 *et seq.*, and without admitting or denying the Commission’s findings contained herein, except as to the jurisdiction of the Commission over him and over the subject matter of these proceedings, and the findings contained in Section II. 3, which are admitted, Respondent Sandhu consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Order”), as set forth below.

**II.**

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

1. Sandhu admits the jurisdiction of the Commission over him and over the matters set forth in the Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, and Notice of Hearing (“Order Instituting Proceedings”).

2 Sandhu, age 42, resides in New York, New York. Between at least September 1998 and November 2001, and again from January 2003 through at least August 2003, Sandhu was

associated with an investment adviser, International Investment Group, LLC, which is registered with the Commission.

3 On November 26, 2007, without admitting or denying the allegations of the Commission's complaint, Sandhu consented to entry of a permanent injunction enjoining him from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act") and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Universal Express, Inc., et al., civil action number 1:04-cv-02322 (GEL), in the United States District Court for the Southern District of New York.

4 According to the Commission's complaint, Sandhu participated in a scheme to defraud investors by writing two letters to Universal Express, Inc. that falsely represented financial commitments to the company. The company, in turn, used the false letters as a basis to issue materially false or misleading press releases which resulted in increases in Universal Express' share price and trading volume. The Commission's complaint alleged that in March 2002, Sandhu wrote and signed a letter addressed to Universal Express in which he represented that as an investment adviser to a fund, that the fund had "authorized up to \$7,500,000 in additional capital from the Fund for future approve [Universal Express] acquisitions," and that he was "also prepared based upon due diligence and proper collateral to arrange an additional \$50,000,000 in long term financing . . . ." In fact, at the time of Sandhu's letter, the value of the fund's total assets was only \$4 million to \$5 million. The Commission's complaint further alleged that Sandhu wrote and signed a second letter to Universal Express in May 2002 in which he stated that the fund "would be committed to the funding of the combined company." The Commission's complaint also alleged that between August 2001 and December 2003, Sandhu was a necessary participant in the offer and sale of shares of Universal Express common stock through brokerage accounts of third parties when no registration statement was filed or in effect, and no exemption from registration applied.

### III.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions specified in the Respondent's Offer.

Accordingly, it is ORDERED that pursuant to Section 203(f) of the Advisers Act, Respondent Sandhu be, and hereby is, barred from association with an investment adviser with the right to reapply for association after three years to the appropriate self-regulatory organization, or if there is none, to the Commission. 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.

By the Commission.

Florence E. Harmon  
Acting Secretary