

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 59232 / January 12, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13333

In the Matter of

PETER J. DAWSON,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Peter J. Dawson (“Respondent” or “Dawson”).

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 Sections III.2 and III.4 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, 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. From August 2004 through October 2005, Dawson was a registered representative with Granite Securities, LLC, a New York company registered with the Commission as a broker-dealer. Dawson, 50 years old, is currently incarcerated in the Downstate Correctional Facility in Fishkill, New York.

2. On December 23, 2008, a final judgment was entered by consent against Dawson, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act"), in the civil action entitled Securities and Exchange Commission v. Peter J. Dawson, et al., No. 06 Civ. 6360 (JFB)(WDW), in the United States District Court for the Eastern District of New York.

3. The Commission's complaint alleged that from late 2004 through November 2006, Dawson defrauded several of his investment advisory clients by advising them to surrender existing variable annuity policies, mortgage their residences and transfer the proceeds to him and companies he controlled for investment, guaranteeing them annual returns of between 12 and 15 percent. The complaint also alleged that rather than invest the clients' funds, Dawson simply used new investor funds to fund payments to and on behalf of clients, spending the rest on his own personal and business expenses.

4. On December 13, 2007, Dawson pled guilty to two counts of Grand Larceny in violation of Section 155.40(1) of the New York Penal Law and one count of Scheme to Defraud in violation of Section 190.65(1) of the New York Penal Law in People v. Peter Dawson, Docket No. 31469/06.

5. The counts to which Dawson pled guilty alleged, inter alia, that Dawson defrauded investors and obtained money and property by means of materially false and misleading statements during at least some of the period he was a registered representative with Granite Securities, LLC. In connection with his guilty plea, on December 13, 2007, Dawson executed an allocution affidavit in which he admitted that he had persuaded clients to surrender their existing annuity policies and/or mortgage their residences, and deposit the proceeds with him for investment. Dawson admitted that, rather than investing those proceeds, he used them to pay other investors and for his own expenses.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b) of the Exchange Act, that Respondent Dawson be, and hereby is barred from association with any broker-dealer;

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.

Elizabeth M. Murphy
Secretary