

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 61354 / January 14, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13746

In the Matter of

EDMUND J. SMEDLEY,

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 Edmund J. Smedley (“Respondent” or “Smedley”).

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 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. Smedley, 74 years old, is a resident of Harrison, Ohio. From March 2000 through April 3, 2002, he served as a vice president of U.S. Reservation Bank & Trust (“USRBT”), a non-

incorporated entity based in Scottsdale, Arizona. During this period, Smedley acted as an unregistered broker in transactions involving USRBT securities.

2. On September 25, 2006, a judgment was entered against Smedley, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 promulgated thereunder in the civil action captioned *Securities and Exchange Commission v. U.S. Reservation Bank & Trust, et al.*, Civil Action No. 02-0581 PHX (EHC), in the United States District Court for the District of Arizona, Phoenix Division.

3. The Commission's complaint alleged, among other things, that USRBT and Smedley, in concert with multiple other defendants, defrauded at least 20 individual investors and investor groups of at least \$78 million in a fraudulent Ponzi scheme from March 2000 through April 3, 2002.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act that Respondent Smedley be, and hereby is barred from association with any broker or 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