

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

INVESTMENT ADVISERS ACT OF 1940
Release No. 2996/March 11, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13766

In the Matter of	:	
	:	ORDER MAKING FINDINGS AND
DAN WISE, aka DANNY WISE	:	IMPOSING SANCTION BY DEFAULT
	:	

SUMMARY

This Order bars Dan Wise, aka Danny Wise (Wise), from association with any investment adviser.

I. BACKGROUND

The Securities and Exchange Commission (Commission) instituted this proceeding with an Order Instituting Proceedings (OIP) on January 27, 2010, pursuant to Section 203(f) of the Investment Advisers Act of 1940 (Advisers Act). The OIP alleges that Wise was enjoined from violations of the antifraud provisions of the federal securities laws. Wise was served with the OIP in accordance with 17 C.F.R. § 201.141(a)(2)(i) by a process server on February 5, 2010, and his Answer to the OIP was due within twenty days of service of the OIP on him. See OIP at 4; 17 C.F.R. § 201.220(b). Wise was advised that if he failed to file an Answer within the time provided, the undersigned would enter an order barring him from association with any investment adviser. See Dan Wise, Admin. Proc. No. 3-13766 (A.L.J. Feb. 17, 2010) (unpublished); OIP at 4. Wise failed to file an Answer or otherwise to defend the proceeding within the meaning of 17 C.F.R. § 201.155(a)(2). Accordingly, he is in default, and the undersigned finds that the allegations in the OIP are true as to him. See OIP at 4; 17 C.F.R. §§ 201.155(a), .220(f).

II. FINDINGS OF FACT

Wise, age 52, resides in the Scottsdale, Arizona, area. He had been a Certified Public Accountant (CPA) in Arizona until December 10, 2008, when the Arizona Board of Accountancy revoked his license for ethical violations and for allegedly misappropriating \$2.7 million in clients' funds intended for payment to the IRS. As president and/or manager of several entities, Wise operated as an unregistered investment adviser from approximately July 2001 through January 2009.

Wise is permanently enjoined from future violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. SEC v. Whispering Winds Props., LLC, No. 2:09-CV-00676-PHX-ROS (D. Ariz. Dec. 18, 2009).

The wrongdoing underlying Wise's injunction took place from approximately July 2001 through January 2009. Wise solicited clients to whom he provided tax and accounting services to invest money with him, and he and entities that he controlled raised approximately \$67 million from approximately 125 investors. He represented to the investors that their funds would be used to invest in short-term, high-interest loans that would be fully collateralized by second trust deeds or other collateral, that they would receive annual returns ranging from twelve to twenty-two percent, and that they could obtain the repayment of their principal on short notice, from twenty-four to forty-eight hours. These representations were false. Additionally, although some investors received some payments, such payments were less than the promised returns, and when investors requested repayment of their principal, Wise failed to do so and ceased communicating with them.

III. CONCLUSIONS OF LAW

Wise has been permanently enjoined "from engaging in or continuing any conduct or practice in connection . . . with the purchase or sale of any security" within the meaning of Sections 203(e)(4) and 203(f) of the Advisers Act.

IV. SANCTION

Wise will be barred from association with any investment adviser.¹ This sanction will serve the public interest and the protection of investors, pursuant to Section 203 of the Advisers Act. It accords with Commission precedent and the sanction considerations set forth in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979). Wise's unlawful conduct was recurring and egregious, extending over a period of more than seven years. There are no mitigating circumstances.

V. ORDER

IT IS ORDERED that, pursuant to Section 203(f) of the Investment Advisers Act of 1940, DAN WISE, AKA DANNY WISE, IS BARRED from association with any investment adviser.

Carol Fox Foelak
Administrative Law Judge

¹ The Commission has authority to bar persons from association with registered or unregistered investment advisers (or otherwise sanction them) under Section 203 of the Advisers Act. Teicher v. SEC, 177 F.3d 1016, 1017-18 (D.C. Cir. 1999).