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 Steven E. Nothern ("Nothern") or ("Respondent").

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 and III.4 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, 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. Nothern was employed by and associated with Massachusetts Financial Services (“MFS”), an investment adviser registered with the Commission, from 1986 until he was terminated on March 7, 2002. At the relevant time, Nothern managed seven fixed-income funds for MFS. Nothern, age 53, is a resident of Scituate, Massachusetts.

2. On March 10, 2010, a final judgment was entered by consent against Nothern, permanently enjoining him from future violations of 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. Steven E. Nothern, Civil Action Number 05-10983, in the United States District Court for Massachusetts – Boston Division.

3. The Commission’s complaint alleged that: Nothern engaged in insider trading in United States Treasury 30-year bonds after Peter J. Davis, a Washington, D.C.-based consultant that MFS hired, tipped Nothern with material nonpublic information that the United States Treasury Department was going to suspend future issuances of the 30-year bond. While in possession of the information Davis provided, Nothern and three other MFS portfolio managers, whom Nothern tipped, purchased approximately $65 million in par value of 30-year bonds for the portfolios they managed, making approximately $3.1 million in trading profits for those portfolios.

4. On June 22, 2009, a jury found that Nothern violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Nothern be, and hereby is barred from association with any investment adviser, with the right to reapply for association after five (5) 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.

Elizabeth M. Murphy
Secretary