

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 63823 / February 2, 2011

INVESTMENT ADVISERS ACT OF 1940
Release No. 3147 / February 2, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14219

In the Matter of

**MITCHELL PORTER &
WILLIAMS, INC. and
THOMAS L. MITCHELL,**

Respondents.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTIONS 203(e) AND 203(f) OF
THE INVESTMENT ADVISERS ACT OF
1940 AND NOTICE OF HEARING**

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”) and pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Thomas L. Mitchell (“Mitchell”) and pursuant to Section 203(e) of the Advisers Act against Mitchell, Porter & Williams, Inc. (“MPW”) (jointly “Respondents”).

II.

After an investigation, the Division of Enforcement alleges that:

A. THE RESPONDENTS

1. MPW is a suspended California corporation formed in October 2000 and based in Los Angeles, California. MPW registered with the Commission as an investment adviser in 2005.

2. Mitchell, age 64, is a resident of Los Angeles, California. Mitchell is the principal of MPW and in connection with the events set forth below acted as an unregistered broker or dealer.

B. ENTRY OF THE INJUNCTION

3. On October 26, 2010, in the a civil action in the United States District Court for the Central District of California, Western Division, entitled: *Securities and Exchange Commission v. Mitchell Porter & Williams, Inc., et al.*, Civil Action No. 10-CV-01576-PPG (FFMx), a judgment was entered against Respondents enjoining them from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1), 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, enjoining MPW from future violations of Section 203A and 204 of the Advisers Act and Rule 204-2 thereunder and Mitchell from aiding and abetting violations of Sections 203A and 204 of the Advisers Act and Rule 204-2 thereunder and from future violations of Section 15(a) of the Exchange Act.

4. The Commission's Complaint alleged that from at least 1995 until March 2010, MPW and Mitchell operated a \$14.7 million Ponzi scheme targeting retiring Los Angeles County Metropolitan Transit Authority bus operators. The Complaint alleged Respondents raised at least \$14.7 million from at least 82 clients nationwide through the offer and sale of promissory notes paying 10% to 15% a year issued by entities controlled by Mitchell. The Complaint further alleged that Respondents used new client funds to pay interest on old clients' promissory notes and to pay MPW's operating expenses and Mitchell's living expenses. The Complaint finally alleged that MPW, aided and abetted by Mitchell, improperly registered with the Commission as an investment adviser even though it had less than \$25 million under management and failed to make and keep required books and records.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate and in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent Mitchell pursuant to Section 15(b) of the Exchange Act;

C. What, if any, remedial action is appropriate in the public interest against Respondent MPW pursuant to Sections 203(e) of the Advisers Act; and

D. What, if any, remedial action is appropriate in the public interest against Respondent Mitchell pursuant to Sections 203(f) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If a Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him or it upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule

making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary

SERVICE LIST

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission shall serve a copy of the Order Instituting Public Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Sections 203(e) and 203(f) of the Investment Advisers Act of 1940 and Notice of Hearing ("Order") on each person named as a party in the order and their legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

The Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
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