

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

SECURITIES EXCHANGE ACT OF 1934  
Release No. 67925/September 25, 2012

ADMINISTRATIVE PROCEEDING  
File No. 3-14976

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In the Matter of	:	
	:	ORDER MAKING FINDINGS AND
TRAVIS RICHEY	:	IMPOSING SANCTIONS BY DEFAULT

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**SUMMARY**

This Order bars Travis Richey (Richey) from association with any broker or dealer and from participating in an offering of penny stock.

**I. BACKGROUND**

The Securities and Exchange Commission (Commission) instituted this proceeding with an Order Instituting Proceedings (OIP) on August 7, 2012, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act). The OIP alleges that Richey was convicted of operating a fraudulent scheme and artifice and other violations while acting as an unregistered broker-dealer. Richey was served with the OIP in accordance with 17 C.F.R. § 201.141(a)(2)(i) on or before August 18, 2012, and his Answer to the OIP was due within twenty days of service of the OIP on him. See OIP at 2; 17 C.F.R. § 201.220(b). He has not filed an Answer to date. The Division of Enforcement (Division) filed a Motion for Default on September 13, 2012, and Richey did not respond. Accordingly, he has failed to answer, to respond to a dispositive motion within the time provided, or otherwise to defend the proceeding within the meaning of 17 C.F.R. § 201.155(a)(2). Therefore, Richey is in default, and the undersigned finds that the allegations in the OIP are true as to him. See OIP at 2-3; 17 C.F.R. §§ 201.155(a), .220(f).

**II. FINDINGS OF FACT**

Richey, 30, of Arizona, was convicted of operating a fraudulent scheme and artifice and of transactions by unregistered dealers or salesmen in violation of Ariz. Rev. Stat. §§ 13-2310(A), 44-1842. State v. Richey, No. CR2010-006712-001 DT (Ariz. Super. Ct. Jan. 20, 2012). He was sentenced to two years imprisonment followed by seven years of probation and ordered to pay restitution of \$3,059,495.24. The wrongdoing underlying his conviction took place between November 2007 and July 2008 and involved selling promissory notes through his company Blue Investments, LLC.

### III. CONCLUSIONS OF LAW

The wrongdoing for which Richey was convicted “involve[d] the purchase or sale of any security” within the meaning of Sections 15(b)(4)(B)(i) and 15(b)(6)(A)(ii) of the Exchange Act.

### IV. SANCTIONS

Richey will be barred from association with any broker or dealer and from participating in an offering of penny stock.<sup>1</sup> These sanctions will serve the public interest and the protection of investors, pursuant to Section 15(b) of the Exchange Act, and accord with Commission precedent and the sanction considerations set forth in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979). Richey’s unlawful conduct was recurring and egregious. Extending over a period of several months, it involved millions of dollars.

### V. ORDER

IT IS ORDERED that, pursuant to Section 15(b) of the Securities Exchange Act of 1934, TRAVIS RICHEY IS BARRED from association with any broker or dealer and from participating in an offering of penny stock.<sup>2</sup>

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Carol Fox Foelak  
Administrative Law Judge

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<sup>1</sup> The Division’s request for sanctions also includes a collateral bar pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). However, Richey’s misconduct antedates the July 22, 2010, effective date of the Dodd-Frank Act. Neither the Commission nor the courts have approved such retroactive application of its provisions in any litigated case, and the undersigned declines to impose the new sanction retroactively. See Koch v. SEC, 177 F.3d 784 (9th Cir. 1999); see also Sacks v. SEC, 648 F.3d 945 (9th Cir. 2011).

<sup>2</sup> Thus, he will be barred from acting as a promoter, finder, consultant, or agent; or otherwise engaging in activities with a broker, dealer, or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock, pursuant to Exchange Act Section 15(b)(6)(A), (C).