

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 70297 / August 30, 2013

INVESTMENT ADVISERS ACT OF 1940
Release No. 3659 / August 30, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15447

In the Matter of

**GEI FINANCIAL SERVICES,
INC., NORMAN
GOLDSTEIN, and
LAURIE GATHERUM,**

Respondents.

**ORDER INSTITUTING 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 Sections 203(e) and 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) and Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against GEI Financial Services, Inc. (“GEI Financial”), Norman Goldstein (“Goldstein”), and Laurie Gatherum (“Gatherum”) (collectively, “Respondents”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. GEI Financial is an investment adviser registered with the Commission and was an Illinois corporation with its principal place of business in Chicago, Illinois.

2. From 2009 through October 2012, Goldstein was President, Chief Executive Officer, and 49% owner of GEI Financial. Goldstein was also managing member and 50% owner of GEI Management Company LLC (“GEI Management”), an unregistered investment adviser and a defunct Illinois corporation based in Chicago, Illinois. GEI Management was the general partner and investment adviser of the GEI Health Care Fund 2001, L.P. (the “Fund”), an unregistered investment pool. Goldstein is not currently registered with the Commission and lives in Chicago, Illinois. On May 10, 2011, the Illinois Secretary of State revoked Goldstein’s Illinois registrations as a securities salesperson and investment adviser representative for, among other things, not providing required information to examiners of the Illinois Securities Department and not keeping or maintaining required books and records.

3. From 2009 through October 2012, Gatherum was Vice President, Chief Financial Officer, Chief Information Officer, Chief Compliance Officer, and 51% owner of GEI Financial. Gatherum is also a member of GEI Management and owns 50% of the company.

B. ENTRY OF THE INJUNCTION

4. On August 13, 2013, a final judgment by default became effective against Respondents, permanently enjoining them from future violations of Sections 204, 204A, 206(1), 206(2), and 206(4) of the Advisers Act and Rules 204-1, 204A-1, 204-2, 204-3, 206(4)-7, and 206(4)-8(a)(1) thereunder, in the civil action entitled Securities and Exchange Commission v. GEI Financial Services, Inc., et al., Civil Action Number 12-CV-7927, in the United States District Court for the Northern District of Illinois.

5. The Commission’s complaint alleged, among other things, that since 2009, Respondents took over \$147,000 in excessive fees and capital withdrawals from the Fund. According to the complaint, Respondents also never told their advisory clients that the State of Illinois revoked Goldstein’s securities registrations in 2011, which barred him from providing investment advisory services in Illinois. But even after losing his Illinois registration as an investment adviser representative, Goldstein still made all investment decisions for GEI Financial’s clients and the Fund. The complaint also alleged that respondents ignored compliance rules and other provisions of the Advisers Act. GEI Financial never had adequate written compliance policies and procedures or a code of ethics even though the Commission staff alerted Respondents of these deficiencies in 2008. GEI Financial has not even updated its Form ADV – a submission required of all registered investment advisers – in four years.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate 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 Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Section 203(e) and 203(f) of the Advisers Act; and

C. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Section 15(b) of the Exchange 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 Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them 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 Respondents 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