

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3543 / January 31, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15196

In the Matter of

JEFFREY A. QUAY

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Jeffrey A. Quay (“Jeffrey Quay” or “Respondent”).

II.

After an investigation, the Division of Enforcement alleges that:

A. **RESPONDENT**

1. From no later than September 1, 2010 to the present, Respondent was associated with Paul-Ellis Investment Associates, an investment adviser registered with the Commission. At various times before September 1, 2010, Respondent has been associated with other brokers, dealers, and investment advisers. Respondent, 45 years old, is a resident of Atlanta, Georgia.

B. ENTRY OF THE INJUNCTION

2. On January 9, 2013, a final judgment was entered against Jeffrey Quay, permanently enjoining him 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, in the civil action entitled Securities and Exchange Commission v. James S. Quay, et al., Civil Action No. 1:12-cv-03429, in the United States District Court for the Northern District of Georgia.

3. The Commission's complaint alleged that from in or around June 2010 to at least January 2012, Jeffrey Quay aided and abetted a fraudulent investment scheme devised by his brother, James Quay, involving a sham limited partnership known as Trinity Charitable Solutions. The complaint further alleged that James Quay convinced two elderly victims to invest at least \$560,000.00 in the scheme, and that Jeffrey Quay and James Quay then dissipated at least \$180,000.00 of the victims' funds on their personal living expenses, including expensive restaurant meals, mortgage payments, and a membership a massage spa.

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; and
- B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 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 Respondent 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 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 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.

By the Commission.

Elizabeth M. Murphy
Secretary