

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3718 / November 15, 2013**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15614**

**In the Matter of**

**CARLENE B. VEARA,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 203(f) OF THE**  
**INVESTMENT ADVISERS ACT OF 1940,**  
**MAKING FINDINGS, AND IMPOSING**  
**REMEDIAL SANCTIONS**

**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 Carlene B. Veara (“Respondent” or “Veara”).

**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 her and the subject matter of these proceedings and the findings contained in Section III.2 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.

## II.

On the basis of this Order and Respondent's Offer, the Commission finds that

1. Veara is a resident of South Yarmouth, Massachusetts. From June 2009 to May 17, 2010, Veara was a person associated with Morgan Stanley Smith Barney, LLC, ("Morgan Stanley") an investment adviser (File No. 8-68191) and broker-dealer (File No. 801-70103) registered with the Commission.

2. The Massachusetts Securities Division (the "Division") is a division of Massachusetts' Office of the Secretary of State. On June 28, 2012, the Division entered a Consent Order in an administrative action entitled *In the Matter of Carlene B. Veara, Inc.*, Docket No. E-2010-0034 (the "Massachusetts Consent Order"). The Massachusetts Consent Order found that Veara violated Section 204(a)(2)(G) of Massachusetts General Law Chapter 110A, the Massachusetts Uniform Securities Act. The Massachusetts Consent Order permanently barred Veara from functioning as an investment adviser, investment adviser representative or broker-dealer or broker-dealer agent in the Commonwealth of Massachusetts as such terms are defined by the Massachusetts Uniform Securities Act;

3. The Massachusetts Consent order found that Veara conducted an outside business activity without disclosing the activity to Morgan Stanley. Further, the Massachusetts Consent Order found that Veara transferred \$177,000 from the account of a 98 year-old customer to Veara's outside business activity without the customer's informed consent.

## IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Veara's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act that Respondent Veara be, and hereby is: barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

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