

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 71766 / March 21, 2014**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3802 / March 21, 2014**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15809**

**In the Matter of**

**PATRICK J. SULLIVAN,**

**Respondent.**

**ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO SECTION 15(b) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
AND 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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Patrick J. Sullivan (“Sullivan” or “Respondent”).

**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, Respondent consents to the Commission’s jurisdiction over him and the subject matter of these proceedings and to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of

1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

### III.

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

1. Sullivan was the co-founder and a member of Winchester Financial Securities, LLC (“Winchester”), an insurance sales entity and unregistered investment adviser. From July 1999 through July 2007, and from October 2007 through July 2009, Sullivan was also a registered representative associated with broker-dealers registered with the Commission. Sullivan, 44 years old is a resident of Cumberland Rhode Island.

2. On September 14, 2011, Sullivan pled guilty to four counts of interstate transportation of property taken by fraud in violation of Title 18 United States Code, Section 2314 before the United States District Court for the District of Rhode Island, in United States v. Patrick Sullivan, Case Information No.. 1:11CR00141-01ML. On April 23, 2012, a judgment in the criminal case was entered against Sullivan. He was sentenced to a prison term of 21 months followed by three years of supervised release and ordered to make restitution in the amount of \$424,905.00.

3. The counts of the criminal information to which Sullivan pled guilty alleged, inter alia, that between 2005 and 2010, Sullivan defrauded investors by soliciting client funds for investment and then converting the funds for his own personal use.

4. In connection with that plea, Respondent admitted that:

- a.) Beginning in or about January 2005, Sullivan assisted four clients of Winchester Financial Services to withdraw funds from the annuity accounts that each of these clients held at Metropolitan Life Insurance Company (“MetLife”);
- b.) Sullivan completed MetLife withdrawal forms for each of these clients and forwarded the forms to MetLife. MetLife then prepared withdrawal checks in the amounts requested on the forms and provided the checks to Sullivan’s four clients;
- c.) After receiving the checks, Sullivan persuaded the clients to invest a portion of the funds with Winchester;
- d.) On numerous occasions beginning in January 2005 and continuing through May 2010, the four clients each provided Sullivan with checks payable to Winchester and directed Sullivan to invest the funds on their behalf;
- e.) To obtain the checks, Sullivan traveled from Rhode Island to Massachusetts where each of the four clients resided;

- f.) After obtaining the checks, Sullivan returned to Rhode Island and deposited the checks in Winchester's general account at Citizens Bank; and
- g.) After depositing the checks, Sullivan did not invest the funds on behalf of the four clients, but instead used the funds to pay his personal and business expenses.

#### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act that Respondent Sullivan be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent; barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages 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.

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.

Jill M. Peterson  
Assistant Secretary