

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3983 / December 17, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16323

In the Matter of

GEORGE Q. STEVENS,

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 George Q. Stevens (“Stevens” 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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in Section III.2 below, which are admitted, and except as otherwise provided herein in paragraph Section V., 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.

III.

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

1. Respondent Stevens, 69 years old, resides in Lacey, Washington and is the managing partner of Stevens Resource Group, LLC ("Stevens Resource"), an unregistered investment adviser. From October 2008 through January 2010, Stevens was associated with Stevens Resource, which acted as an unregistered investment adviser to two unregistered, private investment funds, The Stealth Fund, LLLP ("Stealth") and The Adamas Fund, LLLP ("Adamas").

2. On December 9, 2014, a judgment was entered by consent against Stevens, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled *Securities and Exchange Commission v. George Q. Stevens, et al.*, Civil Action Number 14-cv-02427-JDW, in the United States District Court for the Middle District of Florida.

3. The Commission's complaint alleged that from approximately December 2008 through October 2009, Stevens, and others, disseminated to Stealth and Adamas investors and prospective investors offering materials and newsletters containing material misstatements and omissions. Specifically, Stevens, and others, failed to disclose in one version of Stealth's private placement memorandum that Stealth's assets would be used to guarantee loans made by certain related third parties to two portfolio companies, in which Stealth invested. Additionally, Stevens, and others, made false and misleading statements and omissions in newsletters to investors regarding the financial condition of some of Adamas' and Stealth's portfolio companies. Further, Stevens signed investment adviser agreements with Stealth and Adamas, provided investment strategies to these funds, and directed investment decisions for them.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent Stevens 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.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary