

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 74375 / February 25, 2015**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4033 / February 25, 2015**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-16406**

**In the Matter of**

**CHARLES H. HOWARD, III**

**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 Charles H. Howard, III (“Respondent” or “Howard”).

**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 Exchange Act and Section 203(f) of the Advisers Act, 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. Howard was a founder of Howard Interests, a New Hampshire unincorporated financial services firm acting as an unregistered investment adviser and unregistered broker-dealer. From 2002 to early 2009, Howard, doing business as Howard Interests, provided investment advice to clients for compensation and traded stock on behalf of different brokerage firms' customers for transaction-based compensation. Howard, 69 years old, is a resident of Jaffrey, New Hampshire.

2. On August 20, 2014, Howard, in the case State of New Hampshire v. Charles H. Howard, III (No. 213-2014-CR-196) pled guilty to one count of conspiracy in violation of New Hampshire Revised Statutes Annotated 629:3 and one count of securities manipulation in violation of New Hampshire Revised Statutes Annotated 421-B:5 before the Superior Court of the State of New Hampshire. In a plea agreement, Howard agreed to a sentence of 7-20 years in prison and agreed to pay restitution in the amount of \$600,000.

3. The criminal information to which Howard pled guilty alleged that Howard committed the crime of conspiracy to commit investment adviser fraud and, having received compensation for advising others of the value of securities and their purchase or sale, he employed devices, schemes and artifices to defraud and engaged in acts and practices which operated as a fraud and deceit on others.

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

- a) He failed to disclose to clients and prospective clients that he had prior criminal convictions for securities fraud, that he was subject to a federal court injunction from violating the federal securities laws, and that he had been barred from association with a broker-dealer or investment adviser;
- b) He effected transactions in securities by means of manipulative and deceptive practices including effecting a series of transactions in different brokerage firms' customers' accounts to create actual or apparent active trading to manipulate the price of a security; and
- c) He induced clients to purchase a security in unsuitably large amounts while concealing from those clients that he was attempting to manipulate the price of that security; and

5. On August 20, 2014, the State of New Hampshire Bureau of Securities Regulation entered a consent order against Howard. The order alleged, among other things, that Howard operated an unlicensed investment adviser and unlicensed broker-dealer under the name Howard Interests. The state's order contained a finding that Howard, in operating Howard Interests, engaged in fraudulent activity in connection with the purchase or sale of securities in that he failed to disclose to investors, among other things, that he was not licensed to provide the investment services he was providing, and that he had been barred in the past by the U.S. Securities and Exchange Commission. The New Hampshire order permanently barred Howard from any securities licensure in any capacity in the State of New Hampshire.

#### IV.

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

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Howard be, and hereby is 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.

Brent J. Fields  
Secretary