

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 75619 / August 5, 2015**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-16728**

**In the Matter of**  
  
**RICHARD L. PEARSON,**  
  
**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION  
15(b) OF THE SECURITIES EXCHANGE  
ACT OF 1934, 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”) against Richard L. Pearson (“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 admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2. below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, 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:

## RESPONDENT

1. Respondent, age 58, is a Canadian citizen with permanent U.S. resident status and is a resident of Pinecrest, Florida. Respondent has never been registered with the Commission in any capacity.

## ENTRY OF THE RESPONDENT'S CRIMINAL CONVICTION

2. On October 16, 2014, pursuant to a plea agreement, Respondent pled guilty in the United States District Court for the Southern District of Florida to a one-count information charging him with conspiracy to commit wire fraud, in violation of 18 U.S.C. § 371, based on his conduct described herein. *United States v. Boden et al.*, No. 14-60229-CR-MARRA. On January 9, 2015, Respondent was sentenced to 24 months imprisonment, followed by one year of supervised release, and the judgment of conviction was entered that same day.

3. The single count charged against Respondent and his co-defendant was that he, along with others, knowingly and willfully conspired to devise a scheme and artifice to defraud others to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and that he knowingly transmitted and caused to be transmitted wire transfers of funds in furtherance of the scheme.

4. Respondent acted as and was associated with an unregistered broker. The object of the conspiracy to which Respondent pled guilty was to enrich members of the conspiracy by convincing investors, through material misrepresentations and omissions, to purchase certain settlement agreements that turned out to be fictional. In February 2009, Respondent agreed to serve as a "broker" for Scott Rothstein ("Rothstein") in the sale of these structured settlements. In exchange, Rothstein paid Respondent a sales commission out of investor funds for each relevant transaction. Respondent shared a portion of this commission with his co-conspirator in return for assistance with the transaction. In addition to the commission from Rothstein, Respondent and his co-conspirator also charged investors a separate commission.

## **IV.**

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent 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