

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 75955 / September 21, 2015**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4201 / September 21, 2015**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-16825**

**In the Matter of**

**Charles D. Jones,**

**Respondent.**

**ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO SECTION 203(f) OF THE  
INVESTMENT ADVISERS ACT OF 1940  
AND RULE 102(e)(2) OF THE  
COMMISSION’S RULES OF PRACTICE,  
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 Charles D. Jones (“Respondent” or “Jones”). The Commission also deems it appropriate to issue an order of forthwith suspension of Respondent pursuant to Rule 102(e)(2) of the Commission’s Rules of Practice [17 C.F.R. § 201.102(e)(2)].<sup>1</sup>

**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

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<sup>1</sup> Rule 102(e)(2) provides in relevant part, “any . . . person who has been convicted of a felony or a misdemeanor involving moral turpitude shall be forthwith suspended from appearing or practicing before the Commission.”

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 203(f) of the Investment Advisers Act of 1940 and Rule 102(e)(2) of the Commission's Rules of Practice, 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. Jones, 62 years old, is a resident of Waco, Texas. From at least November 2005 through February 2014, Jones was associated with Charles D. Jones Capital Management, Inc. ("CDJCM") as its Founder, President, and registered investment adviser representative. CDJCM, based in Waco, Texas, was established in 1989 and provided fee-only personalized financial planning and investment management services. CDJCM was a Commission-registered investment adviser from at least November 2005 through February 2014 and has ceased business operations.

2. On December 24, 2014, the Acting U.S. Attorney for the Western District of Texas filed a Criminal Information against Jones United States v. Charles D. Jones, Civ. Act. No. 6:14-cr-00284 (2014) ("Criminal Action"). On February 19, 2015, Jones pleaded guilty in the Criminal Action to one count of wire fraud in violation of 18 U.S.C. §1343. On June 2, 2014, the Supreme Court of Texas accepted Jones's offer to resign his bar membership in lieu of disciplinary action. Order of the Supreme Court of Texas, Misc. Doc. No. 14-9111 (June 2, 2014).

3. In connection with his guilty plea in the Criminal Action, Jones admitted that, between 2005 and 2012, he misappropriated approximately \$1million from five client investment accounts he managed at CDJCM by, *inter alia*, (a) transferring money from certain client accounts to himself for personal use; (b) transferring money from certain client accounts to conceal stolen funds; (c) creating false account statements; and (d) utilizing false tax returns.

4. On July 15, 2015, Jones was sentenced to a prison term of six years followed by five years of supervised release and ordered to pay restitution in the amount of \$9,252,316.89.

### IV.

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

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

In view of the foregoing, the Commission also finds that Respondent has been convicted of a felony within the meaning of Rule 102(e)(2) of the Commission's Rules of Practice.

Accordingly, it is hereby ORDERED that Respondent Jones is forthwith suspended from appearing or practicing before the Commission pursuant to Rule 102(e)(2) of the Commission's Rules of Practice.

By the Commission.

Brent J. Fields  
Secretary