

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4013 / February 3, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16367

In the Matter of

**The ELIV Group, LLC and
Scott Valente,**

Respondents.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTIONS
203(e) AND 203(f) OF THE INVESTMENT
ADVISERS ACT OF 1940
AND NOTICE OF HEARING**

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 Sections 203(e) and 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against The ELIV Group, LLC (“ELIV”) and Scott Valente (“Valente”), respectively (“Respondents”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. Valente is the founder, manager, owner and sole investment professional of ELIV, an investment advisory firm. Valente is 57 years old and is a resident of East Greenbush, New York.

2. ELIV is a limited liability company organized under the laws of New York in November 2010. ELIV’s principal place of business is in Albany, New York, and it also maintains an office in Warwick, New York. ELIV is not registered in any capacity with the Commission, FINRA, or any other self-regulatory organization.

B. RESPONDENTS' FRAUD INJUNCTIONS

3. On June 3, 2014, the Commission filed a Complaint against Respondents in the United States District Court for the Southern District of New York (the "District Court"), in a civil action entitled Securities and Exchange Commission v. Scott Valente and The ELIV Group, LLC, Civil Action Number 14 Civ. 3974 (VLB) (JCM) (the "Civil Action"). The Commission's Complaint alleged that Respondents, since at least November 2010 through the filing of the complaint, fraudulently lured approximately eighty individual investors, largely in the Albany and Warwick, New York communities, to become advisory clients and invest more than \$8.8 million with ELIV.

4. The Commission's Complaint further alleged that Respondents fraudulently solicited those investments by: (1) falsely claiming to prospective clients that ELIV achieved consistent and outsized, positive returns; (2) falsely assuring prospective clients that their principal was "guaranteed," backed by a large money market fund and fully liquid; (3) sending clients false monthly investment reports that reported inflated monthly returns, account values and assets under management; (4) falsely assuring prospective and existing clients that ELIV's books and records (including monthly statements) were audited; and (5) falsely misrepresenting that ELIV was qualified to and would open and manage IRA accounts for its clients. According to the Commission's Complaint, Respondents also falsely told the investing public that Valente had a 30-year record of investing experience "dedicated to the highest standards of service," and that he founded ELIV after leaving the "corporate financial industry" upon concluding there "had to be a better way for clients to achieve financial independence." But, the Commission's Complaint alleged, in reality, and not disclosed to investors, Valente is a former registered representative who had twice filed for bankruptcy, and who had founded ELIV after the Financial Industry Regulatory Authority permanently expelled him in 2009 from the broker-dealer industry.

5. The Commission's Complaint further alleged that, contrary to the inflated monthly returns that Respondents reported to clients in ELIV's investment reports, ELIV earned no positive returns, but rather sustained investment losses in each of the three full years ELIV existed, which amounted in total to \$1.2 million. Further, the Commission's Complaint alleged that Valente secretly misappropriated at least \$2.66 million of his clients' money, and spent the vast majority of those sums on himself, including home improvements, mortgage payments, jewelry, a vacation condominium and substantial cash withdrawals.

6. On December 23, 2014, the District Court entered judgments in the Civil Action against ELIV and Valente on consent, permanently enjoining them from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford the Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against ELIV pursuant to Section 203(e) of the Advisers Act; and

C. What, if any, remedial action is appropriate in the public interest against Valente pursuant to Section 203(f) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that the Respondents shall file their Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon the Respondents as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary