

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4081 / May 11, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16531

In the Matter of

Stephen Goodrich,

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 Stephen Goodrich (“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 Sections 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, 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. Goodrich, 57 years old, is a resident of Rocky Hill, Connecticut. From about 2006 through 2012, Goodrich acted as an unregistered investment adviser.

2. On October 7, 2014, Goodrich pled guilty to one count of mail fraud pursuant to 18 U.S.C. § 1341 and one count of making and subscribing a false tax return pursuant to 26 U.S.C. § 7206(1) before the United States District Court for the District of Connecticut in USA v. Stephen Goodrich, Case No. 3:14-cr-00198-AWT. On February 26, 2015, the Court entered a judgment against Goodrich, sentenced him to 60 months imprisonment followed by three years of supervised release, and ordered him to pay restitution of \$1,827,815.05.

3. The counts of the criminal information to which Goodrich pled guilty alleged, inter alia, that:

(a) Beginning in or about 2006 through 2012 Goodrich operated an investment scheme that defrauded more than ten investors out of more than \$1.8 million;

(b) Goodrich falsely represented to investors that he was a licensed investment adviser and that investor funds would be fully invested in a pool of stocks, commodities, and currencies;

(c) In furtherance of the scheme to defraud, Goodrich failed to inform investors that he lost over \$1 million through his strategies and that he used more than \$600,000 of investor funds for personal expenses; and

(d) Goodrich provided investors with statements, some of which were sent through the United States mail, that falsely represented the value of their investment and falsely represented that investors had received positive returns on their investments.

IV.

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

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

By the Commission.

Brent J. Fields
Secretary