

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4112 / June 9, 2015**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-16367**

**In the Matter of**

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

**Respondents.**

**ORDER MAKING FINDINGS AND  
IMPOSING REMEDIAL SANCTIONS  
PURSUANT TO SECTIONS 203(e)  
AND 203(f) OF THE INVESTMENT  
ADVISERS ACT OF 1940**

**I.**

On February 3, 2015, the Securities and Exchange Commission (“Commission”), deeming it appropriate and in the public interest, instituted these public administrative proceedings 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”) (together, “Respondents”).<sup>1</sup>

**II.**

Respondents have 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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over them and the subject matter of these proceedings and the findings contained in Section III.6 below, which are admitted, Respondents consent to the entry of this Order Making Findings and Imposing Remedial Sanctions pursuant to Sections 203(e) and 203(f) of the Investment Advisers Act of 1940 (“Order”), as set forth below.

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<sup>1</sup> See Investment Advisers Act Rel. No. 4013, February 3, 2015, Admin. Proc. File No. 3-16367.

### III.

On the basis of this Order and Respondents' Offer, the Commission finds that:

1. Valente was 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.

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 Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act.

#### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(e) of the Advisers Act, that Respondent ELIV be, and hereby is CENSURED for violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act.

It is hereby FURTHER ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Valente 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 Valente 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 Valente, 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