

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 77630 / April 15, 2016**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4369 / April 15, 2016**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17210**

**In the Matter of**

**PAUL LEON WHITE, II**

**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION  
15(b) OF THE SECURITIES EXCHANGE  
ACT OF 1934 AND SECTION 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 Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Paul Leon White, II (“Respondent” or “White”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. RESPONDENT**

1. From June 8, 2005 through September 9, 2009, including the period during which he engaged in the conduct alleged in the criminal action described below, White was a registered representative associated with a broker-dealer that was registered with the Commission. During this same period, White also held himself out as an investment adviser in connection with his 100% ownership and control of Professional Investment Advisors, Inc., a corporation acting as an unregistered investment adviser, through which White solicited clients, provided investment advice, and obtained compensation. White, age 58, was a resident of Huntington, NY, during the period when he committed the crimes described below. He is currently incarcerated at the Clinton Correctional Facility in Dannemora, New York.

**B. RESPONDENT’S CRIMINAL CONVICTION**

2. On November 2, 2012, the Suffolk County District Attorney’s Office (the “District Attorney”) indicted White in New York Supreme Court in People v. Paul White, Case

No. 2710-2012. The indictment alleged that White committed eight counts of grand larceny in the second degree, in violation of New York Penal Law §155.40(1), and one count of scheme to defraud in the first degree, in violation of New York Penal Law §190.65(1). Specifically, the District Attorney accused White of soliciting clients to invest approximately \$3 million in a pooled real estate investment as well as a separate real estate investment trust by falsely telling them that these investments were safe and liquid, and that White would not be paid a commission from his clients' investments. The District Attorney further accused White of: (1) transferring at least a large portion of this money into an entity that he controlled; (2) using client funds for his own benefit, including to acquire real estate, to make payments to certain of his clients, and to pay himself commissions; and (3) creating false and misleading documents to cover up his fraud.

3. On December 5, 2014, after a two-month trial, White was convicted of seven counts of grand larceny in the second degree and one count of scheme to defraud in the first degree.

4. On January 29, 2015, White was sentenced to serve seven consecutive three-to-nine year prison terms and a concurrent one-and-one-third-to-four year prison term, resulting in a total sentence of 21 to 63 years of incarceration. In addition, the Court ordered White pay \$2,975,000 in restitution to his victims.

### 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 Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and

C. What, if any, remedial action is appropriate in the public interest against Respondent 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 Respondent shall file an 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 Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him 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 Respondent 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.

By the Commission.

Brent J. Fields  
Secretary