

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 78274 / July 11, 2016

INVESTMENT ADVISERS ACT OF 1940
Release No. 4448 / July 11, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17333

In the Matter of

ALICIA M. DIAZ, ESQ.

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940
AND RULE 102(e) 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 against Alicia M. Diaz (“Respondent” or “Diaz”) pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) and Rule 102(e)(3) of the Commission’s Rules of Practice.¹

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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over her and the subject matter of these

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . attorney . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

proceedings and the findings contained in Section III.2 below, which are admitted, Respondent 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) 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. Diaz was the General Counsel, Executive Vice-President, Chief Compliance Officer and an 8% shareholder of MayfieldGentry Realty Advisors, LLC ("MGRA"), an investment adviser registered with the Commission from 2004 through July 2013. Diaz is an attorney. Diaz, 53 years old, is a resident of Grosse Point, Michigan.

2. On June 23, 2016, a final judgment was entered by consent against Diaz, permanently enjoining her from future violations of Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled United States Securities and Exchange Commission v. MayfieldGentry Realty Advisors, LLC, et al., Civil Action Number 13-CV-12520, in the United States District Court for the Eastern District of Michigan.

3. The Commission's complaint alleged that, in early 2008, MGRA and its CEO, Chauncey C. Mayfield ("Mayfield"), misappropriated approximately \$3.1 million belonging to one of the Detroit public employee pension funds and used the money to purchase two retail shopping centers on behalf of MGRA affiliates.

4. The complaint alleged that Diaz learned of the misappropriation no later than May 2011. The complaint further alleged that, despite her fiduciary obligations, Diaz kept the misappropriation a secret from the pension fund, and devised a plan with MGRA's other principals to secretly pay back the pension fund without the pension fund ever learning of the theft.

5. The complaint alleged that Diaz and the other MGRA principals affirmatively misled the pension fund through financial reporting and an extensive budget presentation. The complaint further alleged that MGRA eventually disclosed the misappropriation to the pension fund in late April 2012, after which the pension fund promptly fired MGRA.

6. The complaint alleged that Diaz's actions aided and abetted MGRA's and Mayfield's violations of 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 Respondent Diaz's Offer.

Accordingly, it is hereby ORDERED pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice, effective immediately, that:

A. Diaz is suspended from appearing or practicing before the Commission as an attorney for 3 years from the date of the Order.

B. After 3 years from the date of the Order, Respondent may request that the Commission consider her application to resume appearing or practicing before the Commission as an attorney. The application should be sent to the attention of the Office of the General Counsel.

C. In support of such an application, Respondent must provide a certificate of good standing from each state bar where Respondent is a member.

D. In support of such an application, Respondent must also submit an affidavit truthfully stating, under penalty of perjury:

1. that Respondent has complied with the Order, and with any orders in United States Securities and Exchange Commission v. MayfieldGentry Realty Advisors, LLC, et al., Civil Action Number 13-CV-12520, in the United States District Court for the Eastern District of Michigan, including any orders requiring payment of disgorgement or penalties;
2. that Respondent:
 - a. is not currently suspended or disbarred as an attorney by a court of the United States (or any agency of the United States) or the bar or court of any state, territory, district, commonwealth, or possession; and
 - b. since the entry of the Order, has not been suspended as an attorney for an offense involving moral turpitude by a court of the United States (or any agency of the United States) or the bar or court of any state, territory, district, commonwealth, or possession, except for any suspension concerning the conduct that was the basis for the Order;
3. that Respondent, since the entry of the Order, has not been convicted of a felony or misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice; and
4. that Respondent, since the entry of the Order:
 - a. has not been found by the Commission or a court of the United States to have committed a violation of the federal securities laws, except for any finding concerning the conduct that was the basis for the Order;

- b. has not been charged by the Commission or the United States with a violation of the federal securities laws, except for any charge concerning the conduct that was the basis for the Order;
- c. has not been found by a court of the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, or any bar thereof, to have committed an offense involving moral turpitude, except for any finding concerning the conduct that was the basis for the Order; and
- d. has not been charged by the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, or any bar thereof, with having committed an offense involving moral turpitude, except for any charge concerning the conduct that was the basis for the Order.

E. If Respondent provides the documentation required in Paragraphs C and D, and the Commission determines that she truthfully attested to each of the items required in her affidavit, she shall by Commission order be permitted to resume appearing and practicing before the Commission as an attorney.

F. If Respondent is not able to truthfully attest to the statements required in Subparagraphs D(2)(b) or D(4), Respondent shall provide an explanation as to the facts and circumstances pertaining to the matter and the Commission may hold a hearing to determine whether there is good cause to permit her to resume appearing and practicing before the Commission as an attorney.

It is further ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent Diaz 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, with the right to apply for reentry after three (3) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

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.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary