

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 79079 / October 11, 2016

INVESTMENT ADVISERS ACT OF 1940
Release No. 4547 / October 11, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17511

In the Matter of

PAMELLA B. WATSON,

Respondent.

**ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940**

I.

On August 29, 2016, the Securities and Exchange Commission (“Commission”) instituted public administrative proceedings against Pamela B. Watson (“Watson” or “Respondent”) 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”). The Commission now deems it appropriate and in the public interest to enter this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940 (“Order”).

II.

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 her and the subject matter of these proceedings, and admits the findings in paragraph III.2 below, and consents to the entry of this Order, as set forth below.

III.

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

1. Watson operated Watson & Associates Business Services, Inc., a tax preparation business in Miami, Florida and was formerly licensed as a certified public accountant in the state of Florida. From June 2003 through November 2012, Watson was associated with AXA Advisors, LLC, a broker-dealer and investment adviser registered with the Commission. Respondent, 61 years old, was a resident of Davie, Florida and is currently incarcerated.

2. On September 25, 2015, Watson pleaded guilty to one count of wire fraud in violation of Title 18, United States Code, Section 1343, before the United States District Court for the Southern District of Florida. United States v. Pamela Watson, Case No. 15-60106-CR-COHN (S.D. Fla). On December 4, 2015, a judgment in the criminal case was entered against Watson. She was sentenced to a prison term of 78 months followed by three years of supervised release and was ordered to pay restitution in the amount of over \$3.6 million.

3. The count of the criminal Indictment to which Watson pled guilty alleged, among other things, that Watson used various methods to fraudulently file federal income tax returns and received unauthorized tax refunds on behalf of her clients. According to the Indictment, between approximately January 2011 and September 2014, Watson diverted over \$3.4 million of the fraudulently obtained client tax refunds into bank accounts she controlled. She also diverted client checks made out to the Internal Revenue Service ("IRS") totaling almost \$223,000 to pay her own personal IRS tax bill.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Watson 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; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Watson be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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 disengagement 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.

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

Brent J. Fields
Secretary