

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 79254 / November 7, 2016

INVESTMENT ADVISERS ACT OF 1940
Release No. 4565 / November 7, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17669

In the Matter of

PHILIP E. MORIARTY 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,
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 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 Philip E. Moriarty II (“Moriarty” or “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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in paragraph III.2 below, which are admitted, Respondent consents to the entry of this 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, 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. Moriarty, 49 years old, is a resident of Mount Desert, Maine. From approximately May 2008 until approximately June 2013, Moriarty offered and sold securities to individual investors in connection with his investment advisory business while acting as an unregistered investment adviser. Furthermore, from March 2008 until March 2011, Moriarty was a registered representative with G Equity Investment Group Ltd., a broker-dealer registered with the Commission. From May 2011 until October 2012, Moriarty was a registered representative with Guggenheim Investor Services, LLC, a broker-dealer registered with the Commission. From May 2012 until October 2013, Moriarty was registered with White Weld & Co. Securities, LLC, a broker-dealer registered with the Commission. In addition, from May 2011 through October 2012, Moriarty was associated with Guggenheim Investment Advisors, LLC, an investment adviser registered with the Commission.

2. On February 16, 2016, Moriarty pled 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 Northern District of Illinois, in United States v. Philip E. Moriarty II, Case No. 1:15-CR-00036-AWT.

3. In connection with his February 16, 2016 guilty plea, Moriarty admitted that:

(a) From in or about May 2008 until in or about June 2013, Moriarty devised and participated in a scheme to defraud four investors, by means of materially false representations and concealment of material facts, through two companies that Moriarty individually or jointly owned and operated;

(b) Moriarty obtained a total of approximately \$1,150,000 from investors by purporting to sell them shares in one or both of his companies and instead placing their money into an account over which he had sole control and spending a portion of the investors’ funds on his own personal expenses. Moriarty solicited investors’ investments by making false and misleading misrepresentations about how their money would be used, the expected return on and status of their investments, and their ownership interests in his companies. As part of his scheme, Moriarty distributed false documents, including false stock purchase and stock transfer agreements. Moriarty caused investors to sustain losses totaling approximately \$750,000.

4. Moriarty’s conviction for wire fraud was a felony or misdemeanor involving (i) the purchase or sale of a security and (ii) the theft or misappropriation of funds or securities. His misconduct occurred while he was associated with an investment adviser, associated with a broker-dealer, and while he was, for compensation, engaged in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing, or selling securities.

IV.

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