

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4457 / July 19, 2016**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17352**

**In the Matter of**

**SAVING2RETIRE, LLC,**  
**AND MARIAN P. YOUNG,**

**Respondents.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE AND CEASE-**  
**AND-DESIST PROCEEDINGS**  
**PURSUANT TO SECTIONS 203(e),**  
**203(f) AND 203(k) OF THE**  
**INVESTMENT ADVISERS ACT OF**  
**1940**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”) against Saving2Retire, LLC (“Saving2Retire”) and Marian P. Young (“Young”) (collectively “Respondents”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. SUMMARY**

1. This matter involves an investment adviser that improperly registered with the Commission, failed to produce documents to the Commission’s examination staff during the course of an examination, and failed to make or keep certain required records. In 2011, Saving2Retire registered with the Commission, claiming that it was eligible for Commission registration under Advisers Act Rule 203A-2(e), which exempts certain investment advisers from the prohibition on Commission registration in Advisers Act Section 203A if the adviser provides investment advice to all of its clients exclusively through an interactive website. Rule 203A-2(e) also provides that an adviser claiming this exemption may provide investment advice through other means to fewer

than 15 clients during the preceding 12 months. Saving2Retire did not and does not qualify for Commission registration under 203A-2(e) because Saving2Retire had no internet clients and thus, did not advise any clients or provide investment advice to clients exclusively through an interactive website. Further, during at least one period, Saving2Retire provided investment advice, through means other than its interactive website, to 15 or more clients during the preceding 12 months. In addition, during an examination, Saving2Retire refused to produce client account documents, financial records of Saving2Retire, and other documents an adviser is required to keep pursuant to the Advisers Act. Saving2Retire also failed to make and keep records it is required to keep under the Advisers Act. By doing so, Saving2Retire violated Sections 203A and 204 of the Advisers Act and Rule 204-2(a) thereunder and Young, its sole owner and managing member, aided and abetted and caused Saving2Retire's violations of Sections 203A and 204 of the Advisers Act and Rule 204-2(a) thereunder.

## **B. RESPONDENTS**

2. Saving2Retire, LLC is an investment adviser located in Sugar Land, Texas and has been registered with the Commission since April 8, 2011, claiming the internet adviser exemption under Advisers Act Rule 203A-2(e) to Section 203A's general prohibition on Commission registration. As of February 18, 2016, Saving2Retire has assets under management of approximately \$4.5 million.

3. Marian P. Young is the sole owner, managing member and employee of Saving2Retire, LLC. Young, 58, is a resident of Sugar Land, Texas.

## **C. FACTS**

4. In its initial Form ADV filed on March 4, 2011, Saving2Retire indicated that the firm was eligible to register with the Commission as an internet investment adviser, relying on Rule 203A-2(e) of the Advisers Act. Saving2Retire also notice filed in Texas and California in April 2011. Until recently, Saving2Retire maintained an internet website.

5. In November 2014, the Commission's examination staff initiated a correspondence examination of Saving2Retire. The examination staff contacted the firm and requested documents to determine whether the firm qualified for Commission registration. Saving2Retire and Young produced certain documents, but claimed that others were non-applicable or protected. For example, Saving2Retire refused to produce client account documents to the examination staff, instead producing generic information for "Client A" through "Client H." Despite multiple requests from the examination staff, Saving2Retire and Young, the firm's managing member and sole employee, failed to produce client account documents, Saving2Retire's financial records, and other documents the adviser is required to keep pursuant to the Advisers Act.

6. From March 2011 through early 2015, Saving2Retire claimed that it was eligible for Commission registration, relying on the internet adviser exemption in Rule 203A-2(e) under the Advisers Act. Rule 203A-2(e) provides that the prohibition on Commission registration in Section 203A(a) does not apply to an investment adviser who

provides investment advice to its clients exclusively through an interactive website, except that the adviser may provide investment advice to fewer than 15 clients through other means during the preceding twelve months. Young signed the firm's Forms ADV for the years 2011 through 2015.

7. Saving2Retire did not qualify for Commission registration under Rule 203A-2(e). Although the firm had an interactive website, Saving2Retire had no internet clients and thus, did not provide investment advice to any clients exclusively through the interactive website.

8. During at least one period, Saving2Retire provided investment advice through means other than its interactive website to more than 14 clients. At the time of the firm's April 2013 Form ADV filing, it had provided investment advice to 15 clients in the prior 12 months by means other than its interactive website. Despite having these 15 clients during this time, Saving2Retire still claimed the internet adviser exemption.

9. Saving2Retire is not maintaining its books and records as required by Rule 204-2(a) of the Advisers Act. Saving2Retire did not currently maintain the required financial records such as a general ledger, balance sheet trial balance, cash receipts and disbursement journals, income statements and bank statements; did not keep current books and records; and commingled the firm's transactions with Young's personal transactions.

#### **D. VIOLATIONS**

10. As a result of the conduct described above, Saving2Retire willfully violated, and Young willfully aided and abetted and caused violations of, Section 203A of the Advisers Act, which generally prohibits an adviser that is regulated or required to be regulated in the State in which it has its principal office and place of business from registering with the Commission, unless it has assets under management in excess of \$25 million or advises a registered investment company.

11. As a result of the conduct described above, Saving2Retire willfully violated, and Young willfully aided and abetted, and caused violations of, Section 204 of the Advisers Act. Section 204(a) of the Advisers Act requires that "[a]ll records (as so defined) of such investment advisers are subject at any time, or from time to time, to such reasonable periodic, special, or other examinations by representatives of the Commission as the Commission deems necessary or appropriate in the public interest or for the protection of investors."

12. As a result of the conduct described above, Saving2Retire willfully violated, and Young willfully aided and abetted and caused violations of, Section 204 of the Advisers Act, and Rule 204-2(a) promulgated thereunder, which, among other things, requires that investment advisers registered with the Commission maintain and preserve certain books and records. Rule 204-2(a)(1) requires that registered investment advisers "make and keep true, accurate and current ... [a] journal or journals, including cash receipts and disbursements, records, and any other records of original entry forming the bases of

entries in any ledger.” Rule 204-2(a)(2) requires that registered investment advisers “make and keep true, accurate and current ... [g]eneral and auxiliary ledgers (or other comparable records) reflecting asset, liability, reserve, capital, income and expense accounts.” Rule 204-2(a)(4) requires that registered investment advisers “make and keep true, accurate and current ... [a]ll check books, bank statements, cancelled checks and cash reconciliations of the investment adviser.” Rule 204-2(a)(6) requires that registered investment advisers “make and keep true, accurate and current ... [a]ll trial balances, financial statements, and internal audit working papers relating to the business of such investment adviser.” Young willfully aided and abetted and caused Saving2Retire to fail to maintain true, accurate or current balance sheets, trial balances, cash receipts and disbursement journals, income statements, and cash flow statements as of the end of its most recent fiscal year and the most current year to date.

### **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 and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent Saving2Retire pursuant to Section 203(e) of the Advisers Act including, but not limited to, revocation of registration and civil penalties pursuant to Section 203 of the Advisers Act;

C. What, if any, remedial action is appropriate in the public interest against Respondent Young pursuant to Section 203(f) of the Advisers Act including, but not limited to, civil penalties pursuant to Section 203 of the Advisers Act; and

D. Whether, pursuant to Section 203(k) of the Advisers Act, Respondents Saving2Retire and Young should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 203A and 204 of the Advisers Act and Rule 204-2(a) thereunder and whether Respondents Saving2Retire and Young should be ordered to pay a civil penalty pursuant to Section 203(i) 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 not earlier than 30 days and not later than 60 days from service of this Order 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 Respondents 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 Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them 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 Respondents 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 300 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