

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4490 / August 17, 2016**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17401**

**In the Matter of**

**Paul J. Jackson,**

**Respondent.**

**ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO 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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Paul J. Jackson (“Jackson” 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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2. and III.4., below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to 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. From March 1998 through December 31, 2014, Jackson was registered with the Commonwealth of Massachusetts as an investment adviser representative of Paul J. Jackson & Associates ("Jackson & Assoc."), a Massachusetts-registered investment adviser. During that time, Jackson was the president, owner, and sole employee of Jackson & Assoc., which had its principal place of business in Newton, Massachusetts. Prior to that, from February 1990 through March 1998, Jackson was a sole proprietor doing business as Paul J. Jackson & Associates and registered with the Commission as an investment adviser until December 1997, when he deregistered pursuant to Section 203A of the Advisers Act. Jackson, who is 59 years old, is a resident of Wellesley, Massachusetts.

2. On August 28, 2015, the Commonwealth of Massachusetts issued a final Order for Entry of Default ("Massachusetts Order") in an administrative action entitled *In the Matter of: Paul J. Jackson, and Paul J. Jackson & Associates, LLC*, Docket No. 2015-0061. The Massachusetts Order permanently barred Jackson from associating or registering in the Commonwealth as a broker-dealer, broker-dealer agent, or a partner, officer, director, or control person of a broker-dealer and from associating with or acting as a registered investment adviser, an investment adviser required to be registered, an investment adviser exempt from registration, a person relying on an exclusion from the definition of investment adviser in any capacity, a broker-dealer, a broker-dealer agent, an issuer, or an issuer-agent. Jackson was also ordered to cease and desist from further violations of M.G.L. c. 110A and accompanying regulations, and to provide an accounting of all losses attributable to his wrongdoing. Finally, Jackson was ordered to compensate investors for all losses attributable to his wrongdoing, disgorge all proceeds and other remuneration received as a result of his wrongdoing, and pay an administrative fine of \$250,000.

3. The Massachusetts Order found as fact all allegations contained in the complaint filed by the Massachusetts Securities Division on June 17, 2015 (the "Massachusetts Complaint"). The Massachusetts Complaint alleges that, starting in at least 2006, Jackson began defrauding clients of Jackson & Assoc. as well as other individuals by fabricating stories about purported investment opportunities available to him, including the opportunity to invest in IPOs for companies such as Facebook, Twitter, and Alibaba. However, instead of investing the money that he received, Jackson used the funds to pay for his own expenses, and in some instances, to pay back an earlier victim. In the end, between 2006 and 2014, Jackson misappropriated over \$1,000,000 from at least seven different victims.

4. On October 30, 2015, Jackson pled guilty to one count of willful violation of the Investment Adviser Act of 1940 in violation of 15 U.S.C. §§80b-6, 80b-17 and one count of wire fraud in violation of 18 U.S.C. § 1343 in a criminal action entitled *United States v. Paul J. Jackson*, Case No. 15-cr-10254-FDS in the United States District Court for the District of Massachusetts.

5. The counts of the criminal information to which Jackson pled guilty alleged, inter alia, that:

- (a) Jackson was a registered investment adviser with the Commonwealth of Massachusetts Securities Division until December 2014. From about 2010 to about June 2015, Jackson fraudulently obtained money and property from various investors by falsely representing that he would invest such monies on behalf of those investors in attractive investment opportunities, typically involving initial public offerings of high-profile companies such as Facebook, Twitter, and Alibaba.
- (b) Instead of investing the money, Jackson spent the money on personal and business expenses. During the scheme, Jackson obtained more than \$1.3 million from several different investors via interstate wires, bank transfers, and checks.
- (c) Jackson also concealed or attempted to conceal his scheme to defraud by providing false excuses to investors and using money from one investor to pay another investor who was demanding his principal investment and returns.

#### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Jackson 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.

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