

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 79952/ February 2, 2017

INVESTMENT ADVISERS ACT OF 1940
Release No. 4638/ February 2, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17823

In the Matter of

THOMAS H. CANIFORD,

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
AND NOTICE OF HEARING**

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 Thomas H. Caniford (“Respondent” or “Caniford”).

II.

After an investigation, the Division of Enforcement alleges that:

1. Caniford is 58 years old and is currently incarcerated at Richland Correctional Institution in Mansfield, Ohio. From March 2008 until March 2015, when he was terminated, Caniford was a registered representative and advisory representative of Firm A, a dually registered broker-dealer and investment adviser. From 1982 through 1999, Caniford was a registered representative of multiple broker-dealers registered with the Commission. From 1999 through 2008, he was a registered and advisory representative of three dually registered firms.

2. On March 11, 2016, Caniford pleaded guilty to a 135 count indictment before the Stark County (Ohio) Court of Common Pleas in *State of Ohio v. Thomas Howard Caniford*, Case No. 2015CR1243. Caniford pleaded guilty to:

- a. 11 counts of prohibited securities acts in the first degree, 15 counts of prohibited securities acts in the second degree, 27 counts of prohibited securities acts in the third degree, and 19 counts of prohibited securities acts in the fourth degree in violation of Ohio Revised Code Section 1707.44(J);
- b. one count of unregistered sale of a security in the second degree, two counts of unregistered sale of a security in the third degree, and 15 counts of unregistered sale of a security in the fourth degree in violation of Ohio Revised Code Section 1707.44(C)(1);
- c. one count of fraudulent sale of a security in the second degree, two counts of fraudulent sale of a security in the third degree, and 16 counts of fraudulent sale of a security in the fourth degree in violation of Ohio Revised Code Section 1707.44(G);
- d. three counts of theft from an elderly person or disabled adult in the third degree and three counts of theft from an elderly person or disabled adult in the fourth degree in violation of Ohio Revised Code Section 2913.02(A)(2) and/or (A)(3);
- e. 9 counts of grand theft in the fourth degree in violation of Ohio Revised Code Section 2913.02(A)(2) and/or (A)(3); and
- f. 11 counts of theft in the fifth degree in violation of Ohio Revised Code Section 2913.02(A)(2) and/or (A)(3).

Caniford was sentenced to a prison term of 12 years, followed by post-release control.

3. The indictment to which Caniford pleaded guilty alleged, *inter alia*, that Caniford made, issued, or published materially false statements or advertisements concerning securities, or caused materially false statements or advertisements concerning securities to be made, issued, or published, between 2010 and 2014, knowingly sold unregistered securities that were not exempt from registration under the Ohio Code between 2009 and 2014, committed theft from elderly persons or disabled adults between 2009 and 2013, committed securities fraud by engaging in illegal, fraudulent, or prohibited acts in connection with the sale of securities between 2009 and 2014, committed grand theft between 2008 and 2014, and committed theft between 2009 and 2013.

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 proceedings be instituted to determine:

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

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and

C. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.

D. Whether, pursuant to Section 15(b) of the Exchange Act, it is appropriate and in the public interest to bar Caniford from participating in any offering of 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.

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 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 Respondent 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 Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him 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 Caniford as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice, 17 C.F.R. § 201.360(a)(2), the Administrative Law Judge shall issue an initial decision no later than 75 days from the occurrence of one of the following events: (A) The completion of post-hearing briefing in a proceeding where the hearing has been completed; (B) Where the hearing officer has determined that no hearing is necessary, upon completion of briefing on a motion pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250; or (C) The determination by the hearing officer that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155 and no hearing is necessary.

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