

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4712 / June 1, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-18008

In the Matter of

Marc D. Broidy,

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 Marc D. Broidy (“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.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. Marc D. Broidy, age 44, is a resident of Beverly Hills, California, and is the managing member, chief compliance officer, and sole owner of Broidy Wealth Advisors, LLC (“BWA”). Broidy used to hold Series 7, 9, 10, 63, and 66 licenses, all of which expired in approximately 2013. Broidy was registered in California as an investment adviser representative while associated with BWA. BWA, which was registered in California from January 2011 to January 2017 and in New York from December 2010 to December 2016, was engaged in the business of providing advice regarding securities for compensation.

2. On May 30, 2017, a final judgment was entered by consent against Broidy, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Marc D. Broidy, et al., Civil Action Number 1:16-CV-05960, in the United States District Court for the Eastern District of New York.

3. The Commission’s complaint alleged that Broidy misappropriated approximately \$1.4 million investor funds through overbilling clients and taking the assets of a trust for which Broidy was trustee, and Broidy used that money for personal expenses. The complaint also alleged that Broidy made material misrepresentations and omissions to advisory clients regarding their investments in privately-held companies with which he was affiliated, including information about his affiliation with and compensation from those companies.

4. On March 2, 2017, Broidy pleaded guilty to one count of fraud by an investment adviser (15 U.S.C. §§ 80b-6, 80b-17) in United States v. Marc Broidy, Crim. No. 1:17-CR-64 (E.D.N.Y.).

5. The count of the criminal information to which Broidy pled guilty alleged, inter alia, that Broidy defrauded investors through overbilling and misappropriating assets of a trust for which Broidy was trustee, and that Broidy used the mails and other means and instrumentalities of interstate commerce to execute his scheme.

IV.

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

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