

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 82619 / February 1, 2018**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18354**

**In the Matter of**

**THOMAS EDWARD  
ANDREWS,**

**Respondent.**

**ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO SECTION 15(b) OF THE  
SECURITIES EXCHANGE ACT OF 1934,  
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”) against Thomas Edward Andrews (“Andrews” 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 paragraphs III.2. and III.3. below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, 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

A. Andrews, 39, is a resident of California. He formerly held Series 6 and 63 securities licenses and was employed as an independent contractor by a broker-dealer firm in Salt Lake City. He was fired by that firm in October 2015, and has been permanently barred by FINRA from acting as a broker or associating with firms that sell securities to the public. For years Andrews also performed tax, accounting and bookkeeping work through his father's tax business in Nephi, Utah. Andrews is not a CPA and is not licensed as an accountant with the Utah Department of Public Licensing.

B. On December 15, 2016, Andrews entered a guilty plea to securities fraud in violation of 15 U.S.C. §§ 78j(b), 78ff and 17 C.F.R. § 240.10b-5 before the United States District Court for the Central District of Utah, in *United States v. Thomas Edward Andrews*, case no. 2:16cr00211-DS. On the same date, a judgment in the criminal case was entered against Andrews. He was sentenced to a prison term of 97 months followed by three years of supervised release, and ordered to make restitution in the amount of \$8,384,253.

C. On January 29, 2018, a final judgment was entered by consent against Andrews, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act") and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled *Securities and Exchange Commission v. Thomas Edward Andrews*, case no. 2:17-cv-00256-DN, in the United States District Court for the Central District of Utah; and ordering disgorgement of \$8.38 million, with payment deemed satisfied based on restitution imposed on him in the related criminal matter.

D. The counts of the criminal information to which Andrews pled guilty alleged, among other things, that he offered and sold to investors securities in the form of investments in "The Jackson Trust" and "Lincoln." In so doing, Andrews, by the use of means and instruments of transportation and communication and interstate commerce, directly and indirectly, willfully employed a device, scheme, and artifice to defraud; made untrue statements of material fact, and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and engaged in acts, transactions, practices and courses of business which would and did operate as a fraud and deceit upon other persons.

E. To the extent that he offered and sold investments in "The Jackson Trust" and "Lincoln," Andrews was engaged in the business of effecting transactions in securities for the account of others, and was conducting a securities business outside the scope of his employment with the Salt Lake broker-dealer. Andrews conducted this securities business regularly over a period of approximately five years. He employed the means of interstate commerce to do so, including e-mail, telephone and the mails.

#### 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 15(b)(6) of the Exchange Act that Respondent Andrews 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

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.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields  
Secretary