

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 82902 / March 19, 2018

ADMINISTRATIVE PROCEEDING

File No. 3-16877

In the Matter of

HOWARD RICHARDS

Respondent.

**ORDER APPOINTING FUND
ADMINISTRATOR AND
WAIVING BOND**

ADMINISTRATIVE PROCEEDING

File No. 3-16878

In the Matter of

**JAMES GOODLAND AND SECURUS
WEALTH MANAGEMENT, LLC**

Respondents.

On September 30, 2015, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”)¹ against Howard Richards (“Richards”). In the Order, the Commission found that, from January 2010 through July 2013, Richards, an investment advisory representative, associated with Securus Wealth Management, LLC (“Securus”), engaged in a manipulative scheme to support the market price of the common stock of Gatekeeper USA, Inc. (“Gatekeeper”), which he thought would help

¹ Exchange Act Rel. No. 76058 (Sept. 30, 2015).

Gatekeeper to obtain financing. The Commission also found that Richards failed to disclose to his clients his significant conflict of interest arising from his ownership of Gatekeeper shares, in breach of his fiduciary duty as an investment adviser. The Commission ordered Richards to pay a total of \$144,000 in disgorgement, prejudgment interest, and a civil money penalty over the period of one year. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, for the monies received pursuant to the Order.

In a related action, the Commission simultaneously issued an 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, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Company Order”)² against James Goodland (“Goodland”) and Securus. In the Company Order, the Commission found that, from January 2010 through July 2013, Securus, an investment adviser registered with the Commission, and Goodland, its President and Chief Compliance Officer, failed to reasonably supervise Richards whom Goodland directly supervised. Securus and Goodland also failed to adopt and implement an adequate system of internal controls that would have prevented and detected violations of the Investment Advisers Act of 1940. The Company Order required Goodland to pay a \$30,000 civil money penalty and created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, for the monies received pursuant to the Company Order. The Company Order also provided that the funds could be distributed by the Fair Fund established in *In the Matter of Howard Richards*, Admin. Proc. File No. 3-16877.

² Advisers Act Rel. No. 4213 (Sept. 30, 2015).

Richards and Goodland have paid a total of \$174,000 into the respective Fair Funds, as ordered (hereinafter collectively, the “Fair Fund”).

The Division of Enforcement now seeks the appointment of Analytics Consulting, LLC (“Analytics”) as the fund administrator for the Fair Funds in the above-captioned proceedings and requests that the administrator bond be waived as required by Rules 1105(a) and 1105(c) of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Rules”).³ Analytics is included in the Commission’s approved pool of administrators.

The Division of Enforcement seeks the waiver of the bond requirement as the Commission staff’s procedures and the Plan of Distribution will ensure that there are several layers of protection in place for the Fair Fund. Among other things: (1) the fund administrator will have no custody, and only limited control, of the Fair Fund; (2) the Fair Fund will be held by the U.S. Treasury Bureau of Fiscal Services until immediately before transmittal of checks or electronic transfers to eligible investors; (3) upon transfer from the U.S. Treasury, funds will be held in an escrow account, separate from bank assets, until presentation of a check or electronic transfer, at which time funds will be transferred to a controlled distribution account; (4) presented checks or electronic transfers will be subject to “positive pay” controls before being honored by the bank; and (5) both the bank and the fund administrator will maintain, throughout the process, insurance and/or a financial institution bond that covers errors and omissions, misfeasance and fraud.

³ 17 C.F.R. §§ 201.1105(a) and 201.1105(c).

Accordingly, IT IS HEREBY ORDERED that Analytics is appointed as the fund administrator, pursuant to Rule 1105(a) of the Rules, 17 C.F.R. § 201.1105(a), and the administrator bond is waived, in accordance with Rule 1105(c) of the Rules, 17 C.F.R. § 201.1105(c).

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁴

Brent J. Fields
Secretary

⁴ 17 C.F.R. § 200.30-4(a)(17).