

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 83013 / April 9, 2018

INVESTMENT ADVISERS ACT OF 1940
Release No. 4882 / April 9, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18430

In the Matter of

TROY C. BALDRIDGE,

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,
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”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Troy C. Baldrige (“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 paragraph III.2 below, and consents to the entry of this 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, 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. Baldrige, age 49, is a resident of Richmond, VA. From approximately August 2007 through August 2016, Baldrige was a registered representative and investment adviser representative associated with Capitol Securities Management, Inc. (“CSM”), a broker-dealer and investment adviser registered with the Commission. At the time of his termination, he was CSM’s Senior Vice President and Director of Managed Investments.

2. On December 13, 2016, Baldrige pleaded guilty to one count of mail fraud in violation of 18 U.S.C. § 1341 before the United States District Court for the Eastern District of Virginia, in United States v. Troy C. Baldrige, Case No. 3:16-cr-00148-HEH. On March 13, 2017, the Court sentenced Baldrige to 41 months imprisonment followed by three years of supervised release, and ordered Baldrige to pay restitution.

3. The stipulated facts to which Baldrige pleaded guilty included, among other things, that from September 2011 through July 2016, Baldrige misappropriated at least \$505,665.13 from CSM clients, that on at least 15 occasions, he transferred funds from client investment accounts to his own bank accounts for his personal use, without notice to or consent from those clients, that he forged client signatures to effectuate these transactions when necessary, and that he lied to clients who inquired as to the unauthorized transactions.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Baldrige 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

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Baldrige be, and hereby is 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.

By the Commission.

Brent J. Fields
Secretary