

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5046 / September 25, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18836

In the Matter of

THOMAS J. CAUFIELD,

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 Thomas J. Caufield (“Caufield” 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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in paragraphs III.B.2. below, which are admitted, Respondent 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. Caufield, 59, resides in Colleyville, Texas. Caufield was the sole associated person and managing member of DAT Capital Advisors, LLC ("DAT Capital"), which operated as an investment adviser from 2008 through 2015. DAT Capital was registered in Illinois, Indiana, Wisconsin, and Texas.

2. On September 17, 2018, the Commission filed a complaint against Caufield, entitled Securities and Exchange Commission v. Thomas J. Caufield, Civil Action Number 3:18-cv-02468-N, in the United States District Court for the Northern District of Texas. On September 21, 2018, the court entered a final judgment against Caufield, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act.

3. The Commission's complaint alleged that from 2011 through 2017, Caufield defrauded investors while selling high-yield promissory notes to raise money for Caufield's purchase and operation of a franchise business. In connection with the offering, Caufield allegedly misled investors about the franchise's financial condition and the safety of their investments. The defrauded investors included clients of DAT Capital.

IV.

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

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

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

Brent J. Fields
Secretary