

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 85355 / March 19, 2019

INVESTMENT ADVISERS ACT OF 1940
Release No. 5203 / March 19, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19113

In the Matter of

Richard G. Cody,

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 Richard G. Cody (“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. From May 2005 through March 2010, Cody was an associated person of an investment adviser registered with the Commission. From March 2010 through August 2016, Cody was an associated person of and a registered representative associated with several dually-registered investment advisers and broker-dealers. Cody, 45 years old, resided in Massachusetts and New Jersey during the relevant time period.

2. On November 9, 2018, Cody pled guilty to one count of investment adviser fraud in violation of Title 15 United States Code, Sections 80b-6 and 80b-17, and two counts of making a false declaration in violation of Title 18 United States Code, Section 1623(a), before the United States District Court for the District of Massachusetts in United States v. Richard G. Cody, Case No. 1:17-cr-10291-FDS.

3. The counts of the criminal information to which Cody pled guilty alleged, inter alia, that from around May 2005 to August 2016, Cody defrauded clients by falsely assuring them that their retirement savings were secure when he knew they were not. In fact, by some time in 2014 their retirement savings were substantially diminished. In order to conceal the losses, Cody provided the clients with fraudulent account statements and tax documents. The criminal information also charged that Cody made materially misleading statements to the Commission staff in a March 29, 2017 deposition in connection with a civil action filed by the Commission arising from the same conduct.

IV.

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

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

Vanessa A. Countryman
Acting Secretary