

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5259 / June 21, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19212

In the Matter of

EDWARD LEE MOODY, JR.,

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 Edward Lee Moody, Jr. (“Moody” 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 Sections III.2. and III.4 below, and consents to the entry of the 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. Respondent Moody, 47 years old, is a resident of Chesterfield, Virginia. From approximately July 1999 to the present, Respondent was the owner and manager of a Virginia state-registered investment adviser.

2. On June 13, 2019, a final judgment was entered by consent against Moody, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Edward Lee Moody, Jr., et al., Civil Action Number 3:18-CV-00442, in the United States District Court for the Eastern District of Virginia, Richmond Division.

3. The Commission’s complaint alleged that, individually and through his wholly-owned investment adviser firm, Moody operated a Ponzi scheme and defrauded dozens of investors by, among other things, misusing and misappropriating investor funds, falsely telling investors that their funds had been profitably invested, and sending out false account statements indicating that investors funds were fully invested and earning returns.

4. On October 16, 2018, Moody pled guilty to one count of mail fraud in violation of 18 U.S.C. §1341 and one count of engaging in a monetary transaction in criminally derived property in violation of 18 U.S.C. §1957 before the United States District Court for the Eastern District of Virginia, Norfolk Division, in United States v. Edward Lee Moody, Jr., Crim. Information No. 2:18-CR-154.

5. In connection with that plea, Respondent admitted that:

(a) Respondent devised a scheme and artifice to defraud persons who had transferred funds to him for the purpose making investments on their behalf;

(b) Respondent obtained funds from those persons by means of materially false and fraudulent representations and promises that he would invest the funds on their behalf; and

(c) Respondent did not, in fact, invest the funds, but rather diverted them for his own personal benefit and to enrich himself.

IV.

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

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

By the Commission.

Vanessa A. Countryman
Acting Secretary