

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5332 / August 27, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19381

In the Matter of

STEPHEN C. BROWERE,

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 Stephen C. Browere (“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 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. Browere was the founder, principal, and manager of Stephens Capital Management, Inc., an investment adviser that was registered with the Illinois Secretary of State. From July 18, 1998 to February 8, 2016, Browere was registered as an investment adviser representative with the Illinois Secretary of State, and associated with Stephens Capital Management. On February 8, 2016, the Illinois Secretary of State revoked the registration of Browere as an investment adviser representative. Browere, 59 years old, is incarcerated at FCI Talladega in Talladega, Alabama.

2. On June 14, 2016, Browere pled guilty to one count of mail fraud in violation of Title 18, United States Code, Section 1341 before the United States District Court for the Northern District of Illinois, in United States v. Stephen C. Browere, Case No. 1:15-cr-00563. On November 21, 2016, a judgment in the criminal case was entered against Browere. He was sentenced to a prison term of 60 months followed by two years of supervised release and ordered to make restitution in the amount of \$4,021,543.86.

3. In his plea agreement, Browere admitted, inter alia, that from in or about 2007 until in or about February 2014, Browere engaged in a scheme to defraud numerous investors by, among other things, falsely representing the use of investor funds, the value of investments and the profitability of investments, and concealing his fraud through distribution of false and misleading account statements that inflated the market performance of investors' portfolios and concealed losses incurred by Browere as a result of his misuse and misappropriation of investments of at least one investor and his undisclosed high-risk investment strategy.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Browere be, and hereby is barred from association with any investment adviser, broker, dealer, 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
Secretary