

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 89159 / June 25, 2020

INVESTMENT ADVISERS ACT OF 1940
Release No. 5526 / June 25, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-19836

In the Matter of

DAIN F. STOKES,

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 Dain F. Stokes (“Stokes” 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.2 below, which are admitted, Respondent 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 June 2009 to August 2019, Stokes (CRD #2960801) worked as an investment adviser and registered representative in the Bedford, New Hampshire office of LPL Financial, LLC (“LPL”), a dually-registered investment adviser and broker-dealer headquartered in Boston, Massachusetts. From May 2000 through June 2009, Stokes was a registered representative associated with another dually-registered investment adviser and broker-dealer. Between March 1998 and May 2000, Stokes was associated with two other dually-registered investment advisers and broker-dealers. Stokes, 60 years old, is a resident of Fremont, New Hampshire.

2. On November 14, 2019, the New Hampshire Bureau of Securities Regulation issued an Amended Order of Summary Suspension, Order to Cease and Desist (the “New Hampshire Order”) in In the Matter of Dain F. Stokes, No. I-201900029. The New Hampshire Order, which became final by operation of law, immediately and summarily suspended Stokes’s “investment adviser agent and broker-dealer representative” license and permanently barred him from any securities licensure in New Hampshire. The New Hampshire Order also required Stokes to cease and desist from further violations of New Hampshire securities laws, pay restitution of \$576,000, pay an administrative fine of \$20,000, and pay the cost of the investigation.

3. The New Hampshire Bureau of Securities Regulation’s Petition for Relief (“Petition”) in the above-referenced action alleged, among other things, that between 2018 and 2019, Stokes solicited \$576,000 in investor funds from three investors that were his his long-term LPL clients, falsely stating to these investors that their funds would be invested in a lucrative investment project in Africa that earned a 20% return in 90 days. The Petition alleged that Stokes did not use the money for any investment, and instead misappropriated portions of the funds for personal expenses while sending the rest to various people and entities all over the United States.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Stokes’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 Stokes 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 Stokes 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, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) 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