

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 5540 / July 14, 2020**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19877**

**In the Matter of**  
  
**TEMENOS ADVISORY, INC.,**  
  
**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 203(e) 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(e) of the Investment Advisers Act of 1940 (“Advisers Act”) against Temenos Advisory, Inc. (“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 203(e) 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. Temenos Advisory, Inc. (“Temenos”) is an investment adviser registered with the Commission. Temenos is a Connecticut corporation with its principal place of business in Litchfield, Connecticut and additional offices in St. Simons Island, Georgia, and Scottsdale, Arizona. Temenos has been registered with the Commission as an investment adviser since 1999.

2. On June 30, 2020, a final judgment was entered by consent against Temenos, permanently enjoining it from future violations of Sections 206(1), (2), and (4) of the Advisers Act, and Rule 206(4)-7 thereunder, and Section 15(a) of the Exchange Act, in the civil action entitled Securities and Exchange Commission v. George L. Taylor, et al., Civil Action Number 3:18-cv-01180, in the United States District Court for the District of Connecticut.

3. The Commission’s complaint alleged that Taylor and Temenos defrauded their advisory clients and prospective clients by steering the clients into unsuitable investments and by hiding commissions and other financial incentives that Temenos and Taylor were pocketing, on top of the advisory fees that the clients were paying for supposedly unbiased financial advice. Temenos and Taylor repeatedly downplayed or concealed risks, and overstated potential gains, associated with a series of illiquid private placements that they advised their clients and prospective clients to invest in. In so doing, Taylor and Temenos promoted the investments and pocketed commissions—a percentage of each client’s investment—from the private placement companies, thereby illegally acting as unregistered broker-dealers.

#### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(e) of the Advisers Act, that Respondent Temenos’s registration with the Commission as an investment adviser be and hereby is revoked.

By the Commission.

Vanessa A. Countryman  
Secretary