

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 90848 / January 5, 2021

INVESTMENT ADVISERS ACT OF 1940
Release No. 5661 / January 5, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20197

In the Matter of

BARRY F. CONNELL,

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 Barry F. Connell (“Connell” 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 paragraphs III.2 and III.4 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. Connell was employed by Financial Institution A as an investment adviser representative and registered representative in New York and New Jersey from May 2008 until he was terminated in November 2016 in connection with conduct described herein. Financial Institution A is an investment adviser and broker dealer registered with the Commission. Connell, 54 years old, is a resident of Chester, New Jersey.

2. On December 30, 2020, a final judgment was entered by consent against Connell, permanently enjoining him from future violations of Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Barry F. Connell, et al., Civil Action Number 17-cv-00831-LGS, in the United States District Court for the Southern District of New York.

3. The Commission's complaint alleged that Connell misappropriated approximately \$5 million from investment advisory clients from approximately December 2015 through November 2016. The complaint alleged that Connell carried out his scheme primarily by moving funds between certain client accounts and issuing wire transfers and checks from the accounts to third parties for his benefit in more than 100 unauthorized transactions.

4. On December 27, 2018, Connell pleaded guilty to Investment Adviser Fraud (15 U.S.C. §§ 80b-6 and 80b-17) as well as Embezzlement, Wire Fraud, Bank Fraud, and Aggravated Identity Theft (18 U.S.C §§ 2, 656, 1028A, 1343, 1344, and 1349) before the United States District Court for the Southern District of New York, in United States v. Barry F. Connell, Crim. No. 17-cr-00116. On January 31, 2020, a judgment in the criminal case was entered against Connell, and on September 14, 2020 an order of restitution in the criminal case was entered against him. He was sentenced to a prison term of time served of approximately 36 months followed by three years of supervised release and ordered to make restitution in the amount of \$5,278,699.19.

5. The counts of the indictment to which Connell pleaded guilty alleged, inter alia, that Connell, in his capacity as financial advisor, managed money for several members of a family in multiple accounts, and effected numerous unauthorized transactions from those accounts and as a result defrauded the family of at least approximately \$5 million dollars.

IV.

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