

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
February 3, 2005

ADMINISTRATIVE PROCEEDING

File No. 3-11807

In the Matter of	:	
SCOTT F. McCREADIE,	:	ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS AND NOTICE OF HEARING PURSUANT TO SECTION 15(b) OF THE SECURITIES EXCHANGE ACT OF 1934 AND SECTION 203(f) OF THE INVESTMENT ADVISERS ACT OF 1940
Respondent.	:	
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	:	

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 Scott F. McCreadie (“McCreadie” or “Respondent”).

II.

As a result of an investigation, the Division of Enforcement alleges that:

1. Respondent McCreadie, age 34, (CRD # 2519813) formerly resided in Sharon, Massachusetts and currently resides in Wellington, Florida. From January 1999 until June 2002, McCreadie was employed by UBS PaineWebber (“PaineWebber”), a registered investment adviser and broker-dealer now known as UBS Financial Services, Inc.

2. During the relevant time period, PaineWebber, headquartered in New York City, New York, was registered with the Commission as a broker-dealer (File No. 8-16267) and investment adviser (File No. 801-7163). McCreadie was associated with PaineWebber from January 1999 until June 2002.

3. During the relevant period, McCreadie was a person associated with a broker or dealer.

4. During the relevant period, McCreadie was a person associated with an investment adviser.

5. On November 10, 2004, the United States Attorney for the District of Massachusetts filed a criminal Information against McCreadie concerning his misappropriation of funds from PaineWebber customers. The Information charged McCreadie with one count of violating Section 10(b) of the Exchange Act and two counts of tax evasion. The case was filed in United States District Court for the District of Massachusetts and is entitled *United States v. Scott F. McCreadie*, (Criminal No. 04-CR-10338WGY). The Information charged that, from in or about April 2000 through June 2002, McCreadie engaged in a scheme to defraud his wife's family in connection with the purchase and sale of securities. According to the Information, McCreadie diverted into his own personal brokerage and bank accounts over \$700,000 from PaineWebber brokerage accounts belonging to his wife's family members. McCreadie was the designated registered representative or financial adviser for these accounts. The Information alleges, among other things, that McCreadie used forged letters of authorization and forged checks to transfer funds out of various PaineWebber accounts in the name of his wife's family into a PaineWebber brokerage account and a separate bank account, both held jointly by McCreadie and his wife. According to the Information, McCreadie then spent the funds on stock trades and personal expenses.

6. On January 18, 2005, McCreadie pled guilty to the three counts alleged in the Information, including the violation of Section 10(b) of the Exchange Act described above.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it appropriate and in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true, and to afford the Respondent an opportunity to establish any defenses to such allegations.

B. What, if any, remedial action is appropriate and in the public interest pursuant to Section 15(b) of the Exchange Act or Section 203(f) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.200.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Jonathan G. Katz
Secretary