

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 51403/March 21, 2005

INVESTMENT ADVISERS ACT OF 1940  
Release No. 2368/March 21, 2005

ADMINISTRATIVE PROCEEDING  
File No. 3- 11768

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| In the Matter of | : |                       |
|                  | : | ORDER MAKING FINDINGS |
|                  | : | AND IMPOSING REMEDIAL |
| KOJI GOTO        | : | SANCTIONS BY DEFAULT  |
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The Secretary of the Securities and Exchange Commission (Commission), acting under delegated authority, issued an Order Instituting Proceedings (OIP) on December 9, 2004, 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). Respondent Koji Goto (Goto) filed his Answer to the OIP on January 3, 2005.

This is a follow-on administrative proceeding in which the Commission's Division of Enforcement (Division) seeks to bar Goto from association with any broker, dealer, or investment adviser. This proceeding is based on an underlying criminal case against Goto in the New Hampshire state court system. Goto was indicted in February 2004 and a jury returned a guilty verdict against him on several counts in September 2004. However, the trial court in New Hampshire has yet to impose a sentence or enter a judgment of conviction.

The Division contends that a jury verdict, and not a judgment of conviction, is a sufficient predicate for commencing this proceeding under both the Exchange Act and the Advisers Act. Following a telephonic prehearing conference, the Division provided statutory citations, case law, and argument in support of its position. Goto did not object to the Division's position, and I consider the opportunity to do so as waived. During the prehearing conference, Goto also advised that he had completed his inspection and copying of the Division's investigative file. I then granted the Division's oral motion for leave to file a motion for summary disposition.

The Division has now filed its motion for summary disposition and an unopposed motion to exceed the page limit applicable to motions for summary disposition. By pleading dated

March 3, 2005, Goto states that he has no objection to granting the relief requested by the Division. Pursuant to Rule 155(a)(2) of the Commission's Rules of Practice, I find that Goto has consented to the entry of a Default Order by failing to contest a dispositive motion. I find the following allegations in the OIP and the Division's motion for summary disposition to be true.

Goto, age thirty-five, resided in Bedford, New Hampshire, at the relevant times. From December 1994 to November 2001, Goto was employed in Concord, New Hampshire, by subsidiaries of the John Hancock Financial Services Co. (Hancock), including Signator Investors, Inc. (Signator), a registered broker, dealer, and investment adviser. Goto was a registered representative of Signator and a licensed insurance broker.

On February 20, 2004, a New Hampshire state grand jury indicted Goto on sixty-eight counts for his role in several fraudulent schemes. The indictment charges that Goto committed theft by misapplication of property, theft by deception, criminal solicitation, unlawful securities practice, and witness tampering. The case was filed in New Hampshire Superior Court and is entitled New Hampshire v. Goto, Docket No. 04-S-0492-0559 (Superior Court, Hillsborough County, Northern District).

The court bifurcated the criminal case. The first trial commenced in September 2004 and the second trial has yet to be scheduled. With respect to the charges related to the first trial, which encompassed twenty-three counts, the indictment alleges that, beginning in June 1999 and continuing until March 2002, Goto successfully solicited certain individuals to invest their money in purported Hancock investments. Goto then gained control over that money, but never invested it with Hancock. Instead, Goto stole approximately \$3.2 million from his purported Hancock clients.

On September 27, 2004, Goto was found guilty by a jury in the criminal action of the twenty-three counts concerning the purported Hancock investments. The jury found Goto guilty of nine counts of theft by deception, one count of theft by misapplication, and thirteen counts of unlawful securities practice, in violation of New Hampshire statutes.

I find that Goto was a person associated with a broker, dealer, and investment adviser at the times related to nineteen of the twenty-three counts on which the jury returned guilty verdicts. I further find that the criminal conviction involved matters in connection with the offer, sale, or purchase of securities. In view of the foregoing, it is necessary and appropriate in the public interest to bar Goto from association with any broker, dealer, and investment adviser.

IT IS ORDERED THAT, pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Koji Goto is barred from association with any broker, dealer, and investment adviser.

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James T. Kelly  
Administrative Law Judge