

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 53089 / January 10, 2006

INVESTMENT ADVISERS ACT OF 1940  
Release No. 2472 / January 10, 2006

Administrative Proceeding File No. 3-12145

IN THE MATTER OF DAVID M. FAUBERT

The Commission issued an Order Instituting Administrative Proceedings 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) and Notice of Hearing (the Order) against David M. Faubert of Simsbury, Connecticut.

The Division of Enforcement (Division) alleges in the Order that, on December 14, 2005, in a matter entitled SEC v. Faubert, et al., Civil Action Number 3:05CV00510, the United States District Court for the District of Connecticut entered a final judgment against Faubert, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940. The Complaint alleged that from 2000 until March 2005, Faubert defrauded as many as 15 clients out of approximately \$2.4 million. Faubert promised the clients he would invest their money in a “fixed account” which “guaranteed” an 8% return. Instead, he diverted the clients’ funds for his personal use, including the payment of his gambling debts. The Complaint further alleged Faubert concealed his fraud by providing the clients with fictitious account statements, and otherwise engaged in a variety of conduct which operated as a fraud and deceit on investors.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide Faubert an opportunity to dispute the allegations, and to determine 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. The Order requires the Administrative Law Judge to issue an initial decision no later than 210 days from the date of service of the Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.