

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**September 1, 2005**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12028**

In the Matter of  
  
Susana P. Longo,  
  
Respondent.

**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION  
203(f) OF THE INVESTMENT ADVISERS ACT  
OF 1940**

**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(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Susana P. Longo (“Respondent” or “Longo”).

**II.**

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Longo, 46 years of age, resides in Norcross, Georgia. From 1999 until her termination in 2004, Longo served as vice president of compliance for an investment adviser based in Atlanta, Georgia. She also assisted the adviser’s portfolio managers with processing trades, responding to clients’ questions, reconciling accounts, and to assist the firm with all of its back-office procedures.

B. ENTRY OF THE INJUNCTION

2. On August 10, 2005, a final judgment was entered against Longo, permanently enjoining her from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and from aiding and abetting violations of Sections 206(1) and 206(2) of the Advisers Act in the civil action entitled Securities and Exchange Commission v. Susana P. Longo, Civil Action Number 1:05-CV-0164, in the United States District Court for the Northern District of Georgia.

3. The Commission's complaint alleged that from early 2000 through early 2004, while she was vice president in charge of compliance at an Atlanta-based investment adviser, Longo misappropriated at least \$5.4 million from four profit-sharing plans that were advisory clients. The complaint alleged that, as part of that scheme, Longo placed unauthorized orders to sell securities in these clients' accounts and forged documents that transferred the proceeds from those sales to the accounts of two elderly women who were also advisory clients of her employer. Longo then forged the signatures of these women on checks that Longo made payable to herself, her creditors, and her relatives. The complaint further alleged that Longo concealed her conduct by falsifying the account statements that the investment adviser sent the four profit sharing plans and the two elderly clients.

### **III.**

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

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

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to 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. § 201.110.

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 her 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.

For the Commission, by its Secretary, pursuant to delegated authority.

Jonathan G. Katz  
Secretary