

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SECURITIES EXCHANGE ACT OF 1934
Release No. 54587/October 11, 2006

INVESTMENT ADVISERS ACT OF 1940
Release No. 2562/October 11, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12355

In the Matter of	:	
	:	CORRECTED ORDER MAKING
VERITAS FINANCIAL ADVISORS, LLC,	:	FINDINGS AND IMPOSING REMEDIAL
VERITAS ADVISORS, INC. ,	:	SANCTIONS AND CEASE-AND-DESIST
PATRICK J. COX, and	:	ORDER BY DEFAULT AGAINST
RITA A. WHITE	:	RITA A. WHITE

The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings (OIP) on July 5, 2006. Respondent Rita A. White (White) was served with the OIP on July 10, 2006, and her Answer was due twenty days later. See OIP at 10; 17 C.F.R. § 201.220. On July 17, 2006, I ordered White to file an Answer on or by August 14, 2006. White did not file an Answer by that date, nor did she request an extension of time to do so.

On August 28, 2006, the Division of Enforcement (Division) filed a motion for default against White, based on her failure to Answer the OIP. On August 29, 2006, I ordered White to show cause, on or by September 11, 2006, why she should not be held in default and why she should not be: (1) barred from association with an investment adviser; (2) subjected to a cease-and-desist order; (3) ordered to pay disgorgement, plus prejudgment interest; and (4) ordered to pay a civil penalty. I further ordered that any response must include White's Answer to the OIP.

As of September 25, 2006, White had failed to file an Answer to the OIP, failed to respond to the Division's motion for default and to my show cause order. Additionally, White failed to appear at a prehearing conference held on September 20, 2006. As such, on September 25, 2006, I found White to be in default and, as authorized by Rule 155(a) of the Commission's Rules of Practice, I deemed the allegations in the OIP to be true, *only as to White*. See Securities Exchange Act of 1934 Release No. 54497 (emphasis added); 17 C.F.R. §§ 201.155(a), .220(f), .221(f). Among the allegations that I deemed to be true were those that pertained to the three remaining Respondents, who are in the process of finalizing a settlement with the Division.

At a prehearing conference on October 10, 2006, the remaining Respondents objected to being mentioned in the default order, despite the presence of the italicized language noted above

and the fact that it was captioned as applying solely to White. In the interests of allowing the parties to finalize their settlement, this Order will minimize references to the three remaining Respondents.

White is in default for failing to file an Answer, appear at a prehearing conference, and otherwise defend the proceeding. See 17 C.F.R. §§ 201.155(a), .220(f), .221(f). As authorized by Rule 155(a) of the Commission's Rules of Practice, I deem the following allegations in the OIP to be true, only as to White.

White, age 37, resides in Boston, Massachusetts. Between at least January 1999 and March 2005, White was an employee of Veritas Advisors, Inc. (Veritas Advisors), who performed bookkeeping and other administrative tasks. At all relevant times, White was a person associated with an investment adviser pursuant to Section 202(a)(17) of the Advisers Act.

Between at least January 1999 and March 2005, White misappropriated at least \$1,300,000 from a female client of Veritas Advisors, currently age 57 and residing in Brookline, Massachusetts (the Client).

During this period, White used an average of at least five checks per month from the Client's checking account for the payment of White's own personal expenses. White used many of the checks for the payment of her credit card balances. In turn, White routinely used these credit cards to purchase jewelry, designer clothing and handbags, home improvement items and other non-essential items. White made other of the Client's checks payable directly to herself and deposited these checks into White's personal checking account.

All of the above checks, whether to White or her credit card companies, were "signed" with a stamp copy of the Client's signature, which Veritas Advisors maintained for the purpose of facilitating the payment of the Client's household bills and expenses. At all relevant times, White handled bill payment for Veritas Advisors clients who used that service, including the Client, and White had access to the Client's checks and signature stamp. The Client did not authorize White's use of the signature stamp or checks from the Client's account for White's benefit or for the payment of White's expenses.

White concealed her unauthorized use of the Client's checks by making entries in an electronic register for the Client's checking account, which White maintained, appear as though these checks were being used to pay the Client's legitimate expenses. For example, many ledger entries erroneously reflect that certain payments, which actually were made to White's credit card companies, were made to one of the Client's credit card companies. Other ledger entries corresponding to checks made payable to White or her credit card companies incorrectly describe the payments as being donations to charitable organizations. Moreover, in or about March and/or April 2005, after the Division's investigation began and she became aware of the investigation, White altered additional entries in the electronic register in a further attempt to conceal her unlawful activities.

During the relevant period, there were at least monthly transfers of cash from the Client's bond account (following the sale of bonds) to the Client's checking account. White knew about

these transfers and also knew that bonds in the bond account had to be sold in order to generate the cash that was transferred to the checking account, where it was misappropriated by White. White faxed wire transfer requests from Veritas Advisors to the bank, and the bank then notified White once the transfers occurred. White also recorded the transfers from the bond account to the checking account in the transaction register for the Client's checking account.

As a result of the conduct described above, White willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

In light of the foregoing, and after weighing all relevant sanction considerations including the public interest, I conclude that it is necessary and appropriate that White be: (1) barred from association with any investment adviser; (2) ordered to cease and desist from committing or causing any violations or future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; (3) ordered to pay disgorgement of \$1,300,000, plus prejudgment interest; and (4) ordered to pay a civil penalty of \$100,000.

ORDER

Based on the foregoing:

IT IS ORDERED that, pursuant to Section 203(f) of the Investment Advisers Act of 1940, Rita A. White is hereby barred from association with any investment adviser;

IT IS FURTHER ORDERED that, pursuant to Section 21C of the Securities Exchange Act of 1934, Rita A. White shall cease and desist from committing or causing any violations or future violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder;

IT IS FURTHER ORDERED that, pursuant to Sections 21C of the Securities Exchange Act of 1934 and 203(j) of the Investment Advisers Act of 1940, Rita A. White shall disgorge the sum of \$1,300,000, plus prejudgment interest computed as set forth in Rule 600 of the Commission's Rules of Practice, with prejudgment interest beginning to run on April 1, 2005; and

IT IS FURTHER ORDERED that, pursuant to Section 203(i) of the Investment Advisers Act of 1940, Rita A. White shall pay a civil penalty of \$100,000.

Payment of the civil penalty, disgorgement, and prejudgment interest shall be made by wire transfer, certified check, United States postal money order, bank cashier's check, or bank money order, payable to the Securities and Exchange Commission. The payments, and a cover letter identifying the Respondents and the proceeding designation, shall be delivered to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop O-3, Alexandria, Virginia 22312. A copy of the cover letter and the instrument of payment shall be sent to the Commission's Division of Enforcement, directed to the attention of counsel of record.

Lillian A. McEwen
Administrative Law Judge