

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

January 10, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12145

In the Matter of

DAVID M. FAUBERT,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940
AND NOTICE OF HEARING

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 David M. Faubert (“Faubert” or “Respondent”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From 2000 to approximately March 2005, Faubert was the President of Faubert Financial Group, Inc. (“FFG”), an unregistered investment adviser based in Avon, Connecticut. For a portion of the time in which he engaged in the conduct underlying the complaint described below, Faubert was affiliated with Tower Square Securities, Inc. (“Tower”), a broker-dealer and investment adviser based in Hartford, Connecticut and registered with the Commission. Faubert, 48 years old, is a resident of Simsbury, Connecticut.

B. ENTRY OF THE INJUNCTION

2. On December 14, 2005, a final judgment was entered against Faubert, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. David M. Faubert, et al., Civil Action Number 3:05CV00510, in the United States District Court for the District of Connecticut.

3. The Commission’s complaint alleged that from 2000 until March 2005, Faubert used FFG to defraud as many as 15 clients of out of approximately \$2.4 million. Faubert promised the clients he would invest their money in a “fixed account” with a guaranteed return of 8%. Instead, he diverted the clients’ funds for his personal use, including the payment of his gambling debts. 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, the complaint alleged.

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;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and

C. 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 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.

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

Nancy M. Morris
Secretary