

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 2869 / April 20, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13451

In the Matter of

GORDON B. GRIGG,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

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 Gordon B. Grigg (“Respondent” or “Grigg”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Grigg, 46 years old, is a resident of Franklin, Tennessee. From at least 2003 through January 2009, Grigg was associated with unregistered investment adviser ProTrust Management, Inc. ("ProTrust"). Grigg owns ProTrust, serves as ProTrust's president, and has been ProTrust's sole advisory employee.

2. On February 5, 2009, an Order of Permanent Injunction and Other Relief was entered by consent against Grigg, permanently enjoining him 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 ("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. Gordon B. Grigg, et al., Civil Action Number 3:09-CV-87, in the United States District Court, Middle District of Tennessee, Nashville Division.

3. The Commission's complaint alleged that, from approximately 2003 through 2008, Grigg and ProTrust engaged in a scheme to defraud approximately 27 clients out of approximately \$6.5 million, by obtaining such funds from clients and claiming to invest them in securities that do not exist. As part of Grigg's and ProTrust's scheme, they: (1) obtained control over client funds and falsely claimed to have invested such funds in fictitious securities that they described as "Private Placements;" (2) created false and fraudulent account statements reflecting the clients' ownership of the non-existent securities; (3) falsely claimed that they had the ability to invest client funds in government guaranteed commercial paper and bank debt as part of the U.S. government's Troubled Asset Relief Program ("TARP") and falsely claimed that they did invest client funds in the TARP; and (4) falsely claimed to have partnerships and other business relationships with several of the nation's top investment firms.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Grigg's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act that Respondent Grigg be, and hereby is barred from association with any investment adviser. Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c)

any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

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

Elizabeth M. Murphy
Secretary