

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**February 25, 2009**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13381**

**In the Matter of**

**WEALTHWISE, LLC, and**  
**JEFFREY A. FORREST,**

**Respondents.**

**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION  
15(b) OF THE SECURITIES EXCHANGE  
ACT OF 1934 AND SECTIONS 203(e) AND  
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”) against Jeffrey A. Forrest (“Forrest”), Section 203(e) of the Investment Advisers Act of 1940 (“Advisers Act”) against WealthWise, LLC (“WealthWise”), and Section 203(f) of the Advisers Act against Forrest (collectively, “Respondents”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. RESPONDENTS**

1. WealthWise is a California limited liability company and investment adviser based in San Luis Obispo, California that has been registered with the Commission (File No. 801-44264) since December 15, 1997. WealthWise provides investment advisory services from its main office in San Luis Obispo and branch offices in Ogden, Utah; Westlake Village, California; and San Diego, California. From April 2005 through September 2007, the portion of time in which WealthWise and Forrest engaged in the conduct underlying the complaint, WealthWise had approximately \$80 million in assets under management.

2. Forrest was WealthWise's president, chief executive officer, and chief compliance officer from April 2005 through September 2007, when WealthWise and Forrest engaged in the conduct underlying the complaint. For a portion of the time in which Forrest engaged in the conduct underlying the complaint, he was associated with Associated Securities Corporation, a registered broker-dealer headquartered in El Segundo, California. Forrest, 53 years old, is a resident of San Luis Obispo, California.

**B. ENTRY OF THE INJUNCTION**

3. On February 4, 2009, a final judgment was entered by consents against WealthWise and Forrest, permanently enjoining WealthWise and Forrest 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 Advisers Act, in the civil action entitled Securities and Exchange Commission v. WealthWise, LLC, et al., Civil Action No. 2:08-cv-06278-GAF-SS, in the United States District Court for the Central District of California.

4. The Commission's complaint alleged that, among other things, from April 2005 to October 2006, Forrest recommended that more than 60 WealthWise clients invest \$40 million in Apex Equity Options Fund, LP ("Apex"), a hedge fund managed by Thompson Consulting, Inc. ("TCI") in Salt Lake City, Utah. The complaint also alleged that Forrest emphasized to WealthWise clients that Apex would protect their principal while generating 3% monthly returns through a purportedly innovative options trading method. Forrest failed to disclose, however, that WealthWise had a significant conflict of interest: pursuant to a side agreement between WealthWise and the president of TCI, WealthWise received a portion of the performance fee that Apex paid TCI for all WealthWise assets invested in Apex. The complaint further alleged that investments from WealthWise clients comprised over 90% of Apex's assets, and between April 2005 and September 2007, WealthWise received an estimated \$388,401.80 in performance fees from TCI. Apex collapsed in August 2007 as a result of TCI's risky trading strategy, and WealthWise clients lost almost their entire investments.

**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 Forrest pursuant to Section 15(b) of the Exchange Act;

C. What, if any, remedial action is appropriate in the public interest against WealthWise pursuant to Section 203(e) of the Advisers Act; and

D. What, if any, remedial action is appropriate in the public interest against Forrest 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 Respondents 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 Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them 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 Respondents 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.

Elizabeth M. Murphy  
Secretary