

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

INVESTMENT ADVISERS ACT OF 1940
Release No. 2497/March 17, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12178

In the Matter of :
:
THOMAS J. ROBBINS : ORDER MAKING FINDINGS AND
: IMPOSING SANCTION BY DEFAULT

SUMMARY

This Order bars Thomas J. Robbins (Robbins) from association with an investment adviser. Robbins was previously enjoined from violating the antifraud and registration provisions of the securities laws, based on his involvement in two fraudulent pyramid schemes.

I. BACKGROUND

The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings (OIP) against Robbins on February 8, 2006, pursuant to Section 203(f) of the Investment Advisers Act of 1940 (Advisers Act). The OIP alleges that he was enjoined in 2005 from violating the antifraud and registration provisions of the federal securities laws, based on his wrongdoing while acting as an unregistered investment adviser. Robbins was served with the OIP on February 21, 2006. He failed to file an Answer, due twenty days after service of the OIP. See 17 C.F.R. § 201.220(b); OIP at 2. A respondent who fails to file an Answer to the OIP may be deemed to be in default, and the administrative law judge may determine the proceeding against him.¹ See 17 C.F.R. §§ 201.155(a), .220(f); OIP at 3. Thus, Robbins is in default, and the undersigned finds the following allegations in the OIP are true.

¹ Previously, Robbins was advised that if he failed to file an Answer to the OIP within the time provided by law, the undersigned would enter an order barring him from association with an investment adviser. See Thomas J. Robbins, Admin. Proc. No. 3-12178 (A.L.J. Mar. 1, 2006) (unpublished) (citing 17 C.F.R. §§ 201.155(a), .220(f)). Additionally, the Division of Enforcement has requested a default.

II. FINDINGS OF FACT

Robbins is permanently enjoined from violating the antifraud and registration provisions of the federal securities laws – Sections 5(a), 5(c), and 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. SEC v. TEK Corp., Civil Action No. 2:05-CV-00107 (D. Utah June 21, 2005). Robbins’s motion to vacate the injunction was denied on January 19, 2006. The wrongdoing that underlies Robbins’s injunction occurred from January 2002 until February 2003. Acting as an unregistered investment adviser, Robbins caused over 100 investors to invest more than \$4.5 million in two bogus investment schemes involving day-trading. He misrepresented to clients and potential clients that his day-trading was profitable when, in fact, he was consistently sustaining losses and was misappropriating clients’ funds for his own use. Further, he misrepresented to clients that returns paid them were derived from trading profits when the returns were actually paid from newly invested funds.

III. CONCLUSIONS OF LAW

Robbins is permanently enjoined “from engaging in or continuing any conduct or practice in connection . . . with the purchase or sale of any security” within the meaning of Sections 203(e)(4) and 203(f) of the Advisers Act.

IV. SANCTION

Robbins will be barred from association with an investment adviser. This sanction will serve the public interest and the protection of investors, pursuant to Section 203 of the Advisers Act. It accords with Commission precedent and the sanction considerations set forth in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979), aff’d on other grounds, 450 U.S. 91 (1981). Robbins’s unlawful conduct was recurring and egregious, extending over a period of a year. There are no mitigating circumstances.

V. ORDER

IT IS ORDERED that, pursuant to Section 203(f) of the Investment Advisers Act of 1940, THOMAS J. ROBBINS IS BARRED from association with an investment adviser.

Carol Fox Foelak
Administrative Law Judge