

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

SECURITIES EXCHANGE ACT OF 1934
Release No. 61965/April 23, 2010

INVESTMENT ADVISERS ACT OF 1940
Release No. 3018/April 23, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13825

In the Matter of :
: ORDER MAKING FINDINGS AND
WILLIAM H. LOFTHUS : IMPOSING SANCTIONS BY DEFAULT

SUMMARY

This Order bars William H. Lofthus (Lofthus) from association with any broker, dealer, or investment adviser.

I. BACKGROUND

The Securities and Exchange Commission (Commission) instituted this proceeding with an Order Instituting Proceedings (OIP) on March 19, 2010, 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). The OIP alleges that Lofthus was associated with a registered broker-dealer from 1993 to February 2006 and with a registered investment adviser from June 2003 to February 2006, and that he was convicted in the State of Illinois of theft of assets from a broker-dealer customer and administratively barred from offering or selling securities in Illinois. In this proceeding, the Division of Enforcement (Division) is seeking to bar Lofthus from association with any broker, dealer, or investment adviser. At a prehearing conference today, Lofthus affirmatively stated that he would not defend the proceeding and would accept a default ordering the relief that the Division seeks.

Lofthus is in default within the meaning of 17 C.F.R. § 201.155(a)(2) in that he affirmatively declined to defend the proceeding. Accordingly, the undersigned finds that the allegations in the OIP are true.

II. FINDINGS OF FACT

Lofthus is currently incarcerated in an Illinois state prison. From 1993 to February 2006, he was associated with a broker-dealer registered with the Commission, and from June 2003 to February 2006, he was associated with an investment adviser registered with the Commission. On June 25, 2009, he was convicted, on his plea of guilty, in the Circuit Court of DuPage County, Illinois, for theft of assets from a broker-dealer customer in State v. Lofthus, No. 06-CF-2419 and sentenced to six years in prison. The wrongdoing underlying his conviction took place from 2000 to September 2005, during which time he obtained money and property by means of

materially false and misleading statements from an elderly customer who was physically and mentally impaired and misappropriated the customer's money for his own personal use. Additionally, on August 28, 2006, the Securities Department of the Illinois Secretary of State issued an Order of Prohibition barring Lofthus from offering or selling securities in or from the State of Illinois. William H. Lofthus, No. 0600143 (Ill. Dep't of Sec.). The wrongdoing underlying his bar took place from 2002 to February 2006, during which time Lofthus solicited funds from one or more customers for investment in promissory notes but converted the funds for his own use.

III. CONCLUSIONS OF LAW

Lofthus has been convicted of "the . . . theft . . . of funds" within the meaning of Sections 15(b)(4)(B)(iii) and 15(b)(6)(A)(ii) of the Exchange Act and of Sections 203(e)(2)(C) and 203(f) of the Advisers Act.

IV. SANCTIONS

Lofthus will be barred from association with any broker, dealer, or investment adviser. These sanctions will serve the public interest and the protection of investors, pursuant to Section 15(b) of the Exchange Act and Section 203(f) of the Advisers Act, and accord with Commission precedent and the sanction considerations set forth in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979). Lofthus's unlawful conduct was recurring and egregious, extending over a period of several years.

V. ORDER

IT IS ORDERED that, pursuant to Section 15(b) of the Securities Exchange Act of 1934, WILLIAM H. LOFTHUS IS BARRED from association with any broker or dealer.

IT IS ORDERED that, pursuant to Section 203(f) of the Investment Advisers Act of 1940, WILLIAM H. LOFTHUS IS BARRED from association with any investment adviser.

Carol Fox Foelak
Administrative Law Judge