

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 62918 / September 15, 2010

INVESTMENT ADVISERS ACT OF 1940
Release No. 3083 / September 15, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13954

In the Matter of

AARON DONALD VALLETT

Respondent.

**ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940**

I.

The Securities and Exchange Commission (“Commission”) instituted public administrative proceedings 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 Aaron Donald Vallett (“Respondent” or “Vallett”) on July 2, 2010.

II.

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 Making Findings, and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Exchange Act and Section 203(f) of the Advisers Act (“Order”), as set forth below.

III.

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

1. Vallett is the owner and associated person of A.D. Vallett & Co., LLC ("Vallett & Co."), an investment advisory firm located in Brentwood, Tennessee that has been registered in the State of Tennessee since June 2008. For a portion of the relevant time, Vallett was a registered representative for Institutional Capital Management, Inc., a broker-dealer registered with the Commission. Vallett, age 32, was a resident of Brentwood, Tennessee at all relevant times.

2. On June 9, 2010, an order of permanent injunction was entered by consent against Vallett, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, 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. Aaron Donald Vallett and A.D. Vallett & Co., LLC., Civil Action Number 3:10-CV-00551, in the United States District Court for the Middle District of Tennessee.

3. The Commission's complaint in the district court action alleged that, between September 2008 and April 2010, Vallett raised approximately \$5.5 million from around 20 investors through three unregistered offerings. According to the complaint, many of the investors were advisory clients of Vallett & Co. The complaint alleged that Vallett and his firm misrepresented that investor funds would be secured and would be used to make various investments, including investments in various real estate ventures. According to the complaint, Vallett used substantial investor funds to pay prior investors or to pay personal or business expenses. The complaint alleged these actions operated as a fraud or deceit on investors.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Vallett be, and hereby is, barred from association with any broker or dealer.

Pursuant to Section 203(f) of the Investment Advisers Act, Respondent Vallett 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

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of ("Order"), on the Respondent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable James T. Kelly
Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557

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Securities and Exchange Commission
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