

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 2998 / March 11, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13812

In the Matter of

Barron A. Mathis,

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 Barron A. Mathis (“Respondent”).

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. Mathis, 28 years old, is a resident of Hermitage, Tennessee. Mathis joined J.C. Reed & Company, Inc. (“JC Parent”) in approximately January 2005 as its Investment

Director. He became Vice President of J.C. Reed Advisory Group, LLC (“JC Advisory”), a wholly-owned subsidiary of JC Parent, in approximately September 2006, and a director of JC Parent in approximately October 2007. During his employment by JC Parent and JC Advisory, Mathis, for compensation, engaged in the business of advising others about investing in securities.

2. On February 11, 2010, an Order was entered by consent against Mathis, permanently enjoining him from future violations of Sections 5(a), 5(c), and 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 Securities and Exchange Commission v. J.C. Reed & Company, Inc., J.C. Reed Advisory Group, LLC, Barron A. Mathis, and Estate of John C. Reed, Lana L. Reed, Executor, Civil Action No. 3:08-1112 (M.D.Tenn.) (“SEC v. J.C. Reed & Company, et al.”).

3. The Commission’s complaint in SEC v. J.C. Reed & Company, et al. alleged that Mathis provided investors with offering materials containing false and fraudulent representations that no sales commissions would be paid in the offering of JC Parent stock. From at least January 2007 through at least May 2008, Mathis recommended the purchase of shares of JC Parent stock to clients and prospective clients of JC Advisory knowing that JC Parent would pay him a five percent referral fee for sales of JC Parent stock, in direct contradiction of statements in the offering materials. The complaint also alleged that Mathis sold unregistered securities.

IV.

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

Accordingly, it is hereby ORDERED:

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