

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3093 / September 29, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-14079

In the Matter of

**SYSTEMATIC FINANCIAL
ASSOCIATES, INC.,**

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(e) 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(e) of the Investment Advisers Act of 1940 (“Advisers Act”) against Systematic Financial Associates, Inc. (“SFA” or “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 it 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(e) 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. SFA is a New Jersey corporation with its principal place of business in Branchburg, New Jersey. SFA is wholly owned by Sandra Venetis ("Venetis") and is an investment adviser registered with the Commission.

2. On September 2, 2010, a judgment was entered by consent against SFA, permanently enjoining it 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 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. Sandra Venetis, et al., Civil Action Number 10-cv-4493-JAP, in the United States District Court for the District of New Jersey.

3. The Commission's complaint alleged, among other things, that, since at least 1997, Venetis designed and orchestrated an offering fraud and multi-million dollar Ponzi scheme, whereby she fraudulently obtained over \$11 million from at least 100 investors. The complaint further alleged that Venetis, operating through SFA and two other entities, fraudulently offered and sold promissory note securities in unregistered transactions. In connection with the sale of the notes, Venetis falsely stated to investors that the notes funded loans to doctors, the investments would generate tax-free annual returns, and the doctors receiving the loans acknowledged their repayment obligations by co-signing the notes. The complaint also alleged that Venetis systematically misappropriated and misused investor funds, falsely stated to investors that their funds were invested, sent out false account statements indicating that investor funds earned the promised returns, and otherwise engaged in a variety of conduct which operated as a fraud and 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 SFA's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(e) of the Advisers Act, that the investment adviser registration of Respondent SFA be, and hereby is, revoked.

By the Commission.

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 Instituting Administrative Proceedings Pursuant to Section 203(e) of the Investment Advisers Act of 1940, Making Findings and Imposing Remedial Sanctions ("Order"), on the Respondent and its legal agents.

The attached Orders have been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
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