

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

INVESTMENT ADVISERS ACT OF 1940
Release No. 2445 / October 26, 2005

ADMINISTRATIVE PROCEEDING
File No. 3-12028

In the Matter of :
: **ORDER MAKING FINDINGS AND**
SUSANA P. LONGO : **IMPOSING REMEDIAL SANCTION**
: **BY DEFAULT**
:

The Securities and Exchange Commission (Commission or SEC) initiated this proceeding on September 1, 2005, pursuant to Section 203(f) of the Investment Advisers Act of 1940 (Advisers Act). Respondent Susan P. Longo (Longo) was served with the Order Instituting Proceedings (OIP) on September 19, 2005, and her Answer was due twenty days later. 17 C.F.R. § 201.220(b); OIP at 2. To date, Longo has not filed an Answer to the OIP. See 17 C.F.R. § 201.220. The Division of Enforcement filed a motion for default against Longo on October 18, 2005, to which Longo has not filed a response. See 17 C.F.R. § 201.154.

Longo is in default for failing to answer the OIP, respond to a dispositive motion, or otherwise defend the proceeding. See 17 C.F.R. §§ 201.155(a)(2), .220(f). As authorized by Rule 155(a) of the Commission's Rules of Practice, I find the following allegations in the OIP to be true.

Longo, forty-six years of age, resides in Norcross, Georgia. From 1999 until her termination in 2004, Longo served as vice president of compliance for an investment adviser based in Atlanta, Georgia. She also assisted the adviser's portfolio managers with processing trades, responding to clients' questions, reconciling accounts, and performing back-office procedures for the firm.

On August 10, 2005, a final judgment was entered against Longo, permanently enjoining her from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and from aiding and abetting violations of Sections 206(1) and 206(2) of the Advisers Act in the civil action titled SEC v. Longo, Civil Action No. 1:05-CV-0164, in the United States District Court for the Northern District of Georgia.

The Commission's complaint alleged that from early 2000 through early 2004, while she was vice president in charge of compliance at an Atlanta-based investment adviser, Longo misappropriated at least \$5.4 million from four profit-sharing plans that were advisory clients. The complaint alleged that, as part of that scheme, Longo placed unauthorized orders to sell securities in these clients' accounts and forged documents that transferred the proceeds from those sales to the accounts of two elderly women who were also advisory clients of her employer. Longo then forged the signatures of these women on checks that Longo made payable to herself, her creditors, and her relatives. The complaint further alleged that Longo concealed her conduct by falsifying the account statements that the investment adviser sent the four profit-sharing plans and the two elderly clients.

In view of the foregoing, I find it appropriate in the public interest to bar Longo from association with any investment adviser.

ORDER

IT IS ORDERED THAT, pursuant to Section 203(f) of the Investment Advisers Act of 1940, Susana P. Longo is hereby BARRED from association with any investment adviser.

Robert G. Mahony
Administrative Law Judge