

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 53417/March 6, 2006

INVESTMENT ADVISERS ACT OF 1940  
Release No. 2493/March 6, 2006

ADMINISTRATIVE PROCEEDING  
File No. 3-12145

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In the Matter of	:	
	:	ORDER MAKING FINDINGS
DAVID M. FAUBERT	:	AND IMPOSING REMEDIAL
	:	SANCTIONS BY DEFAULT
	:	

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The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings (OIP) on January 10, 2006, 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). On January 17, 2006, the law firm of O'Connell, Flaherty & Atmore, LLC, accepted service of the OIP on behalf of Respondent David M. Faubert (Faubert). The OIP required that Faubert file his Answer within twenty days of service. OIP at 2. To date, Faubert has not filed his Answer.

On February 9, 2006, the Division of Enforcement filed a motion for default order against Faubert (Motion). According to the Motion, Faubert's attorney informed the Division of Enforcement that Faubert intended to accept a default order in this proceeding. Motion at 2. As of today, no opposition has been filed in response to the Motion.

On February 15, 2006, I ordered Faubert to show cause by February 28, 2006, why he should not be held in default for failing to file an Answer. As of today, Faubert has failed to show such cause.

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

Faubert is a forty-eight year old resident of Simsbury, Connecticut. From 2000 to approximately March 2005, he was the president of Faubert Financial Group, Inc. (FFG), an unregistered investment adviser based in Avon, Connecticut. For a portion of the time in which

he engaged in the conduct underlying the complaint described below, Faubert was affiliated with Tower Square Securities, Inc., a broker-dealer and investment adviser based in Hartford, Connecticut, and registered with the Commission.

On December 14, 2005, the United States District Court for the District of Connecticut entered a final judgment against Faubert, 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 SEC v. Faubert, Civil Action Number 3:05CV00510.

The Commission's complaint alleged that from 2000 until March 2005, Faubert used FFG to defraud as many as fifteen clients of approximately \$2.4 million. Faubert promised the clients he would invest their money in a "fixed account" with a guaranteed return of eight percent. Instead, he diverted the clients' funds for his personal use, including the payment of his gambling debts. Faubert concealed his fraud by providing the clients with fictitious account statements, and otherwise engaged in a variety of conduct, which operated as a fraud and deceit on investors.

Based on the foregoing, I find it appropriate in the public interest to bar Faubert from associating with any broker, dealer, or investment adviser.

### **ORDER**

IT IS ORDERED, pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, that Respondent David M. Faubert is hereby BARRED from associating with any broker, dealer, or investment adviser.

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Lillian A. McEwen  
Administrative Law Judge