

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 81983 / October 31, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-18271

In the Matter of

**JEFFREY D. SMITH,
JOSEPH CARSWELL and
MICHAEL W. FULLARD,**

Respondents.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND NOTICE OF HEARING**

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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Jeffrey D. Smith, Joseph Carswell and Michael W. Fullard (collectively, the “Respondents”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. In 2012 and 2013, Respondents Jeffrey D. Smith (“Smith”), Joseph Carswell (“Carswell”) and Michael W. Fullard (“Fullard”) acted as unregistered broker dealers in connection with soliciting, offering and selling interests in a fraudulent prime bank scheme.

2. Smith, 36 years old, is known to have resided in Lithonia, Georgia. Carswell, 48 years old, is known to have resided in Marietta, Georgia. Fullard, 48 years old, is known to have resided in Myrtle Beach, South Carolina.

B. ENTRY OF THE INJUNCTION

3. On October 11, 2017, a final judgment was entered by default against the Respondents, permanently enjoining Smith and Carswell from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and all three Respondents from future violations of Section 15(a) of the Exchange Act, in the civil action entitled Securities and Exchange Commission v. Jeffrey D. Smith d/b/a Atlanta Capital LLC a/d/b/a Capital Funding, LLC., Joseph Carswell d/b/a Atlanta Capital LLC a/d/b/a Capital Funding, Inc., and Michael W. Fullard, Civil Action Number 1:16-CV-4171-TWT, in the United States District Court for the Northern District of Georgia.

4. The Commission’s complaint alleged that Smith and Carswell engaged in securities fraud and that Smith, Carswell and Fullard acted as unregistered brokers or dealers. Specifically, the complaint alleges that, in 2012 and 2013, Smith and Carswell, using two fictitious companies (Atlanta Capital LLC and Capital Funding, LLC), engaged in a variation of a prime bank scheme, defrauding at least four known investors out of at least \$775,000. The complaint alleges that Smith and Carswell, promised investors returns of as much as 35% per week and assured them that the transactions were risk-free. Fullard acted as a finder for Smith and Carswell, and referred at least one victim investor to them. The complaint alleges that, after investment proceeds came in, they were disbursed to Smith, Carswell, and Fullard in some cases just hours after the investments were received.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act;

C. Whether, pursuant to Section 15(b) of the Exchange Act, it is appropriate and in the public interest to suspend or bar Respondents from participating in any offering of penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock; or inducing or attempting to induce the purchase or sale of any penny stock.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondents fail to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondents as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice, 17 C.F.R. § 201.360(a)(2), the Administrative Law Judge shall issue an initial decision no later than 75 days from the occurrence of one of the following events: (A) The completion of post-hearing briefing in a proceeding where the hearing has been completed; (B) Where the hearing officer has determined that no hearing is necessary, upon completion of briefing on a motion pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250; or (C) The determination by the hearing officer that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155 and no hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary