

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3909 / September 2, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16051

In the Matter of

BRIAN K. VELTEN,

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 Brian K. Velten (“Velten” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Velten 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, Velten 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 Velten's Offer, the Commission finds that:

1. From 2009 through 2012, Velten was an unregistered investment adviser. Velten would receive money from clients, open accounts in their names at Fidelity Brokerage Services, LLC ("Fidelity"), trade securities on their behalf, and retain a portion of the funds for himself. With respect to some clients, the amount Velten retained was an agreed upon fee. With respect to other clients, Velten converted the funds for his own use. Velten, 45, resided in the Tampa and Miami, Florida areas during this time.

2. On June 9, 2014, a final judgment was entered by consent against Velten in the civil action entitled Securities and Exchange Commission v. Brian K. Velten, Case No. 13-23477-CIV, pending in the United States District Court for the Southern District of Florida. Among other things, the final judgment permanently enjoined Velten from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), Exchange Act Rule 10b-5, and sections 206(1) and 206(2) of the Advisers Act.

3. The Commission's complaint alleged that beginning in about 2009, Velten promised his clients—who he knew because they or their relatives had invested in annuities through Velten—large profits if they would invest their annuity funds in the stock market. For those clients who agreed to invest, Velten would open an account at Fidelity, and the clients would transfer funds from their annuities into the account, to which Velten had access through Fidelity's website. Velten then converted to his own use a substantial portion of three of these clients' funds.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent Velten be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

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.

By the Commission.

Jill M. Peterson
Assistant Secretary