

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 76179 / October 16, 2015

INVESTMENT ADVISERS ACT OF 1940
Release No. 4232 / October 16, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16908

In the Matter of

FREDERICK V.
MCMENIMEN, III,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND 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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Frederick V. McMenimen, III (“McMenimen” 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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.3 below, and consents to the entry of this Order Instituting Administrative Proceedings

Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and 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 Respondent’s Offer, the Commission finds that:

1. McMenimen was employed as a registered representative at Pruco Securities, LLC (“Pruco”), which is dually-registered with the Commission as a broker-dealer and an investment adviser. McMenimen worked at a Pruco office located in Portsmouth, New Hampshire until he voluntarily resigned in 2011. FINRA permanently barred McMenimen from the securities industry in 2013.

2. McMenimen is 52 years old. McMenimen was a resident of Exeter, New Hampshire and is presently incarcerated at Fort Dix Federal Correctional Institution in Fort Dix, New Jersey.

3. On October 31, 2014, McMenimen agreed to plead guilty to: (i) one count of Mail Fraud (18 U.S.C. §1341); (ii) one count of Money Laundering (18 U.S.C. §1957); and (iii) three counts of Tax Evasion (26 U.S.C. §7201) before the United States District Court for the District of New Hampshire in United States of America v. Frederick V. McMenimen, III, No. 12-CR-130-01-SM. On February 11, 2015, a judgment of criminal conviction was entered against McMenimen. He was sentenced to a prison term of 42 months on each count (to be served concurrently), followed by three years of supervised release and ordered to pay restitution in the amount of \$1,443,749.

4. In connection with that plea, McMenimen admitted that from approximately September 2008 to about October 2011:

- a. he fraudulently solicited \$1,443,749 in purported investments from three elderly customers by advising each customer to liquidate existing annuities or other investments and to entrust them to him for investment in another, fictitious investment vehicle;
- b. he misappropriated all of the funds for personal benefits; and
- c. he did not claim the above funds as income on his tax returns filed for tax years 2008, 2009 and 2010.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent McMennen 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; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent McMennen be, and hereby is barred from participating in any offering of a 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.

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.

Brent J. Fields
Secretary