UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10291 / January 24, 2017

SECURITIES EXCHANGE ACT OF 1934
Release No. 79870 / January 24, 2017

INVESTMENT ADVISERS ACT OF 1940
Release No. 4623 / January 24, 2017

INVESTMENT COMPANY ACT OF 1940
Release No. 32434 / January 24, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17319

In the Matter of

JAN E. HELEN,

Respondent.

ORDER MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, SECTION 15(b) OF THE SECURITIES EXCHANGE ACT OF 1934, SECTION 203(f) OF THE INVESTMENT ADVISERS ACT OF 1940, AND SECTION 9(b) OF THE INVESTMENT COMPANY ACT OF 1940

I.

On June 28, 2016 the Securities and Exchange Commission ("Commission") instituted public administrative and cease-and-desist proceedings pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Exchange Act"), Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act"), and Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act") against Jan E. Helen ("Respondent").

II.

In connection with 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, and without admitting or denying the findings herein, except as to the

Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933, Section 15(b) of the Securities Exchange Act of 1934, Section 203(f) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940 ("Order"), as set forth below.

III.

On the basis of this Order and the Offer, the Commission finds[1] that:

Summary

1. This matter involves Respondent's misappropriation of investor funds from an entity that he managed, Janco Energy Partners III, LLC ("JEP III"). From approximately September 2008 through the present, Respondent has been the sole owner and control person of Janco Properties, LLC ("Janco Properties"), which is the manager to JEP III and two similar entities, Janco Energy Partners I, LLC ("JEP I") and Janco Energy Partners II, LLC ("JEP II") (collectively, with JEP III, the "Janco Energy Entities"). Pursuant to its offering documents, JEP III was formed to invest in working interests in oil and gas exploration. However, from approximately April 2014 through May 2015, Respondent misappropriated investor funds from JEP III by taking at least $85,000 in unauthorized and undisclosed personal loans. Due to Respondent's misappropriation, investor funds were not available for their stated purpose of funding oil and gas drilling operations. Respondent's conduct was uncovered during the summer of 2014, during a regulatory review of Respondent's then-broker-dealer, Janco Partners, Inc. ("Janco Partners"). By virtue of this conduct, Respondent willfully violated Section 17(a)(2) and 17(a)(3) of the Securities Act.

Respondent

2. **Jan E. Helen**, age 70, resides in Denver, Colorado. Respondent is the sole owner and managing member of Janco Properties, the manager and investment adviser to the Janco Energy Entities. Respondent was also the founder, chairman, chief executive officer and chief compliance officer of Janco Partners, a broker dealer registered with the Commission until October, 2014, as well as a registered representative associated with Janco Partners from February 1996 through October 2014. From May 1979 through December 1995, Respondent was a registered representative associated with various broker-dealers registered with the Commission.

[1] The findings herein are made pursuant to Respondent's Offer and are not binding on any other person or entity in this or any other proceeding.

Other Relevant Parties

3. **"Janco Partners"** is a Colorado corporation headquartered in Greenwood Village, Colorado that was a broker-dealer registered with the Commission from approximately February 1996 until October 2014, when the Form BDW withdrawal of its registration became effective. It filed its request for withdrawal via Form BDW in August 2014. Janco Partners served as the exclusive selling agent in connection with the offer and sale of membership interests in the Janco Energy Entities.

4. **"Janco Properties"** is a Colorado limited liability company with its principal place of business in Greenwood Village, Colorado that served as the manager to JEP I, JEP II and JEP III. Janco Properties also functioned as a commercial property management company that owned an office building and leased space to Janco Partners and other tenants. Janco Properties has never been registered with the Commission in any capacity.

5. **"JEP I"** is a Colorado limited liability company formed in 2011 for the purpose of raising funds and investing the proceeds into working interests in oil and gas securities offered by a third party oil and gas exploration and production company. JEP I has never been registered with the Commission in any capacity.

6. **"JEP II"** is a Colorado limited liability company formed in 2012 for the purpose of raising funds and investing the proceeds into working interests in oil and gas securities offered by a third party oil and gas exploration and production company. JEP II has never been registered with the Commission in any capacity.

7. **"JEP III"** is a Colorado limited liability company formed in 2014 for the purpose of raising funds and investing the proceeds into working interests in oil and gas securities offered by a third party oil and gas exploration and production company. JEP III has never been registered with the Commission in any capacity.

Background

A. *Respondent Misappropriated Investor Funds from JEP III*

8. In February 2014, JEP III began a private offering of membership interests, seeking to raise $5 million from accredited investors. The JEP III Private Placement Memorandum ("JEP III PPM") provides that the "[n]et proceeds for this offering will be invested in a partnership, joint venture, working interest or similar investment arrangement . . . to develop multiple oil and gas exploration opportunities." The JEP III Operating Agreement, which was provided to investors along with the PPM, further states that the "purpose of [JEP III] is to acquire working interests in one more oil and gas leases or make other investments in the oil and gas exploration, drilling and production operations of [JEP III's oil and gas exploration operator]."

9. The JEP III PPM Summary provides, in part, that "The Manager of [JEP III] is Janco Properties, LLC. Janco Properties, LLC is owned and controlled by Jan E. Helen and is an

affiliate of Janco Partners, Inc." The JEP III PPM adds that "[t]he Manager is wholly-owned by Jan Helen, who will be responsible for management of the Company."

10. Respondent, as the manager of JEP III, controlled JEP III, directed the preparation of the JEP III PPM, reviewed its content, and directed its dissemination.

11. Thirteen investors committed to contribute $870,000 in capital to JEP III. From approximately April 2014 through May 2015, eleven of those investors contributed $470,000 through initial investment and capital calls. Respondent notified investors when capital calls were required. All or substantially all of the funds in JEP III's bank accounts were raised from investors through JEP III's offer and sale of membership interests.

12. According to the JEP III PPM, Janco Partners was entitled to receive a $20,000 fee for preparing the offering documents, as well as a 5% commission on the sale of JEP III membership units.

13. Less than a week after the first JEP III investor contribution was received, Respondent began to misappropriate investor funds by causing JEP III to make personal loans to him. As set forth below, from April 2014 through June 2014, at Respondent's direction, JEP III paid Janco Partners a total of $148,500. At most, $63,500 of this amount was authorized in JEP III's offering documents, specifically, the $20,000 offering documents preparation fee and $43,500 in commissions, which represented 5% of the $870,000 in committed capital. JEP III's books and records characterized this $63,500 as "Due from Janco Partners."

14. During that same period, at Respondent's direction, JEP III paid Janco Partners $85,000 beyond the $63,500 in earned compensation in at least five fund transfers. JEP III's books and records characterized each of the individual transactions totaling $85,000 as a "Loan to Jan E. Helen." Because Respondent withdrew these funds from Janco Partners, its general ledger generally reflected these withdrawals as "Loans to Employees – Jan Helen." Therefore, Respondent knew that he had taken personal loans from JEP III.

15. Respondent should have known that the loans from JEP III to himself or Janco Partners were not authorized.

16. Neither JEP III nor Respondent disclosed Respondent's $85,000 in personal loans prior to Respondent obtaining the funds. Respondent's use of investor funds for personal loans meant that such funds were not available for their stated purpose – to fund oil and gas investments.

17. Respondent's misrepresentations and omissions as to the uses of investor funds were material. Based on JEP III's offering documents and communications with Respondent, investors believed their funds would be used to fund oil and gas investments and, in fact, some investors would not have invested in JEP III had they known that their funds may have been used to make personal loans to Respondent.

B. *Respondent's Unauthorized Loans from JEP III Were Uncovered By Regulators During a Review of Janco Partners*

18. In early August 2014, during a review of Janco Partners' June 2014 Financial and Operational Combined Uniform Report and supporting records, Financial Industry Regulatory Authority ("FINRA") staff observed certain transactions on Janco Partners' bank statements that were not recorded on Janco Partners' general ledger. On August 6, 2014, FINRA staff sent Janco Partners an email inquiring as to the discrepancies.

19. On August 9, 2014, Janco Partners filed an Exchange Act Rule 17a-11 notification reporting a net capital deficiency of $87,497 for the period July 15, 2014 through August 8, 2014. The filing noted that "the deficiency was caused by an advance becoming a loan" and that "additional shareholder capital contribution of $90,000" was expected "not later than 8/15/2014."

20. On Monday, August 11, 2014, Janco Partners filed a Form BDW. The Financial Liabilities section of the Form BDW reported that the firm owed $90,000 to one "customer" and that "the individual involved has arranged to repay the company by 8/15/2014."

21. On August 12, 2014, FINRA staff requested that Janco Partners produce various documents, including "the loan documents for the monies borrowed from JEP III."

22. On August 13, 2014, Respondent executed a promissory note with JEP III "as of April 8, 2014" for $26,500 "plus additional advances, if any." That same day, counsel for Respondent and Janco Partners explained to FINRA staff that "of the money sent by JEP III to Janco [P]artners, $63,500 represented commissions and other fees earned by [Janco Partners], with the remainder constituting loans to Mr. Helen."

23. Notwithstanding representations in both the Exchange Act Rule 17a-11 notification and the Form BDW, Respondent failed to repay Janco Partners on or before August 15, 2014. Respondent repaid his $85,000 personal loan from JEP III, along with $3,500 in interest, by making payments of $72,450 in February 2015 and $15,900 in November 2015.

24. The chart below demonstrates investor contributions to, and Respondent's withdrawals from and repayments to, JEP III.

JEP III Transaction Detail

DATE	AMOUNT	FROM	TO
4/2/14	$60,000	Investor 1	JEP III
4/8/14	**($58,500)**	**JEP III**	**Janco Partners**
4/25/14	$60,000	Investor 2	JEP III
4/30/14	**($45,000)**	**JEP III**	**Janco Partners**
5/8/14	$30,000	Investor 3	JEP III
5/20/14	**($5,000)**	**JEP III**	**Janco Partners**
6/2/14	**($22,000)**	**JEP III**	**Janco Partners**
6/3/14	$45,000	Investor 4	JEP III
6/12/14	$30,000	Investor 5	JEP III
6/12/14	**($18,000)**	**JEP III**	**Janco Partners**
6/24/2014	$60,000	Investor 6	JEP III
7/29/2014	$30,000	Investor 7	JEP III
8/6/2014	$15,000	Investor 8	JEP III
8/6/2014	$10,000	Investor 9	JEP III
8/6/2014	$10,000	Investor 10	JEP III
2/10/15	$72,450	Jan Helen	JEP III
3/13/2015	$10,000	Investor 11	JEP III
3/13/2015	$20,000	Investor 2	JEP III
3/24/2015	$20,000	Investor 1	JEP III
3/26/2015	$10,000	Investor 9	JEP III
4/23/2015	$10,000	Investor 10	JEP III
4/27/2015	$15,000	Investor 4	JEP III
5/1/2015	$10,000	Investor 7	JEP III
5/6/2015	$10,000	Investor 6	JEP III
5/15/2015	$15,000	Investor 8	JEP III
11/20/15	$15,900	Jan Helen	JEP III

25. As a result of the conduct described above, Respondent willfully[2] violated Sections 17(a)(2) and 17(a)(3) of the Securities Act. Section 17(a)(2) of the Securities Act specifically prohibits any untrue statements of material fact or material omissions in the offer or sale of securities. Section 17(a)(3) of the Securities Act prohibits engaging in a course of business which operates as a fraud or deceit in the offer or sale of securities.[3]

[2] A willful violation of the securities laws means merely "'that the person charged with the duty knows what he is doing.'" *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "'also be aware that he is violating one of the Rules or Acts.'" *Id.* (quoting *Gearhart & Otis, Inc. v. SEC*, 348 F.2d 798, 803 (D.C. Cir. 1965)).

[3] Establishing violations of Sections 17(a)(2) and 17(a)(3) does not require a showing of scienter; negligence is sufficient. *Aaron v. SEC*, 446 U.S. 680 (1980); *SEC v. Hughes Capital Corp*., 124 F.3d 449, 453-54 (3d Cir. 1997).

Undertakings

Respondent has undertaken to:

26. Before the entry of this Order, Respondent has discontinued the solicitation or acceptance of any new investments in the Janco Energy Entities. Respondent shall continue not to solicit or accept any new investments in the Janco Energy Entities.

27. Upon entry of this Order, Respondent shall no longer have access to, or check writing privileges from, Janco Energy Entities' accounts at any bank, brokerage or other financial institution.

28. Before the entry of this Order, Respondent has caused Janco Properties to resign as Manager of the Janco Energy Entities.

29. Before the entry of this Order, Respondent has caused the transition of the Janco Energy Entities to member-managed limited-liability companies whose members will: (i) be responsible for the management of the limited liability companies going forward; (ii) cause to be submitted to the Commission staff a semi-annual report describing the status of all assets of JEP III for a period of five (5) years; and (iii) report any potential irregularities or misconduct involving JEP III to the Commission staff on an ongoing basis.

30. Within thirty (30) days of the entry of this Order, the Janco Energy Entities will appoint an individual or entity who is not unacceptable to the Commission staff to have access to, and check writing privileges from, the Janco Energy Entities' accounts at banks, brokerages or other financial institutions.

31. Upon entry of this Order, Respondent shall not receive, directly or indirectly, any fees or expense reimbursements for services rendered to the Janco Energy Entities.

32. Respondent shall certify, in writing, compliance with the undertakings set forth above. The certification shall identify the undertakings, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Respondent agrees to provide such evidence. The certification and supporting material shall be submitted to Kurt L. Gottschall, Division of Enforcement, U.S. Securities and Exchange Commission, 1961 Stout Street, Suite 1700, Denver, Colorado 80294-1961, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than sixty (60) days from the date of the completion of the undertakings and, in any event, no more than a year from the date of the entry of this Order.

In determining whether to accept the Offer, the Commission has considered these undertakings.

IV.

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

Accordingly, pursuant to Section 8A of the Securities Act, Section 15(b) of the Exchange Act, Section 203(f) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Respondent cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act.

B. Respondent 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;
>
> prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter; and
>
> 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.

C. Any reapplication for association by 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.

D. Respondent shall pay a civil penalty of $45,000, to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717. Payment shall be made in the following installments: $9,000 within ten (10) days of the entry of this Order, $9,000 within one-hundred (100) days of the entry of this Order, $9,000 within one-hundred and ninety (190) days of the entry of this Order, $9,000 within two-hundred

and eighty (280) days of the entry of this Order, and $9,000 within three-hundred and sixty (360) days of the entry of this Order. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of the civil penalty, plus any additional interest accrued pursuant to 31 U.S.C. 3717, shall be due and payable immediately, without further application.

Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Jan E. Helen as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Kurt L. Gottschall, Division of Enforcement, U.S. Securities and Exchange Commission, 1961 Stout Street, Suite 1700, Denver, Colorado 80294-1961.

E. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary