

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 80712 / May 18, 2017

INVESTMENT ADVISERS ACT OF 1940
Release No. 4707 / May 18, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17992

In the Matter of

WILLIAM J. WELLS,

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 William J. Wells (“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.4. 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. Wells was the founder and owner of Promitor Capital Management LLC ("Promitor Capital"), a New York limited liability company formed in September 2009 that operated a private investment vehicle for individuals. Wells was a registered representative with Diversified Investors Securities Corp. from 1997 to 1998 and has passed the Series 6 exam but was not a registered representative from 2009 through 2015. Promitor Capital was never registered. Promitor Capital operated out of Manhattan, NY, and River Vale, NJ, and Wells solicited investments from his investors in Manhattan and acted as an unregistered investment advisor and broker. Wells, 42 years old, is a resident of River Vale, New Jersey.

2. On October 1, 2015, the Commission filed a complaint against Wells and Promitor for violations of Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)]; Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5]; and Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. §§ 80b-6(1), 80b-6(2) and 80b-6(4)] and Rule 206(4)-8 [17 C.F.R. § 275.206(4)-8] in Securities and Exchange Commission v. William J. Wells, et al., 15 Civ. 07738 (S.D.N.Y.), in the United States District Court for the Southern District of New York.

3. The Commission's complaint alleges, inter alia, that Wells, and his company Promitor ("Defendants"), defrauded a number of investors in purported Promitor investment funds. The complaint alleges that from at least 2009 through October 2015, Defendants raised more than \$1.1 million from at least 30 investors and, to induce at least some individuals to invest, and to lure them into maintaining and/or increasing their investments, Defendants made a number of material false statements. The complaint further alleges that Defendants falsely told at least some investors that Wells was a registered investment adviser, which he was not, and that he would invest their funds in particular stocks through individualized accounts when, in fact, Wells created no such individual accounts and made virtually no such stock investments. The Complaint also alleges that Defendants provided investors fictitious account statements purporting to show their growing account balances and securities holdings when no such balances or holdings existed.

4. On April 4, 2016, Wells pled guilty to one count of securities fraud in violation of 15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240.10b-5 and 18 U.S.C. § 2; and one count of wire fraud in violation of 18 U.S.C. §§ 1342 and 1343, before the United States District Court for the Southern District of New York in United States v. Wells, 15-cr-885 (S.D.N.Y.).

5. The counts of the indictment to which Wells pled guilty allege, inter alia, that from at least in or about September 2009 through at least in or about September 2015, Wells defrauded investors and obtained money and property by means of materially false and misleading statements. The indictment further alleges that Wells participated in this securities fraud scheme through his company, Promitor Capital, by soliciting more than \$1.5 million in funds from investors purportedly for the purpose of purchasing securities when, in fact, Wells converted some of the money to his

own use and used some of the money to pay purported returns to other investors to whom he falsely reported positive trading results and account balances via email and other interstate wires.

IV.

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