

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 84811 / December 13, 2018**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18928**

**In the Matter of**

**Carlos I. Uresti,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**  
**AND RULE 102(e) OF THE**  
**COMMISSION'S RULES OF PRACTICE,**  
**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 against Carlos I. Uresti (“Uresti” or “Respondent”) pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rules 102(e)(2)<sup>1</sup> and 102(e)(3)(i)<sup>2</sup> of the Commission’s Rules of Practice.

---

<sup>1</sup> Rule 102(e)(2) provides, in relevant part, that:

“[a]ny attorney who has been suspended or disbarred by a court of the United States or of any State . . . or any person who has been convicted of a felony or a misdemeanor involving moral turpitude shall be forthwith suspended from appearing or practicing before the Commission. A . . . conviction within the meaning of this section shall be deemed to have occurred when the . . . tribunal enters its judgment . . . regardless of whether an appeal of such judgment . . . is pending or could be taken.”

<sup>2</sup> Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any attorney . . . who has been by name (A) [p]ermanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any

## 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 paragraphs III.2 and 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 Rule 102(e) of the Commission’s Rules of Practice, 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. Uresti—a former Texas state senator and attorney licensed to practice law in Texas—served as general counsel and escrow agent for FWLL, LLC (“FWLL”), a Texas limited liability company in which he owned a 1% interest. Uresti, a 54-year-old resident of San Antonio, Texas, surrendered his Texas bar license in April 2018 and resigned his office as a senator in the Texas legislature in June 2018. From approximately April 2014 through October 2015, Uresti and the majority owner of FWLL offered and sold investment-contract securities relating to FWLL, raising \$11.15 million from five investors. Uresti acted as a broker in several of these transactions. He was regularly involved at key points in the chain of distribution of the securities. He personally solicited investors to purchase the securities. When soliciting, he made valuations as to the merits of the securities by describing their purported safety and profitability. And he received transaction-based compensation from FWLL for investments he solicited. Uresti was not registered as a broker or associated with a registered broker-dealer at the time of these transactions.

2. On December 10, 2018, a final judgment was entered by consent against Uresti, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”), and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Carlos I. Uresti and Stanley P. Bates, Civil Action Number 5:18-cv-01013, in the United States District Court for the Western District of Texas, San Antonio Division.

3. The Commission’s complaint alleged that Uresti, in connection with the sale of securities, made untrue and misleading statements of material facts to investors regarding the nature and risk of their investment and his role in FWLL and that he otherwise engaged in conduct

---

provision of the Federal securities laws or of the rules and regulations thereunder; or (B) [f]ound by any court of competent jurisdiction in an action brought by the Commission to which he or she is a party ... to have violated (unless the violation was found not to have been willful) or aided and abetted the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

which operated as a fraud and deceit on investors in connection with the sale of the FWLL securities. The complaint further alleged, among other things, that Uresti used his position of trust and authority as an attorney and senator to induce investors to invest in the FWLL securities. He persuaded one of his legal clients, a single mother who had received a money judgment in a lawsuit for the wrongful death of her minor children, to invest \$900,000 in the FWLL securities. He did not disclose to her the commission he would receive or the extent of risk associated with investment. The complaint also alleged that Uresti effected unregistered transactions in the FWLL securities as a broker while he was neither registered as a broker nor associated with a registered broker-dealer.

4. On February 22, 2018, Uresti was convicted of two counts of securities fraud in violation of 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5, and one count of acting as an unregistered broker in violation of 15 U.S.C. § 78o(a)(1) & 78ff, among other crimes, before the United States District Court for the Western District of Texas, San Antonio Division, in *United States v. Uresti, et al*, Crim. No. 5: 17-CR-381-DAE. On July 5, 2018, he was sentenced to 12 years in prison, followed by three years of supervised release, and ordered to pay \$6.3 million in restitution.

5. In connection with that conviction, the jury found that Uresti defrauded investors, obtained money and property by means of materially false and misleading statements, and illegally acted as an unregistered securities broker.

#### IV.

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

Accordingly, pursuant to Section 15(b)(6) of the Exchange Act and Rule 102(e) of the Commission's Rules of Practice, it is hereby ORDERED, effective immediately, that:

A. Respondent Uresti 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;

B. Respondent Uresti 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; and

C. Respondent Uresti is suspended from appearing or practicing before the Commission as an attorney.

By the Commission.

Brent J. Fields  
Secretary