

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 85947 / May 28, 2019

INVESTMENT ADVISERS ACT OF 1940
Release No. 5243 / May 28, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19184

In the Matter of

SEAN D. PREMOCK,

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 (the “Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (the “Advisers Act”) against Sean D. Premock (“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 paragraph III.2 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 Action of 1940, Making Findings, and Imposing Remedial Sanctions (the “Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Premock was a registered representative associated with Kovack Securities, Inc. from June 2001 to December 2010. Premock was also employed as a registered investment adviser by Kovack Advisors, Inc. from September 2004 through December 2010. Premock, 45 years old, is currently awaiting sentencing in the Philadelphia Federal Detention Center.

2. On May 2, 2017, Premock pled guilty to nine counts of mail fraud in violation of Title 18 United States Code, Section 1341, nine counts of wire fraud in violation of Title 18 United States Code, Section 1343, one count of securities fraud in violation of Title 15 United States Code, Sections 78j(b) and 78ff, and one count of investment adviser fraud in violation of Title 15 United States Code, Sections 80b-6 and 80b-17 before the United States District Court for the Eastern District of Pennsylvania, in United States v. Sean Donald Premock, Crim. No. 2:16-CR-00272-PD-1.

3. The counts of the criminal indictment to which Premock pled guilty allege, inter alia, that beginning in or about 2009 and continuing until in or about January 2016, Premock devised a scheme to defraud investors and obtained money and property by means of false and fraudulent pretenses, representations, and promises. The indictment alleges that Premock raised approximately \$1.3 million from his clients by making numerous misrepresentations, including that the clients would earn high rates of return from 9% to 12% annually, that their money would be pooled with other clients' money in order to be invested in various "low-risk" investments such as annuities and "fixed-income notes" using Premock's unique trading strategies. Clients were allegedly also told that he would take no commissions but would instead be paid by the financial entities into which his clients' investments were placed. Instead, the indictment alleges that, unbeknownst to his clients, Premock only invested approximately one half of the client funds and used the remainder for personal expenses and making payments to earlier clients to induce them into believing that their investments were safe and profitable so that he could continue the fraudulent scheme.

IV.

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

Vanessa A. Countryman
Acting Secretary