

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10761 / February 28, 2020

ADMINISTRATIVE PROCEEDING
File No. 3 - 19717

In the Matter of

SHAWN SEVERSON

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
CEASE-AND-DESIST PROCEEDINGS
PURSUANT TO SECTION 8A OF THE
SECURITIES ACT OF 1933, MAKING
FINDINGS, AND IMPOSING REMEDIAL
SANCTIONS AND A CEASE-AND-DESIST
ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), against Shawn Severson (“Severson” 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, 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 Instituting Administrative Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings, and Imposing Remedial Sanctions and a Cease-and Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

1. Severson, age 48, is a resident of Las Vegas, Nevada. Severson is the owner and manager of EnergyTech Investor, LLC, a company he formed in October 2015. He operates several social media accounts and web sites including the Twitter account @ETI_AlphaDirect and energytechinvestor.com, through which he publishes informational materials about his clients.

2. Between at least August 2015 and March 2018, UQM Technologies, Inc. ("UQM") retained Severson, through EnergyTech Investor and another firm, to provide investor relations services and advice in exchange for a monthly fee. During this time, Severson provided various services to UQM that included, among other things, assisting with press releases, communicating with investors, and preparing written materials.

3. From December 2015 until April 2016, Severson published a series of newsletters about UQM. Severson posted these newsletters on EnergyTech Investor's web site and distributed them through EnergyTech Investor's social media accounts and email lists. Each of the newsletters contained several pages of positive content about UQM's products, sales, and business prospects, as well as a full page of data concerning UQM's stock performance, which prominently featured the phrase "consensus recommendation" followed with "buy" in bold text.

4. In the newsletters published during that time frame, Severson described EnergyTech Investor as an "independent research and publishing organization," and included a disclosure that stated, "In some instances, we may be compensated by Companies mentioned in the report." Severson failed to disclose that he was, in fact, being compensated by UQM, or the amount of his compensation. Of the compensation Severson received from UQM, \$5,300 was attributable to his creation and distribution of these electronic newsletters.

5. As a result of the conduct described above, Severson violated Section 17(b) of the Securities Act, which prohibits publishing, giving publicity to, or circulating "any notice, circular, advertisement . . . or communication which, though not purporting to offer a security for sale, describes such security for a consideration received or to be received, directly or indirectly, from an issuer . . . without fully disclosing the receipt, whether past or prospective, of such consideration and the amount thereof."

Undertakings

Severson has undertaken to:

Within ninety (90) days of the entry of this Order, conduct a comprehensive review of the disclosure practices of all entities he directly or indirectly owns or controls, and implement policies and procedures regarding compliance with Securities Act Section 17(b), including with that

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.

section's requirements concerning disclosure of both the receipt of consideration and the amount thereof.

Certify, in writing, compliance with the undertaking(s) set forth above. The certification shall identify the undertaking(s), 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 Assistant Director David Mark Cave, 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 undertaking(s).

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Severson's Offer.

Accordingly, it is hereby ORDERED that:

- A. Pursuant to Section 8A of the Securities Act, Respondent cease and desist from committing or causing any violations and any future violations of Section 17(b) of the Securities Act.
- B. Respondent shall comply with the undertakings enumerated in Section III.
- C. Respondent shall, within 90 days of the entry of this Order, pay disgorgement of \$5,300, prejudgment interest of \$986, and a civil monetary penalty of \$3,500 (for a total of \$9,786) 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). Payment shall be made in the following installments: \$1,958 within 14 days of the entry of this Order; \$1,957 within 90 days of entry of this Order; \$1,957 within 180 days of entry of this Order; \$1,957 within 270 days of entry of this Order; and \$1,957 within 365 days of 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 disgorgement, prejudgment interest, and civil penalties, plus any additional interest accrued pursuant to Commission Rule of Practice 600 or 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 Shawn Severson 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 Anita Bandy, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549.

D. 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 thirty 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.

Vanessa A. Countryman
Secretary