

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 89885 / September 16, 2020**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20006**

<b>In the Matter of</b>	:	<b>ORDER INSTITUTING</b>
	:	<b>ADMINISTRATIVE PROCEEDINGS</b>
	:	<b>PURSUANT TO SECTION 15(b) OF THE</b>
<b>KENNETH A. STROMSLAND</b>	:	<b>SECURITIES EXCHANGE ACT OF 1934,</b>
	:	<b>MAKING FINDINGS, AND IMPOSING</b>
<b>Respondent.</b>	:	<b>REMEDIAL SANCTIONS</b>
	:	

**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”) against Kenneth A. Stromsland (“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, 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. In December 2015, Stromsland was hired as the chief information officer of PixarBio Inc. (“PixarBio”), a biotechnology company located in Massachusetts. In July 2016, he was promoted to vice president of investor and public relations. Starting in December 2015,

Stromsland solicited investors for PixarBio in person, on the phone, or by mailing, emailing, and/or posting on the company's public website various materials written by the company's chief executive officer. Throughout, Stromsland made use of the means or instruments of interstate commerce to induce or attempt to induce the purchase or sale of stock in PixarBio, for which he received compensation from PixarBio. Stromsland resides in Plainfield, New Jersey and is 48 years old.

2. On September 14, 2020, a final judgment was entered by consent against Respondent, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), Sections 9(a), 15(a), 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. PixarBio, et al., Civil Action Number 18-CV-10797-WGY, in the United States District Court for the District of Massachusetts.

3. The Commission's complaint alleged that Respondent actively solicited investors for PixarBio in person and by distributing materials written by PixarBio's chief executive officer, and that Stromsland sold unregistered shares of PixarBio stock. These materials contained material misrepresentations regarding PixarBio. To pump up the price of PixarBio stock during these illegal sales, Stromsland and another individual engaged in manipulative trading in PixarBio stock.

4. On September 7, 2018, Stromsland pleaded guilty to one count of securities fraud in violation of 15 U.S.C. §§78j(b) and 78ff and one count of obstruction of an agency proceeding in violation of 18 U.S.C. §1505 in *United States v. Francis M. Reynolds et al.*, Case No. 1:18-cr-10154-DPW. On February 28, 2020, a judgment was entered against Stromsland. He was sentenced to six months of home confinement, followed by 2 ½ years of supervised release, and ordered to pay a \$60,000 fine, and to forfeit \$27,500.

5. The counts of the criminal complaint to which Stromsland pled guilty alleged that Stromsland engaged in a scheme to defraud investors in PixarBio by engaging in the manipulation of PixarBio shares and obstructing the Commission's investigation into that manipulative trading.

#### 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, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Stromsland 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, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the

Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.

Vanessa A. Countryman  
Secretary