

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 91140 / February 17, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20227

In the Matter of

DAVID CORREIA,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
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”) against David Correia (“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 paragraphs III(B)(2) and III(B)(4) below and consents to the entry of this Order Instituting Administrative Proceeding 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. David Correia, age 45, is a resident of West Palm Beach, Florida. Correia was the founder and a principal of Fraud Guarantee LLC, a Delaware corporation with its principal place of business in Florida. Correia has not been registered with the Commission in any capacity.

2. On February 12, 2021, a final judgment was entered by consent against Correia permanently enjoining him from future violations of Section 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. David Correia, 21-cv-995 (PAC), in the United States District Court for the Southern District of New York.

3. The Commission’s complaint alleged that, in connection with the sale of convertible notes and membership interests in Fraud Guarantee, Correia misused and misappropriated investor funds, falsely stated to investors that their funds were invested, and otherwise engaged in a variety of conduct that operated as a fraud and deceit on investors. The complaint also alleged that Correia acted as an unregistered broker.

4. On October 29, 2020, Correia pled guilty to one count of conspiracy to commit mail fraud in violation of Title 18 United States Code, Section 1349 and one count of false statements to the federal government in violation of Title 18 United States Code, Section 1001 before the United States District Court for the Southern District of New York, in United States v. Parnas et al., 19-cr-725 (JPO). The conspiracy count of the criminal information to which Correia pled guilty alleged, inter alia, that Correia defrauded investors. In connection with that plea Respondent admitted that he gave prospective investors incorrect information about Fraud Guarantee and he knew it was wrong.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Correia 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.

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Correia 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, 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.

By the Commission.

Vanessa A. Countryman
Secretary