

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 96526 / December 19, 2022**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 6204 / December 19, 2022**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-21254**

**In the Matter of**

**JOHN P. MENDES,**

**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 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against John P. Mendes (“Respondent” or “Mendes”).

**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.3 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 Act of 1940, 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. John P. Mendes, age 39, resides in Philadelphia, Pennsylvania. From at least January 2013 through the present, Mendes has been a registered representative and investment adviser representative associated with a dual registrant. Mendes also serves as the co-owner and Chief Executive Officer of a private online company that provides advice concerning real estate, financial planning, and investing.

2. At all relevant times, prior to June 2018, Layne Christensen Company ("Layne") was a Delaware corporation with its principal place of business in The Woodlands, Texas. On February 14, 2018, Layne announced that Granite Construction Inc. ("Granite") had agreed to acquire Layne for \$565 million (the "Announcement"). In June 2018, Granite acquired all of the assets of Layne (the "Acquisition"). Prior to the Acquisition, Layne's common stock was listed on the NASDAQ exchange and traded under the symbol "LAYN."

3. On December 15, 2022, a final judgment was entered by consent against Mendes, permanently enjoining him from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. John P. Mendes, Civil Action Number 4:22-cv-05340-YGR, in the United States District Court for the Northern District of California.

4. The Commission's complaint alleged, among other things, that from November 3, 2017 through February 13, 2018, while acting as a registered representative and investment adviser representative, Mendes purchased securities of Layne for at least 18 different customers or clients based on material nonpublic information about the Acquisition. Mendes also purchased securities of Layne in brokerage accounts in the name of his wife based on material nonpublic information about the Acquisition. As a result of these pre-Announcement Layne securities trades, his wife's brokerage accounts earned profits of \$33,232, his clients earned combined profits of approximately \$136,500, and Mendes earned commissions of \$8,754 on the trades in his clients' accounts.

### 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, and Section 203(f) of the Advisers Act, that Respondent 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 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