

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 6470 / October 24, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21787

In the Matter of

BRIAN KEAT HOBBS,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO 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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Brian Keat Hobbs (“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 over the subject matter of these proceedings and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Advisers Act, 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. Respondent, age 50, is a resident of Richardson, Texas.

2. On September 26, 2023, a judgment was entered against Respondent, permanently enjoining him from future violations of Section 17(a) of the Securities Act, Section 10(b) of the Securities Exchange and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled *Securities and Exchange Commission v. Brian Keat Hobbs*, Civil Action Number 3:20-cv-03676-B, in the United States District Court for the Northern District of Texas.

3. The Commission's complaint alleged that from at least December 2016 through March 2019, Respondent, who was the sole owner, officer and control person of TH Wealth Management, LLC, an investment adviser registered with the State of Texas, used TH Wealth's omnibus, or block, trading account to perpetrate a fraudulent "cherry-picking" scheme to benefit himself, and to defraud four of his advisory clients, in breach of his fiduciary duties as an investment advisor to his clients. Through this scheme, Hobbs received – and defrauded his clients of – more than \$275,000 in trading profits. In addition, Hobbs also made materially false and misleading statements to his clients and prospective clients in TH Wealth's Form ADV Part 2A filings, which misrepresented how Hobbs was trading securities for his clients. The firm's brochures and other disclosures claimed the trades were being fairly and equitably allocated among the client accounts. In light of Hobbs's cherry-picking scheme, that claim was false.

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 203(f) of the Advisers Act, Respondent Brian Keat Hobbs 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, 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
Secretary