

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 99412 / January 22, 2024**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 6532 / January 22, 2024**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-21834**

**In the Matter of**

**DOUGLAS MCKELVEY,**

**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 Doe (“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.2 and III.4 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. McKelvey was a registered representative and investment adviser representative at the Southlake, Texas branch of a large financial institution registered with the Commission as a broker-dealer and investment adviser (“Financial Institution A”) from November 2008 until he was terminated in April 2022 in connection with the conduct described herein. McKelvey, 58 years old, is a resident of Southlake, Texas.
2. On November 20, 2023, a judgment was entered by consent against McKelvey, 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. Douglas McKelvey, Civil Action Number 4:23-CV-564-O, in the United States District Court for the Northern District of Texas.
3. The Commission’s complaint alleged that, from approximately June 2013 through February 2022, McKelvey engaged in a fraudulent scheme through which he misappropriated more than \$1.7 million from accounts of two elderly relatives who were brokerage customers while he served as their financial advisor at Financial Institution A. The complaint further alleged that McKelvey sold securities from the customers’ accounts to generate some of the funds he misappropriated and took steps attempting to conceal his misconduct.
4. On June 6, 2023, McKelvey pled guilty to one count of money laundering in violation of Title 18 United States Code, Section 1957 before a United States Magistrate Judge in the United States District Court for the Eastern District of Texas, in United States v. McKelvey, Crim. No. 4:23-CR-75-SDJ. The Court accepted McKelvey’s plea on July 8, 2023.
5. In connection with that plea, Repondent admitted, inter alia, that:
  - (a) Beginning in approximately 2009, McKelvey began misappropriating investor funds held in brokerage accounts at Financial Institution A.
  - (b) Such funds were entrusted to Financial Institution A for the purpose of legitimate business investments but were instead redirected by McKelvey for personal, non-business use.
  - (c) In total, McKelvey misappropriated at least \$1.5 million in investor funds held at Financial Institution A.

### IV.

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

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

Vanessa A. Countryman  
Secretary