UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 105889 / July 13, 2026

INVESTMENT ADVISERS ACT OF 1940
Release No. 6978 / July 13, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22660

In the Matter of DEREK L. COPELAND, Respondent.	ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTION 15(b)(6) OF THE SECURITIES EXCHANGE ACT OF 1934 AND SECTIONS 203(f) AND 203(k) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 ("Exchange Act") and Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act") against Derek L. Copeland ("Copeland" or "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 the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 and Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds[1] that:

Summary

These proceedings arise out of Copeland's failure to adequately disclose conflicts of interest in connection with his advisory clients' investments totaling more than $50 million in private real estate securities offerings for which Copeland was compensated, in substantial part, by the offerings' sponsors. Between August 2020 and January 2023 (the "Relevant Period"), Copeland advised his clients on the merits of investing in a series of private real estate securities offerings but failed to disclose to those clients that he received both direct and indirect financial compensation from the sponsors of the offerings. As a result of this conduct, Copeland willfully violated Section 206(2) of the Advisers Act.

Respondent

1. **Derek L. Copeland**, age 51, is a resident of Charlotte, North Carolina. Copeland was an investment adviser representative associated with an SEC-registered investment adviser during the Relevant Period. He was also a registered representative during the Relevant Period and has been associated with various registered broker-dealers and investment advisers since 2001, with the last such association terminated in January 2023.

Other Relevant Entity

2. **SilverRock Wealth Partners, LLC** ("SilverRock") is a North Carolina limited liability company with its principal place of business in Charlotte, North Carolina. Copeland established SilverRock in 2017 to serve as a d/b/a branch office for his brokerage and advisory practice. Beginning in March 2020, Copeland provided all brokerage and investment advisory services through, and under the supervision of, an SEC-registered broker-dealer and an SEC-registered investment adviser, respectively. SilverRock still exists as a corporate entity, but it has ceased operations and no longer serves as a branch office for a registered broker-dealer or a registered investment adviser.

Copeland Earned Significant Compensation for Recommending Private Real Estate Investment Offerings

3. During the Relevant Period, while an investment adviser representative associated with an SEC-registered investment adviser, Copeland advised his clients on the merits of investing in real estate securities private offerings sponsored by three different real estate development groups. In each of these offerings, investors purchased membership interests in an investment vehicle limited liability company, which pooled investor funds to wholly or partially capitalize the

[1] The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

development of one or more properties. The investors relied on the actions of the investment vehicle LLC's manager—an affiliate of the sponsor—for returns on their investments, often derived from events such as the redevelopment or sale of commercial property.

4. Copeland's advisory clients invested more than $50 million in 25 separate securities offerings sponsored by the real estate development groups. The SEC-registered investment adviser with which Copeland was associated was neither aware of Copeland's advice to his clients regarding these investments, nor had it approved them. Over time, investors typically received positive returns on the investments recommended by Copeland during the Relevant Period.

5. For each offering, the sponsor paid a placement fee—ranging between 1% and 2.5% of the total amount of investor funds raised—to the manager of the investment vehicle LLC. Because Copeland owned a variable percentage of each manager, the manager then distributed a portion of the placement fees it collected to Copeland, often in an amount uncorrelated to the amount of money Copeland had raised in the offering. In addition to Copeland's indirect receipt of placement fees, one of the sponsors arranged for him to receive ownership interests in several of the sponsors' affiliates, which stood to profit if the real estate projects reached developmental milestones, such as the sale of a property.

6. During the Relevant Period in which he provided advice to his clients relating to investments in securities, Copeland received nearly $1.5 million in compensation from the private offering sponsors.

Copeland Failed to Adequately Disclose Conflicts of Interest

7. As he was acting as an investment adviser when he recommended the private offerings to his clients, Copeland was obligated to fully and fairly disclose all material facts about the advisory relationship, including any conflicts of interest. To meet this obligation, Copeland was required to provide these clients with sufficient information regarding compensation he received from the offering sponsors, so that they could understand the resulting conflicts of interest and have a basis to decide whether to give informed consent to such conflicts.

8. During the Relevant Period, Copeland did not adequately disclose to clients his conflicts of interest in advising them to invest in the offerings.

9. Copeland's advisory clients received offering materials that generally disclosed the payment of placement fees and management compensation, but the documents did not disclose that Copeland would personally receive compensation from the offering sponsors, and that this created a conflict of interest because it gave Copeland an incentive to recommend these investments over others. Furthermore, the offering materials did not disclose instances in which the sponsors granted Copeland ownership interests in affiliated entities, which stood to receive substantial distributions based upon the projects' success, and that these interests also created conflicts of interest.

10. Copeland further provided advisory clients with a marketing presentation that touted the prospects of the private securities offerings but did not disclose his conflicts of interest. Nor did Copeland otherwise disclose these conflicts. He also recommended that at least 34 of his advisory clients open securities-based lines of credit to leverage their advisory portfolios and invest more than $15.5 million in 12 of the private offerings during the Relevant Period. Copeland did not disclose that, because he benefitted financially from his clients' investments, his advice to use leverage for these investments created a conflict of interest.

Violation

11. As a result of the conduct described above, Respondent willfully[2] violated Section 206(2) of the Advisers Act, which makes it unlawful for any investment adviser, directly or indirectly, to "engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client." Scienter is not required to establish a violation of Section 206(2), but rather a violation may rest on a finding of negligence. *SEC v. Steadman*, 967 F.2d 636, 643 n.5 (D.C. Cir. 1992) (citing *SEC v. Capital Gains Research Bureau, Inc.*, 375 U.S. 180, 194-95 (1963)).

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, pursuant to Section 15(b)(6) of the Exchange Act, and Sections 203(f) and 203(k) of the Advisers Act, it is hereby ORDERED that:

A. Respondent Derek L. Copeland cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act.

B. Respondent Derek L. Copeland is censured.

C. Respondent Derek L. Copeland shall, within 14 days of the entry of this Order, pay a civil money penalty in the amount of $125,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

[2] "Willfully," for purposes of imposing relief under Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, "'means no more than that the person charged with the duty knows what he is doing.'" *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965). The decision in *The Robare Group, Ltd. v. SEC*, which construed the term "willfully" for purposes of a differently structured statutory provision, does not alter that standard. 922 F.3d 468, 478-79 (D.C. Cir. 2019) (setting forth the showing required to establish that a person has "willfully omit[ted]" material information from a required disclosure in violation of Section 207 of the Advisers Act).

Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Derek L. Copeland as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Stephanie N. Moot, Acting Associate Director, Division of Enforcement, Securities and Exchange Commission, 801 Brickell Avenue, Suite 1950, Miami, FL 33131.

D. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary