

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

**ADMINISTRATIVE PROCEEDING  
File No. 3-19435**

**In the Matter of**

**WILLIAM M. APOSTELOS,**

**Respondent.**

**DIVISION OF ENFORCEMENT'S MOTION FOR SUMMARY DISPOSITION  
AGAINST RESPONDENT WILLIAM M. APOSTELOS AND SUPPORTING  
MEMORANDUM OF LAW**

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## I. INTRODUCTION

Pursuant to Rule 250 of the Commission's Rules of Practice, the Division of Enforcement ("Division") respectfully moves for summary disposition and the imposition of an industry bar from association and a penny stock bar against Respondent William M. Apostelos ("Respondent" or "Apostelos") pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 ("Exchange Act"), and an industry bar from association pursuant to Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act").

This proceeding is based on criminal and civil federal court actions against Apostelos arising from his operation of a fraudulent scheme that raised more than \$66.7 million from at least 350 investors. In *United States v. William M. Apostelos, et al.*, Case No. 3:15-cr-00148 (S.D. Ohio) (the "Criminal Action"), Apostelos pleaded guilty to and was convicted of conspiracy to commit wire and mail fraud and aiding and abetting theft or embezzlement from an employee benefit plan. In a civil action filed by the SEC, *Securities and Exchange Commission v. William M. Apostelos, et al.*, Case No. 1:15-cv-00699 (S.D. Ohio) (the "Civil Action"), Apostelos was found liable for, and permanently enjoined from, violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)]; Sections 10(b) and 15(a)(1) of the Exchange Act [15 U.S.C. §§ 78j(b) and 78o(a)(1)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; and Sections 206(1), 206(2), and 206(4) of the Advisers Act [15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8].

The undisputed facts, many of which were admitted by Apostelos in connection with his guilty plea or were determined by the court in the Civil Action after Apostelos had a full and fair opportunity to litigate them, establish that the requirements for an associational and penny stock

bar have been satisfied and that a bar is in the public interest. Therefore, the Division's motion for summary disposition should be granted.

## **II. STATEMENT OF FACTS**

### **A. Apostelos's Criminal Conviction**

On October 29, 2015, in the Criminal Action, Apostelos was indicted on multiple charges based on allegations that, among other things, he "knowingly and intentionally conspired to devise, execute, and participate in a scheme to defraud investors and to obtain money and property owned by and under the custody and control of investors, by means of materially false and fraudulent pretenses, representations, and promises, and the non-disclosure and concealment of material facts...." (Ex. A at PAGEID # 42.)<sup>1</sup> On February 10, 2017, Apostelos pleaded guilty to one count of conspiracy to commit wire and mail fraud in violation of 18 U.S.C. § 1349 (Criminal Action Count One) and one count of aiding and abetting theft or embezzlement from an employee benefits plan in violation of 18 U.S.C. § 664 (Criminal Action Count Twenty-Four).<sup>2</sup> (Ex. B; Ex. C at PAGEID # 514.) On June 30, 2017, the court entered a judgment against Apostelos, sentencing him to a prison term of 180 months followed by three years of supervised release, ordering him to make restitution of \$32,767,578.72, and ordering him to forfeit assets traceable to the offenses for which he was convicted. (Ex. D.)

### **B. The Permanent Injunction Ordered in the SEC's Civil Action**

Also on October 29, 2015, in the Civil Action, the SEC filed a civil complaint against

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<sup>1</sup> "Ex." refers to the exhibits attached to the accompanying Declaration of Meredith J. Laval, dated August 5, 2020.

<sup>2</sup> On December 15, 2016, Apostelos signed a plea agreement that included an exhibited entitled "Statement of Facts for William Apostelos." The statement of facts was read into the record and admitted by Apostelos at his change of plea hearing on February 10, 2017. (See Ex. C at PAGEID # 482-87.) It was also reproduced in the court's opinion granting summary judgment and ordering a permanent injunction in the Civil Action. (See Ex. F at PAGEID # 895-95.)

Apostelos based on the same facts underlying the Criminal Action, alleging that Apostelos violated Sections 5(a), 5(c), and 17(a) of the Securities Act; Sections 10(b) and 15(a)(1) of the Exchange Act and Rule 10b-5 thereunder; and Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder; aided and abetted the violations of WMA Enterprises, LLC and Midwest Green Resources, LLC of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; and was liable as a control person for the violations of WMA Enterprises, LLC and Midwest Green Resources, LLC of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. (Ex. E.) The Civil Action was stayed during the pendency of the criminal case. After Apostelos's criminal conviction, the SEC moved for summary judgment against him on all counts. The court granted the SEC's motion on August 21, 2019, finding Apostelos liable on all counts pleaded against him. The court entered a permanent injunction against Apostelos, enjoining him from violations of Sections 5(a), 5(c), and 17(a) of the Securities Act; Sections 10(b) and 15(a)(1) of the Exchange Act and Rule 10b-5 thereunder; and Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder. (Ex. F at PAGEID # 920.) The court also imposed disgorgement of \$11,194,472.99, with prejudgment interest of \$587,371.04. (*Id.*)

### **C. Apostelos's Fraudulent Scheme**

The facts that Apostelos admitted in connection with his guilty plea and the court's opinion imposing a permanent injunction in the Civil Action contain extensive admissions and factual findings regarding the operations of Apostelos's scheme. As Apostelos admitted when entering his guilty plea, between 2010 and October 2014, he "knowingly ran a fraudulent investment scheme that caused millions of dollars in losses to certain of its investors." (Ex. C at PAGEID # 484-85.) Apostelos solicited hundreds of individuals from around the country to invest money in two entities by the name of WMA Enterprises, LLC ("WMA") and Midwest



Green Resources, LLC (“Midwest Green”). (Ex. C at PAGEID # 485; Ex. F at PAGEID # 913-14.) Apostelos oversaw the operations of these entities, which were purported investment companies, and controlled the funds invested through them. (Ex. C at PAGEID # 485; Ex. F at PAGEID # 908-09, 912.) Investors transferred money to Apostelos through interstate wires for investment in WMA and Midwest Green (Ex. C at PAGEID # 485; Ex. F at PAGEID 913-14), and their funds were pooled in bank accounts Apostelos controlled (*id.* at PAGEID # 909, 914). The investments in WMA and Midwest Green were securities (*id.* at PAGEID # 914), which Apostelos offered and sold to hundreds of investors (*id.* at PAGEID # 915). Neither the securities nor their offerings were registered with the SEC, nor were they exempt from registration. (*Id.* at PAGEID # 914.)

To convince potential investors to invest their funds with him through WMA and Midwest Green, Apostelos made material misrepresentations of fact. (Ex. C at PAGEID # 485; Ex. F at PAGEID # 907.) Apostelos, and others acting at his direction, falsely told investors that he planned to invest their money in, among other things, the stock market, precious metals, and real estate developments. (Ex. C at PAGEID # 485; Ex. F at PAGEID # 907.) Apostelos, and others acting at his direction, also provided false information to investors about the returns on their investments. (Ex. C at PAGEID # 486; Ex. F at PAGEID # 909.) Despite his representations, and “[r]ather than investing as promised [the] bulk of the money that he received,” Apostelos “knowingly diverted” investor funds “for improper and unauthorized uses,” including personal expenses. (Ex. C at PAGEID # 486; Ex. F at PAGEID # 907, 909, 915.) Specifically, he diverted the majority of investors’ money for his and his wife’s personal benefit, including to fund his wife’s horse racing business and purchase real property for himself and his family, and to repay prior investors. (Ex. C at PAGEID # 486.)

“To prevent detection of his intentional misuse of investor funds,” Apostelos, and others acting at his direction, provided false information to clients of WMA and Midwest Green, including account statements that falsely described the growth of investors’ funds. (Ex. C at PAGEID # 486; Ex. F at PAGEID # 907, 909.) When clients attempted to withdraw their investments from WMA and Midwest Green, Apostelos “often directed his employees to provide these investors with intentionally inaccurate reasons for his inability to repay” the funds, including false claims that the companies’ bank accounts had been hacked. (Ex. C at PAGEID # 486; Ex. F at PAGEID # 912.)

Ultimately, over the course of at least four years from 2010 to October 2014, hundreds of individuals transferred millions of dollars to Apostelos for the purpose of investment, and his fraudulent conduct “caused many of the investors to lose funds collectively totaling in the millions of dollars.” (Ex. C at PAGEID # 484-85, 487.)

As discussed further in Section III.B.2, the court in the Civil Action found that Apostelos acted as an investment adviser and an unregistered broker-dealer while engaging in this misconduct. (Ex. F at PAGEID # 908-09, 915-16.) Additionally, from February 2013 through at least October 2014, Apostelos was the Treasurer and partial owner of OVO Wealth Management LLC (“OVO Wealth Management”), an investment adviser registered in the states of Ohio, Indiana, and Kentucky from April 2013 through December 2014. (Ex. G at 7; Ex. H at 30, 35-36; Ex. I at 32; Ex. J.)

#### **D. The Follow-On Administrative Proceeding**

On September 11, 2019, the Commission instituted this proceeding pursuant to Section 15(b) of the Exchange Act and Section 203(f) of the Advisers Act, and the Order Instituting Proceedings (“OIP”) was served by the Secretary by mail. The Division offered its investigative file for inspection and began producing documents pursuant to Rule 230 of the Commission’s

Rules of Practice on September 19, 2019, and completed its production on December 12, 2019. (Declaration of Meredith J. Laval at ¶¶ 12-13; Ex. K; Ex. L.)

Apostelos sent a letter, dated October 2, 2019, to the Office of the Secretary and the Division (Ex. M), which he later clarified was his Answer to the OIP. In his Answer, Apostelos did not dispute the majority of the allegations set forth in the OIP. However, he: (1) denied owning a 40% interest in OVO Wealth Management; (2) claimed that, due to medical problems he experienced from 2011 to 2014, his business was being primarily operated by others; (3) claimed that most of his clients made money; (4) made various allegations regarding the conduct of the criminal authorities in the conduct of their investigation; and (5) suggested that other individuals and entities should have been investigated or charged. (Ex. M.)

### **III. ARGUMENT**

#### **A. Summary Disposition is Appropriate.**

Rule 250(b) of the Commission’s Rules of Practice, 17 C.F.R. § 201.250(b), provides that after a respondent’s answer has been filed and documents have been made available to the respondent for inspection and copying, a party may move for summary disposition of any or all allegations of the OIP. Summary disposition may be granted if the “undisputed pleaded facts, declarations, affidavits, documentary evidence or facts officially noted pursuant to Rule 323 show that there is no genuine issue with regard to any material fact and that the movant is entitled to summary disposition as a matter of law.” 17 C.F.R. § 201.250(b).<sup>3</sup>

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<sup>3</sup> Under Rule 323, “official notice may be taken of any material fact which might be judicially noticed by a district court of the United States, any matter in the public official records of the Commission, or any matter which is peculiarly within the knowledge of the Commission as an expert body.” 17 C.F.R. § 201.323; *see, e.g., Rosalind Herman*, Initial Dec. Rel. No. 1371, 2019 WL 1529572, at \*2 n.16 (Apr. 5, 2019) (taking official notice of criminal case docket, orders issued in the criminal case, and investment adviser’s Form ADV); *Robert Burton*, Initial Dec. Rel. No. 1014, 2016 WL 3030850, at \*2 (May 27, 2016) (taking official notice of docket reports and court orders from criminal and civil cases); *Application of Eric David Wanger*, Rel. No. 34-

Summary disposition is particularly appropriate in proceedings such as this, where the administrative proceeding is based on a criminal conviction or a civil injunction. *See Herman*, 2019 WL 1529572, at \*3 (“The Commission has repeatedly upheld use of summary disposition in cases such as this one, where the respondent has been enjoined or convicted and the sole determination concerns the appropriate sanction.”); *see also Gary M. Kornman*, Rel. No. 34-59403, 2009 WL 367635, at \*10 (Feb. 13, 2009), *pet. denied*, 592 F.3d 173 (D.C. Cir. 2010); *Jeffrey L. Gibson*, Rel. No. 34-57266, 2008 WL 294717, at \*5 (Feb. 4, 2008) (collecting cases), *pet. denied*, 561 F.3d 548 (6th Cir. 2009).

The predicate facts for the requested bars have been established through Apostelos’s guilty plea, the facts he admitted when entering that plea, the criminal judgment, and the opinion and order imposing a permanent injunction in the Civil Action. A conviction resulting from a guilty plea binds the respondent to the facts he has admitted. *See Don Warner Reinhard*, Rel. No. 34-63720, 2011 WL 121451, at \*7 (Jan. 14, 2011) (respondent who pleaded guilty “cannot now dispute the accuracy of the findings set out in the Factual Basis for Plea Agreement”). Additionally, where, as here, facts have been litigated and determined in an earlier judicial proceeding, a respondent may not relitigate them in an administrative proceeding. *Peter J. Eichler, Jr.*, Initial Dec. Rel. No. 1032, 2016 WL 4035559, at \*2 (July 8, 2016) (“It is well established that the Commission does not permit a respondent to relitigate issues that were addressed in a previous civil proceeding against the respondent, whether resolved by summary judgment, by consent, or after a trial.”) (collecting cases); *James E. Franklin*, Rel. No. 34-56649,

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79008, 2016 WL 5571629, at \*\*2 & n.11 (Sept. 30, 2016) (taking official notice of documents and information filed in the Central Registration Depository (“CRD”) maintained by FINRA).

2007 WL 2974200, at \*\*4 & n.13 (Oct. 12, 2007), *pet. denied*, 285 F. App'x 761 (D.C. Cir. 2008).

**B. Imposition of a Permanent Bar is Appropriate.**

Section 15(b)(6)(A) of the Exchange Act provides that the Commission may bar from association with a broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, or from participating in an offering of penny stock, any person who has a qualifying conviction or injunction and who was associated with a broker at the time of the alleged misconduct. 15 U.S.C. § 78o(b)(6)(A). Similarly, Section 203(f) of the Advisers Act provides for an identical associational bar (but not a penny stock bar) for a person with a qualifying conviction or injunction who at the time of the misconduct was associated with an investment adviser. 15 U.S.C. § 80b-3(f). To impose a bar under either provision, the Commission must find that a bar is in the public interest. 15 U.S.C. §§ 78o(b)(6)(A); 15 U.S.C. § 80b-3(f).

**1. Apostelos's criminal conviction and the permanent injunction satisfy the requirements for imposing a bar.**

A bar may be imposed pursuant to Section 15(b)(6) of the Exchange Act or Section 203(f) of the Advisers Act on the basis of certain qualifying criminal convictions or injunctions. 15 U.S.C. §§ 78o(b)(6)(A)(ii), (iii); 15 U.S.C. § 80b-3(f). In this case, Apostelos's criminal conviction and the permanent injunction imposed in the Civil Action are each independently sufficient to give rise to a bar.

Apostelos's convictions for conspiracy to commit wire and mail fraud in violation of 18 U.S.C. § 1349 and aiding and abetting theft or embezzlement from an employee benefits plan in violation of 18 U.S.C. § 664 fall within the category of criminal offenses that may give rise to a bar because they are felony convictions, within ten years of the commencement of the

proceeding, that involve “larceny, theft, robbery, extortion, forgery, counterfeiting, fraudulent concealment, embezzlement, fraudulent conversion, or misappropriation of funds, or securities, or substantially equivalent activity.” 15 U.S.C. §§ 78o(b)(4)(B)(iii), 80b-3(e)(2)(C); *see also* Ex. D at PAGEID # 369-70.<sup>4</sup> The permanent injunction imposed on Apostelos in the Civil Action against violations of Sections 5(a), 5(c), and 17(a) of the Securities Act; Sections 10(b) and 15(a)(1) of the Exchange Act and Rule 10b-5 thereunder; and Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder falls within the categories of injunctions that may give rise to a bar because it enjoins conduct or practices in connection with the activity of an investment adviser, broker, or dealer, or in connection with the purchase or sale of any security. *See* 15 U.S.C. §§ 78o(b)(4)(C), 80b-3(e)(4); *see also* Ex. F at PAGEID # 920.

**2. Apostelos was acting as a broker-dealer and an investment adviser at the time of his misconduct.**

In granting summary judgment against Apostelos, the court in the Civil Action found that he had acted as both a broker-dealer and as an investment adviser in connection with his misconduct.<sup>5</sup> Specifically, the court found that Apostelos acted as an unregistered broker-dealer in violation of Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)]. (Ex. F at PAGEID

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<sup>4</sup> Apostelos’s conviction for conspiracy to commit wire and mail fraud in violation of 18 U.S.C. § 1349 is also a qualifying conviction because it involves the violation of 18 U.S.C. §§ 1341 and 1343, the federal mail and wire fraud statutes. *See Angela Rubbo Beckcom Monaco*, Initial Dec. Rel. No. 1378, 2019 WL 2337350, at \*8 (May 30, 2019); 15 U.S.C. § 78o(b)(4)(B)(iv); 15 U.S.C. § 80b-3(e)(2)(D); *see also* Ex. D at PAGEID # 369.

<sup>5</sup> The relief available under Section 15(b)(6) of the Exchange Act is not limited to persons associated with a registered broker or dealer, but may also be applied against persons acting as a broker or dealer or associated with an unregistered broker or dealer. *See Alicia Bryan*, Initial Dec. Rel. No. 697, 2014 WL 5361466, at \*3 (Oct. 22, 2014); *Vladislav Steven Zubkis*, Rel. No. 34-52876, 2005 WL 3299148, at \*5 (Dec. 2, 2005) (noting that Exchange Act Section 15(b) applies to persons acting as a broker or dealer). Similarly, the relief available under Section 203(f) of the Advisers Act may be applied against a person acting an investment adviser. *See Burton*, 2016 WL 3030850, at \*3; *Candice D. Campbell*, Rel. No. IA-3491, 2012 WL 5210801, at \*2 (Oct. 23, 2012).

# 915-16.) Additionally, in connection with its findings that Apostelos violated Sections 206(1), 206(2), 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, the court found that Apostelos was acting as an investment adviser, as defined in Section 202(a)(11) of the Advisers Act [15 U.S.C. § 80b-2(a)(11)]. (Ex. F at PAGEID # 908-09.) Specifically, the court found that “Apostelos was engaged for compensation in the business of advising others as to investments in securities.” (*Id.* at 909.) Apostelos has never disputed either of these facts, either in the Civil Action or in this proceeding.

Moreover, Apostelos does not dispute that, during a portion of the misconduct, he was the Treasurer of a state-registered investment adviser, OVO Wealth Management (*see* Ex. G at 7; Ex. H at 30; Ex. I at 32), and thus meets the definition of a person associated with an investment adviser under Section 202(a)(17) of the Advisers Act. *See* 15 U.S.C. § 80b-2(a)(17) (defining “person associated with an investment adviser” to include “any partner, officer, or director of such investment adviser”).

### **3. Imposing a permanent bar is in the public interest.**

In determining whether a particular sanction is in the public interest, the Commission considers the following six factors: (1) the egregiousness of the defendant’s actions; (2) the isolated or recurrent nature of the infraction; (3) the degree of scienter involved; (4) the sincerity of the defendant’s assurances against future violations; (5) the defendant’s recognition of the wrongful nature of his conduct; and (6) the likelihood that the defendant’s occupation will present opportunities for future violations. *Peter Siris*, Rel. No. 34-71068, 2013 WL 6528874, at \*5 (Dec. 12, 2013) (citing *Steadman v. SEC*, 603 F.2d. 1126, 1140 (5th Cir. 1979), *aff’d on other grounds*, 450 U.S. 91 (1981)), *pet. denied*, 773 F.3d 89 (D.C. Cir. 2014). The inquiry is a flexible one, with no single factor being dispositive. *Id.*

The Commission has recognized that a permanent bar is particularly appropriate in cases, like this one, involving a previous injunction against violations of the antifraud provisions of the securities laws. *See Marshall E. Melton*, Rel. No. IA-2151, 2003 WL 21729839, at \*9 (July 25, 2003) (“[O]rdinarily, and in the absence of evidence to the contrary, it will be in the public interest to revoke the registration of, or suspend or bar from participation in the securities industry, or prohibit from participation in an offering of penny stock, a respondent who is enjoined from violating the antifraud provisions.”); *see also Siris*, 2013 WL 6528874, at \*6 (“We have repeatedly held that ‘conduct that violates the antifraud provisions of the securities laws is especially serious and subject to the severest of sanctions under the securities laws.’”).

**a. Apostelos’s violations were egregious, recurrent, and intentional.**

As the court in the Civil Action recognized in granting a permanent injunction, “Apostelos’ violations from the fraudulent scheme that he orchestrated were egregious, far-reaching, repeated, and involved a high degree of scienter.” (Ex. F at PAGEID # 917.) Apostelos has admitted that he “knowingly ran a fraudulent investment scheme” that unfolded over at least four years from 2010 through October 2014, affected hundreds of investors from across the country, and caused millions of dollars in losses to investors. (Ex. C at PAGEID # 484-85, 487.) He was ordered to pay \$32,767,579 in restitution in the criminal case (Ex. D), which further demonstrates the egregiousness of this conduct. *See, e.g., Brian Michael Berger*, Initial Dec. Rel. No. 1346, 2019 WL 446432, at \*3 (Feb. 5, 2019) (finding that restitution order of \$372,643 underscored the egregious nature of respondent’s conduct).

In conducting his scheme, Apostelos repeatedly deceived numerous investors over a period of years. *See e.g., Richard P. Callipari*, Initial Dec. Rel. No. 237, 2003 WL 22250402, at \*5 (Sept. 30, 2003) (a scheme lasting several weeks constituted “recurring and egregious”



behavior). Apostelos admitted that he made intentional misrepresentations to potential investors about how he intended to use their money when recruiting them. (Ex. C at PAGEID # 485.) He also admitted that, once the investors placed assets under his control, he “knowingly diverted his clients’ money . . . for improper and unauthorized uses,” including to repay earlier investors, pay his own employees, fund his wife’s horse racing business, and purchase real property for himself and his family. (*Id.* at PAGEID # 486.) Apostelos further admitted that he took steps “[t]o prevent detection of his intentional misuse of investor funds,” including directing his employees to prepare and mail fraudulent account statements and provide false reasons for his inability to repay investors seeking to withdraw their funds. (*Id.*)

Finally, in conducting his scheme, Apostelos acted with the highest degree of scienter. Apostelos admitted that he acted knowingly and intentionally at each stage of the scheme. As the court in the Civil Action found when granting the SEC’s request for a permanent injunction, Apostelos “admitted that he ‘knowingly ran a fraudulent investment scheme,’ ‘intentionally misrepresented the manner in which he intended to use his client’s money,’ made other ‘intentional misstatements and misrepresentations,’ and ‘purposefully and fraudulently diverted portions of investors’ money.’” (Ex. F at PAGEID # 907 (quoting the statement of facts contained in Apostelos’s plea agreement); *see also* Ex. C at PAGEID # 484-86.)

**b. The remaining *Steadman* factors weigh in favor of a bar.**

The remaining *Steadman* factors also weigh in favor of a permanent bar. Though Apostelos is currently incarcerated, a bar is appropriate and in the public interest to prevent him from engaging in future violations upon his release. If Apostelos “were to reenter the securities industry, his occupation would present the opportunity for future violations.” *Michael Robert Balboa*, Initial Dec. Rel. No. 747, 2015 WL 847168, at \*5 (Feb. 27, 2015) (imposing a bar on an incarcerated individual); *see also Monaco*, 2019 WL 2337350, at \*10 (“[I]t has been the

Commission’s practice to impose associational bars when appropriate in cases of incarcerated respondents.”); *Reinhard*, 2011 WL 121451, at \*7. The court in the Civil Action came to a similar conclusion, finding that there was “a reasonable and substantial likelihood that Apostelos, if not enjoined, would violate the securities laws in the future.” (Ex. F at PAGEID # 918.)

This concern is even more pressing given that Apostelos has not provided any assurances that he will not engage in future violations. Indeed, despite admitting to his wrongful conduct in pleading guilty in the Criminal Action, Apostelos has not shown that he accepts responsibility for his conduct or recognizes that it was wrong. In his Answer to the OIP, Apostelos claimed he was “like a shark victim, during a feeding frenzy, with blood in the water.” (Ex. M at 1.) He then proceeded to blame his associates and suggest that he was not involved in operating his business due to his medical condition at the time. (*Id.*) He also accused the management team at the company that sponsored the employee benefit plan from which he was convicted of stealing funds of embezzlement and suggested that his clients lied to federal agents. (*Id.* at 1-2.) This is in direct contradiction to the facts Apostelos admitted when he entered his guilty plea in the Criminal Action, including that he controlled his investment companies, personally convinced people to invest in his companies through intentional misrepresentations, and knowingly misappropriated funds from investors and the employee benefit plan. (Ex. C at PAGEID # 485-86.)

#### **IV. CONCLUSION**

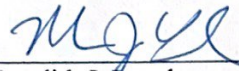
For the foregoing reasons, the Division respectfully requests that its motion for summary disposition be granted and that an order be entered against Respondent William M. Apostelos permanently barring him from association with a broker, dealer, investment adviser, municipal

securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, or from participating in an offering of penny stock.

Dated: August 5, 2020

Respectfully submitted,

DIVISION OF ENFORCEMENT



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