

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-20248

In the Matter of

WESLEY KYLE PERKINS,

Respondent.

DIVISION OF ENFORCEMENT'S
RESPONSE TO APRIL 6, 2022
ORDER

The Division of Enforcement (“Division”) responds to the April 6, 2022 Order of the Securities and Exchange Commission (“Commission”) (Exch. Act Rel. 94619) as follows:

The Commission issued Orders Instituting Proceedings (“OIP”) on March 22, 2021, pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, against Wesley Kyle Perkins (“Perkins”) and World Tree Financial, LLC (“World Tree”) pursuant to Section 203(f) of the Advisers Act. Exch. Act Rels. 91378 and 91379 (Mar. 22, 2021). As set forth in the OIPs, both Perkins and World Tree had final judgments entered against them on January 15, 2021, in the civil action entitled *Securities and Exchange Commission v. World Tree Financial, LLC, et al.*, Civil Action Number 6:18-cv-01229-MJJ-CBW, in the United States District Court for the Western District of Louisiana. *Id.*

The OIPs alleged that the final judgments permanently enjoined Perkins and World Tree from future violations of Section 17(a) of the Securities Act of 1933, Exchange Act Section 10(b) and Rule 10b-5, and Advisers Act Sections 206(1) and 206(2). *Id.* According to the OIPs, the complaint in the civil action alleged that, from March 2011 through September 2015, World Tree and Perkins, who was World Tree's principal, engaged in the following misconduct:

[They] disproportionately allocated unfavorable trades to two large accounts owned by a single client, while allocating favorable trades to accounts owned by [Perkins], his wife, and other World Tree clients. Accounts held by or associated with Perkins and his wife received ill-gotten gains of \$354,232 during the course of the scheme. In addition to cherry-picking, World Tree and Perkins made material misrepresentations in World Tree's Forms ADV, Part 2A. They misrepresented World Tree's allocation practices by concealing their cherry-picking, and falsely claimed that World Tree's principals and their families were prohibited from trading in the same securities as their clients.

Id.

The OIPs instituted administrative proceedings to determine whether the above allegations are true and whether any remedial action is in the public interest. *Id.* Perkins and World Tree, who are represented by the same counsel, filed answers to the OIPs on May 28, 2021.

The Commission has asked for the Parties' positions on whether consolidation of these two proceedings is appropriate. Exch. Act Rel. 94619 (April 6, 2022). Commission Rule of Practice 201(a) provides that the Commission may consolidate for hearing "proceedings involving a common question of law or fact," and that consolidation "shall not prejudice any rights under the[] Rules of Practice and shall not affect the right of any party to raise issues that could have been raised if consolidation had not occurred." 17 C.F.R. § 201.201(a).

The Division believes that consolidation of the proceedings against Perkins and World Tree would satisfy Rule 201(a) and promote efficiencies. To begin, the two

proceedings share common questions of law and fact, since they arise from the same underlying district court action and the same alleged violations of law. Moreover, the Division has now filed identical responses to the April 6, 2022 Order in both proceedings. Going forward, the Division intends to move for summary disposition in both the Perkins and World Tree matters, and consolidation would prevent duplicative briefing. In the event that these matters do go to a hearing, consolidation would eliminate the need for one of the hearings prevent duplicative argument and evidence.

Counsel for the Division has meet and conferred with counsel for Perkins and World Tree and understands that both Respondents oppose consolidation. Counsel for Respondents informed Division counsel that she intends to file a request for additional time to respond on behalf of Respondents. The Division does not oppose Respondents' request for additional time.

Respectfully submitted,

Dated: April 20, 2022

DIVISION OF ENFORCEMENT



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CERTIFICATE OF SERVICE
SERVICE LIST

Pursuant to Commission Rule of Practice 151 (17 C.F.R. § 201.151), I certify that the:

DIVISION OF ENFORCEMENT'S RESPONSE TO APRIL 6, 2022 ORDER

was served on April 20, 2022 upon the following parties as follows:

By eFAP

Vanessa Countryman, Secretary
Securities and Exchange Commission
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Dated: April 20, 2022



Lynn M. Dean