

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 70737 / October 22, 2013

INVESTMENT ADVISERS ACT OF 1940
Release No. 3701 / October 22, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15582

In the Matter of

ALEKSEY P. KOVAL
a/k/a ALEXEI P. KOVAL,

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 Aleksey P. Koval a/k/a Alexei Koval (“Respondent” or “Koval”).

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 consents to the Commission’s jurisdiction over him and the subject matter of these proceedings and 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. Koval, age 39, is a resident of Bronxville, New York. He is a Russian citizen and has green card immigration status in the United States. From 2000 to 2006, Koval was a registered representative at Citigroup Global Markets Inc.

2. On January 7, 2011, Koval pleaded guilty to three counts of securities fraud in violation of 15 U.S.C. § 78j(b) and 18 U.S.C. § 2, and one count of conspiracy to commit securities fraud in violation of 18 U.S.C. § 371, before the United States District Court for the Southern District of New York, in United States v. Alexei P. Koval a/k/a Aleksey Koval, Crim. Information No. 1:10-CR-443. On May 24, 2011, a judgment in the criminal case was entered against Koval, finding him guilty of the aforesaid criminal violations. He was sentenced to a prison term of twenty-six months followed by two years of supervised release and ordered to pay forfeiture in the amount of \$1,414,290.00.

3. The counts of the criminal information to which Koval pleaded guilty alleged that from at least July 2005 through February 2009, Koval engaged in a scheme to commit fraud in connection with the purchase and sale of securities by participating in an insider trading ring that yielded over \$350,000 in illicit profits for Koval from trading in securities in advance of at least six mergers, acquisitions, and other business combinations based on material nonpublic information Koval received from a co-conspirator who was an investment banker at another securities firm that was involved as an adviser in each of the transactions.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Koval’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 Koval be, and hereby is, barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent; and 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, 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 civil penalty ordered against the Respondent; (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; (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; and (f) any criminal fine, restitution or forfeiture related to the conduct that served as the basis for the Commission order.

By the Commission.

Elizabeth M. Murphy
Secretary