

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 71619 / February 26, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15768

In the Matter of

JOHN W. FEMENIA,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
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”) against John W. Femenia (“Femenia” 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, 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, 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. Femenia, age 32, is a resident of New York. From August 2009 to December 2012, Femenia was a registered representative associated with Wells Fargo Securities LLC (“Wells Fargo Securities”), a broker-dealer registered with the Commission. During this period, Femenia held a Series 7 securities license.

2. On October 1, 2013, Femenia was criminally convicted of one count of conspiracy to commit money laundering in violation of Title 18 United States Code, Section 1956(h), and one count of violating Title 18 United States Code, Section 371 by conspiring to commit insider trading, including conspiracy to violate Title 15 United States Code, Sections 78j(b) and 78ff, and Title 17 Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2 upon the entry of his guilty plea by the United States District Court for the Western District of North Carolina in United States v. John W. Femenia, No. 3:12cr386.

3. The counts of the indictment to which Femenia pled guilty alleged, inter alia, that from approximately March 2010 through approximately December 2012, Femenia engaged in an insider trading conspiracy by obtaining material, nonpublic information about upcoming corporate acquisitions from Wells Fargo Securities in breach of his duty of trust and loyalty to Wells Fargo Securities and its clients, and tipping the information to other conspirators who, in turn, traded profitably in the securities of the companies to be acquired.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Femenia 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

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 arbitration award related to the conduct that served as the basis for the Commission order; (c) 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 (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Elizabeth M. Murphy
Secretary