

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9729 / February 20, 2015

SECURITIES EXCHANGE ACT OF 1934
Release No. 74347 / February 20, 2015

INVESTMENT COMPANT ACT OF 1940
Release No. 31463 / February 20, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16398

In the Matter of

SANDRA DYCHE,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS
PURSUANT TO SECTION 8A OF THE
SECURITIES ACT OF 1933, SECTIONS
15(b) AND 21C OF THE SECURITIES
EXCHANGE ACT OF 1934, AND SECTION
9(b) OF THE INVESTMENT COMPANY
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 8A of the Securities Act of 1933 (“Securities Act”), Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”), and Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”) against Sandra Dyche (“Dyche” 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 or denying the findings herein, except as to the Commission’s jurisdiction over her 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 8A of the Securities Act of 1933, Sections 15(b) and 21C of the Securities Exchange Act of 1934, and Section 9(b) of the Investment Company 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 finds¹ that:

SUMMARY

1. This case involves the misappropriation of investor funds by Premiere Power, LLC (“Premiere”) CEO John Jankovic, Chairman Jerry Jankovic, and board member Sandra Dyche. The Jankovics formed Premiere in 2009 to pursue energy-related projects on Native American land. Soon after Premiere’s inception, Dyche and the Jankovics agreed that Dyche would use approximately half the funds raised from investors for use in connection with an unrelated lawsuit against Jerry Jankovic and Dyche. As a result of this agreement, Dyche diverted \$1 million out of a total of \$1.95 million she raised for Premiere. The Premiere offering materials Dyche used to solicit investments failed to disclose that approximately half of the money raised would be diverted to unrelated third parties and would not be available to Premiere.

RESPONDENT

2. Sandra Dyche, age 62, is a resident of New York, New York. During the relevant period, Dyche was a Premiere board member and also raised funds for Premiere.

OTHER RELEVANT ENTITIES AND PERSONS

3. Premiere Power, LLC is a Delaware limited liability company with its principal place of business in Las Vegas, Nevada. Since its formation by Jerry and John Jankovic in 2009, Premiere’s business plan has been to develop power plants in the central and southwestern United States. Premiere ran out of cash in 2011.

4. John Jankovic, age 39, is a resident of Irvine, California. He served as Premiere’s CEO and director from the company’s formation until the summer of 2011. John Jankovic has an MBA from the University of Michigan. The Commission has charged John Jankovic for his role in the misconduct described in this Order.

5. Jerry Jankovic, age 73, and father of John Jankovic, is a resident of Tulsa, Oklahoma. At all relevant times, he served as Chairman of Premiere’s Board and voting majority member and since 2011 has also been its CEO. He previously reached a settlement with 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.

British Columbia Securities Commission after failing to disclose that he was using prospectus funds from an unsuccessful Canadian corporation to develop a different American corporation. The Commission has charged Jerry Jankovic for his role in the misconduct described in this Order.

FACTS

Jerry Jankovic's and Dyche's History of Misappropriating Investor Funds

6. In December 2006, two investors sued Jerry Jankovic and Dyche in connection with their investment in an energy company Jerry Jankovic and Dyche formed in 2001 (the "2001 venture"). Among other things, the investors alleged that Jerry Jankovic and Dyche fraudulently induced them to purchase shares by representing that the proceeds would be used to build a power plant and casino on Native American land (neither of which ever broke ground). The investors claimed — in a striking parallel to the current allegations involving Premiere — that Jerry Jankovic and Dyche instead diverted about half of their \$1.2 million investment to Jerry Jankovic, who used the funds to settle a prior lawsuit. The prior suit had alleged that Jerry Jankovic had defrauded an investor in yet another company that was also supposedly pursuing power generation projects.

7. The court entered a default judgment against Jerry Jankovic for the allegations related to the 2001 venture in August 2007. In 2012, the jury found that Dyche had knowingly or recklessly made false representations with the intent of securing their investment. The jury awarded the investors \$1.2 million in rescission and \$1.2 million in punitive damages.

The Jankovics Form Premiere Power

8. While the litigation related to the 2001 venture was proceeding, the Jankovics formed Premiere in July 2009 to pursue energy-related opportunities, with its primary focus on building power plants on Native American land. At all relevant times, Jerry Jankovic was Premiere's Chairman of the Board and voting majority member. Dyche was one of Premiere's Board members.

9. Premiere successfully negotiated an agreement with the Osage Nation in Oklahoma to build a power plant on Osage territory. However, Premiere failed to obtain the bank financing required for the project, which, like the 2001 venture, never broke ground. John Jankovic attributed this failure directly to Premiere's inability to raise \$2 million in interim financing, an amount he testified would have allowed Premiere to complete the steps necessary to obtain permanent financing. Premiere never earned any revenue and ran out of cash in 2011.

The Jankovics and Dyche Divert Investor Funds from Premiere

10. Among other materials in their non-public offering, Premiere used a "Preliminary Information Memorandum" and an accompanying "Term Sheet" to solicit investments. The PIM discusses two power plants Premiere planned to develop in Oklahoma. The Term Sheet includes

the following disclosure regarding the use of offering proceeds: “the capital raised . . . will directly support due diligence fees, legal and contract fees, engineering and regulatory documents, nation credit ratings and any other expenses incurred to complete the financing of the [power plants].” None of the offering documents disclose that investments in Premiere may be used for anything other than Premiere business.

11. Prior to raising any money, however, Jerry Jankovic, John Jankovic, and Dyche agreed that any investment would be “split,” with 52 percent going to Premiere and 48 percent being “transferred” for use in connection with the lawsuit related to the 2001 venture. The intent of the split appears to have been for Dyche to provide the diverted funds to the investors in the 2001 venture who had sued her and Jerry Jankovic.

12. Dyche, who was neither a registered broker nor affiliated with a registered broker, actively solicited investors for Premiere, described the investment to the investors, and subsequently took possession of customer funds. Premiere paid Dyche in Premiere shares based on the size of the investment she secured.

13. In December 2009, Dyche raised \$1.5 million for Premiere from an investor. Dyche told the investor that her funds would be for Premiere and did not disclose the agreement with the Jankovics to divert funds away from Premiere. After arranging for \$500,000 to be wired to Premiere, Dyche kept the remaining \$1 million to use in connection with the litigation related to the 2001 venture.

14. In January 2010, John Jankovic issued and Dyche provided the investor stock certificates and welcome letters that made it appear that her entire \$1.5 million had been invested in Premiere. These documents were consistent with the investor’s executed subscription agreement, which Dyche had the investor sign and John Jankovic received on December 13, 2009. The subscription agreement reflected a \$1.5 million Premiere investment and included wiring instructions to Premiere’s bank account.

15. The investor visited New York in December 2009 to meet with John Jankovic and Dyche. John Jankovic made a personal presentation to the investor and other potential Premiere investors. In these discussions, John Jankovic used a PowerPoint presentation that tracked the language in the offering materials. John Jankovic explained that investor funds raised would be for Premiere. Neither John Jankovic nor Dyche disclosed their plan to divert funds away from Premiere.

16. In addition to the \$1.5 million, Dyche subsequently raised an additional \$450,000 from two investors, one of whom invested \$300,000 after attending the December 2009 meeting in New York.² The entirety of that \$450,000 went to Premiere. However, no disclosures were made to any investors that Premiere’s principals were diverting funds away from the company.

² Premiere’s offering was exempt from Section 5’s registration requirements because it was not “public,” and accordingly, was exempt under Securities Act Section 4(a)(2).

VIOLATIONS

17. As a result of the conduct described above, Dyche violated Securities Act Section 17(a) and Exchange Act Section 10(b) and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the offer or sale of securities and in connection with the purchase or sale of securities. Dyche also wilfully violated Exchange Act Section 15(a), which makes it unlawful for any “broker or dealer” to effect any securities transactions unless, in the case of a natural person, she is associated with a registered broker-dealer.

UNDERTAKINGS

18. Respondent has undertaken to forgo directly or indirectly soliciting or accepting funds from any person or entity in an unregistered offering of securities for a period of five years.

19. In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, Respondent (i) agrees to appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) will accept service by mail or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) appoints Respondent’s undersigned attorney as agent to receive service of such notices and subpoenas; (iv) with respect to such notices and subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Respondent’s travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) consents to personal jurisdiction over Respondent in any United States District Court for purposes of enforcing any such subpoena.

In determining whether to accept the Offer, the Commission has considered these undertakings.

IV.

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

Accordingly, pursuant to Section 8A of the Securities Act, Sections 15(b) and 21C of the Exchange Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Respondent Dyche cease and desist from committing or causing any violations and any future violations of Securities Act Section 17(a) and Exchange Act Sections 10(b) and 15(a) and Rule 10b-5 thereunder.

B. Respondent Dyche be, and hereby is:

1. barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization;

2. prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter; and

3. 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

with the right to apply for reentry after five (5) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

C. 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.

D. Respondent shall pay disgorgement of \$1 million, which represents profits gained as a result of the conduct described herein, prejudgment interest of \$164,000 and civil penalties of \$250,000, to the Securities and Exchange Commission. Payment shall be made in equal installments of \$353,500 according to the following schedule: (1) Within 14 days of the entry of this Order; (2) June 30, 2015; (3) September 30, 2015; and (4) December 31, 2015. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of disgorgement, prejudgment interest, and civil penalties, plus any additional interest accrued pursuant to SEC Rule of Practice 600 or pursuant to 31 U.S.C. 3717, shall be due and payable immediately, without further application. 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 Dyche 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 Stephen L. Cohen, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549.

E. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, a Fair Fund is created for the disgorgement, prejudgment interest, and penalties referenced in paragraph D above. Regardless of whether any such Fair Fund distribution is made, 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, she shall not argue that she is entitled to, nor shall she 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 she 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.

F. Respondent shall comply with the undertaking enumerated in Paragraph 18 above.

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.

Brent J. Fields
Secretary