

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 77546 / April 6, 2016**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17203**

**In the Matter of**

**THOMAS E. SKYPECK**

**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 Thomas E. Skypeck (“Skypeck” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) that 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 admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Sections III.2. below, and consents 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. Skypeck, age 54 and a resident of Scarborough, Maine, was a registered representative of multiple brokerage firms registered with the Commission during the period 1988-2013. He also was licensed with the State of Maine as a resident insurance producer from 1991 until June 2015, when his insurance license was revoked.

2. On October 9, 2015, Skypeck pleaded guilty to one count of theft by unauthorized taking or transfer, one count of intentional or knowing violation of the Maine Uniform Securities Act, one count of forgery, and one count of misuse of entrusted property in *State of Maine v. Thomas E. Skypeck*, Docket No. YORCD-CR-15-276. Skypeck's sentencing has been deferred to allow him time to comply with terms of his plea agreement, including paying \$5,070 in restitution.

3. The counts of the criminal information to which Skypeck pleaded guilty alleged, inter alia, that, from September 1, 2012 through November 30, 2012, he violated the Maine Uniform Securities Act by intentionally or knowingly failing to provide written notice to his broker-dealer employer of his business relationship with a precious metals dealer ("The Precious Metals Dealer"), when that business activity was outside the scope of his relationship with his employer, in violation of 02-032 C.M.R. ch. 504, § 86(42) and FINRA Rule 3270. The criminal information alleged that Skypeck also violated the Maine Uniform Securities Act by engaging in unlawful, dishonest or unethical practices in the commodities or finance business and making an untrue statement of material fact by signing his wife's name, without her knowledge or authorization, to an agreement authorizing deposits with The Precious Metals Dealer in violation of 32 M.R.S.A. § 16412(4)(M) and 02-032 C.M.R. ch. 504 § 86(39). The criminal information also alleged that, on or about September 10, 2012, Skypeck, with the intent to defraud or deceive the Precious Metals Dealer or his employer, committed forgery by falsely making, completing, endorsing, or altering a written authorization agreement for deposits with The Precious Metals Dealer by signing his wife's name to the agreement as its ostensive author or maker without her knowledge or authorization in violation of 17-A M.R.S.A. § 703(1)(A). The criminal information further alleged that between November 1, 2013 and April 15, 2015, Skypeck committed theft by obtaining or exercising unauthorized control over coins valued at over \$1,000 owned by a brokerage client ("the Client") with intent to deprive her thereof in violation of 17-A M.R.S.A. § § 352 and 353(1)(A) and (B)(4). Finally, the criminal information alleged that, from on or about June 1, 2014 through September 30, 2014, Skypeck misused silver coins valued in excess of \$1,000 and entrusted to him as a fiduciary by the Client in a manner that he knew was in violation of his duty and that involved a substantial risk of loss to the Client in violation of 17-A M.R.S.A. §903(1) and (3).

4. On June 23, 2015, Skypeck entered into a consent agreement (the "Consent Agreement") with the Maine Department of Professional and Financial Regulation's Bureau of Insurance ("Maine Bureau of Insurance") whereby he agreed to the revocation of his Maine resident insurance producer's license and to pay a fine of \$1,000 and restitution of \$1,000, with a further agreement that he may owe additional restitution once the full amount has been determined.

5. The Consent Agreement with the Maine Bureau of Insurance alleged, and Skypeck admitted, inter alia, that, during the period March 2009 through January 2013, he churned

the account of the Client, an inexperienced investor who was near retirement and had modest retirement savings, by persuading her to exchange three separate annuities she owned for variable annuities that were unsuitable investments for her. In connection with each of these exchanges, Skypeck received commissions, and the Client was assessed surrender penalties of more than \$5,000. The Consent Agreement further alleged, and Skypeck admitted, that he also persuaded the Client to move a significant portion of her savings from annuities into precious metals. Skypeck also admitted having placed an order on the Client's behalf for a large quantity of silver eagle coins without her knowledge or consent in October 12, 2012. The Consent Agreement alleged, and Skypeck admitted, that, in the Fall of 2012, he placed five trades with the Precious Metals Dealer in his wife's name, without her knowledge or consent, forged her signature, and impersonated her in an email, all in an attempt to circumvent a prohibition by his employer against trading in precious metals. Skypeck also admitted in the Consent Agreement that, at the end of 2013, he took a portion of the coins from the Client, ostensibly to place them in an account at the Precious Metals Dealer, but instead stored them in his basement and responded to the Client's request for a receipt for the coins he took by saying "Do me a favor, we are old pals. Just trust me, ok?" Skypeck further admitted that, on June 12, 2014, without the Client's knowledge or permission, he sold 220 of the 480 of the Client's coins to a local gold dealer for \$4,400 and, on August 4, 2014, sold an additional 70 of the Client's coins to the gold dealer for \$1,330, using the proceeds of the sales to pay part of his stepdaughter's college tuition. Skypeck also admitted the Consent Agreement's allegation that, in response to concerns expressed by the Client regarding her silver holdings, he told her that the silver coins "will go up 6x in value...higher even." Finally, Skypeck admitted that, in response to the Client's request that he return the coins to her, he falsely stated that the coins were safely stored but temporarily inaccessible at his lake house, when he, in fact, had misappropriated some of them for his personal use.

#### IV.

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

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

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Skypeck be, and hereby 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 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.

Brent J. Fields  
Secretary