

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 79453 / December 2, 2016

INVESTMENT ADVISERS ACT OF 1940
Release No. 4582 / December 2, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17704

In the Matter of

DANIEL P. McKELVEY,

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 Daniel P. McKelvey (“Respondent” or “McKelvey”).

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 admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph 2 of Section III below, and consents 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. From April 2007 through February 2012, McKelvey was a registered representative associated at different times with three investment adviser firms, one of which was registered with the Commission. From April 2002 through February 2012, McKelvey was a registered representative associated at different times with four broker-dealers registered with the Commission. McKelvey, 49 years old, is a resident of Foster City, California.

2. On July 5, 2016, a final judgment was entered by consent against McKelvey, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 and Sections 10(b), 13(b)(5) and 20(b) of the Exchange Act and Rules 10b-5 and 13b2-1 thereunder, and aiding and abetting violations of Sections 13(a), 13(b)(2)(A), 13(b)(2)(B), 13(b)(5) and 15(d) of the Exchange Act and Rules 12b-11, 12b-20, 13a-1, 13a-13, 13a-14, 13a-15, 13b2-1, 13b2-2, 15d-1, 15d-13, 15d-14 and 15d-15 thereunder, and Rule 302 of Regulation S-T, in the civil action entitled Securities and Exchange Commission v. Daniel P. McKelvey, et al., Civil Action Number 9:15-cv-80496-KAM, in the United States District Court for the Southern District of Florida.

3. The Complaint alleges that, from September 2008 through at least December 2013, McKelvey participated in a scheme to manufacture undisclosed “blank check” companies with the intention of later selling those companies by reverse merger or other change-of-control transactions. Specifically, McKelvey and others created 19 and sold 15 companies that publicly disclosed a specific purported business plan and a sole individual officer who purportedly created and funded the company. The Complaint further alleges that, to the contrary, the sole officer did not create or fund the company, and the plan for each company at all material times was to be sold in a merger or other change-of-control transaction. The Complaint further alleges that McKelvey, acting in concert with other undisclosed control persons, followed the same basic blueprint creating each company, registering with the Commission an offering of each company’s securities, and making false and misleading statements to the Commission and others as to the true purpose, operations, and control of each company.

IV.

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

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.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary