

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 80231 / March 13, 2017

INVESTMENT ADVISERS ACT OF 1940
Release No. 4666 / March 13, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17880

	:	ORDER INSTITUTING ADMINISTRATIVE
In the Matter of	:	PROCEEDINGS PURSUANT TO SECTION
	:	15(b) OF THE SECURITIES EXCHANGE ACT
JEREMY S. HIXSON,	:	OF 1934 AND SECTION 203(f) OF THE
	:	INVESTMENT ADVISERS ACT OF 1940,
Respondent.	:	MAKING FINDINGS, AND IMPOSING
	:	REMEDIAL SANCTIONS
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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 Jeremy S. Hixson (“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 admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraphs III.1 and 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 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. Hixson was a registered representative and investment adviser representative of U.S. Bancorp Investments, Inc. from July 2010 through August 2014. At all relevant times, U.S. Bancorp Investments, Inc. was both a broker-dealer registered with the Commission and also an investment adviser registered with the Commission. Hixson, 45 years old, is a resident of Uniontown, Ohio.

2. On May 10, 2016, Hixson pleaded guilty to one count of bankruptcy fraud in violation of Title 18 U.S.C. § 152(1) and 152(3) and two counts of making false statements in violation of Title 18 U.S.C. § 1001 before the United States District Court for the Northern District of Ohio, in United States v. Jeremy Hixson, No. 1:16-cr-128-001. On August 3, 2016, a judgment in the criminal case was entered against Hixson. He was sentenced to three years of probation, with the first eight months on home confinement, and ordered to pay restitution in the amount of \$73,794.32.

3. In connection with that plea, Hixson admitted that:

- a. He concealed from the Trustee and creditors, in connection with a case under the Bankruptcy Code, a \$125,000 payment he received, and also failed to disclose his interest in a limited liability company and list its investors as unsecured creditors;
- b. He made false statements to the staff of the Commission in connection with an investigation concerning a fraudulent investment scheme involving KGTA Petroleum, Ltd. (“KGTA”), namely that his girlfriend had established a company called Quest Innovations, LLC (“Quest”) and had sole control over Quest’s bank accounts, when in reality Hixson had established Quest for the sole purpose of accepting fees from KGTA, and he controlled Quest’s bank accounts; and
- c. He made false statements to agents of the Federal Bureau of Investigation, namely denying conversations with Jeffrey Gainer, a participant in the KGTA scheme, about how Gainer had set up a company in his wife’s name and had KGTA make all of Gainer’s payments to his wife’s company, and that Hixson should do the same to avoid detection of the payments by his employer.

IV.

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