

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 83777 / August 3, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18479

In the Matter of

STEVEN J. DYKES,

Respondent.

**ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS
AGAINST STEVEN J. DYKES PURSUANT
TO SECTION 15(b) OF THE SECURITIES
EXCHANGE ACT OF 1934**

I.

On May 11, 2018, the Securities and Exchange Commission (“Commission”) instituted public administrative proceedings against Steven J. Dykes (“Dykes” or “Respondent”), pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”).

II.

After institution of these proceedings, the Respondent 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 III.2 below and consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Against Steven J. Dykes Pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Beginning no later than January 2013 and during the period of the offenses described in Paragraph III.2, Dykes acted as an unregistered broker or dealer and participated in an offering of restricted shares of stock in VIP TV, LLC, VIP Television Inc., and The Spongebuddy,

LLC (collectively “VIP”), which are penny stocks. Dykes, who has never been registered or associated with a registered broker-dealer, cold called investors and pitched investments in VIP. Dykes received a commission for the investments he successfully solicited. Dykes, 61 years old, is a resident of Fort Lauderdale, Florida.

2. On April 26, 2018, Dykes pleaded guilty to one count of conspiracy to commit mail and wire fraud in violation of 18 U.S.C. § 1349, and one count of engaging in a monetary transaction in property derived from specified unlawful activity in violation of 18 U.S.C. § 1957 before the United States District Court for the District of Colorado, in United States v. Steven Dykes, Criminal Case No. 17-cr-417-RBJ.

3. In connection with his guilty plea, Dykes admitted that he and other co-conspirators (collectively “criminal defendants”) each acted as part of a scheme to (1) use the mails to defraud at least thirty investors of over \$6 million, (2) commit securities fraud, and (3) engage in money laundering. Dykes further admitted in his plea agreement that in or around late 2012 he was hired to work for VIP Television, LLC (“VIP Television”) and tasked, in part, with finding a financial backer for VIP Television. Someone, usually Dykes or a co-conspirator, contacted investors and made false statements about specific business opportunities for VIP Television and/or Spongebuddy, LLC. Dykes or a co-conspirator then directly solicited money from the investors and directed that investments be mailed or wired. Dykes also admitted that the criminal defendants did not disclose to investors that (1) in 2013 and 2014 the criminal defendants were subject of a civil investigation, and resulting consent order by the State of Illinois in connection with the offering of securities related to VIP Television, Spongebuddy, and a third company, and (2) in 2002 certain of the co-conspirators were charged by the Commission with violations of the antifraud and registration provisions of the federal securities law. They also failed to disclose their criminal histories, including Dykes’ prior convictions for Larceny and Grand Theft Larceny as well as certain of the co-conspirators’ prior convictions for conspiracy to commit racketeering.

IV.

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

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