

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 84408 / October 11, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18865

In the Matter of

JOHN KEVIN REECH,

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 John Kevin Reech (“Respondent” or “Reech”).

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 III.B.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:

A. RESPONDENT

1. From approximately 2008 to 2009, and in 2011, Reech engaged in the business of effecting transactions in securities for the account of others by working as an unregistered broker

and soliciting investments in a number of private companies, including Omni Guard, Infinity Diamonds, Infinity Direct Insurance (d/b/a Corvina Holdings), Wheat Capital Management, and Wheat Self-Storage Partners I, II, and III, which are penny stocks. He is not currently registered with the Commission in any capacity and was never associated with a broker-dealer registered with the Commission. Respondent, 56 years old, is a resident of Delray Beach, Florida.

B. RESPONDENT'S CRIMINAL CONVICTION

2. On March 27, 2018, Reech pled guilty to one count of conspiracy to commit wire and mail fraud in violation of Title 18, United States Code, Section 1349 before the United States District Court for the Southern District of Florida, in *United States v. Daniel Joseph Touizer et al.*, Case No. 17-60286-CR-Bloom.

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

- (a) From approximately 2008-09 and in 2011, he solicited investments in a number of private companies, including Omni Guard, Infinity Diamonds, Infinity Direct Insurance (d/b/a Corvina Holdings), Wheat Capital Management, and Wheat Self-Storage Partners I, II, and III.
- (b) He acted as a "fronter" and solicited investors in "phone rooms," sometimes using fictitious names, in an effort to sell them stock.
- (c) Once a person showed interest in investing he referred the potential investor to a co-conspirator so he could close the deal.
- (d) Reech and his co-conspirators together raised approximately \$15 million from at least ten investors.
- (e) Investors were told these companies were profitable, which was false.
- (f) Investors were told that these investments were safe, which was false.
- (g) Investors were told that their funds would be used to develop operations and to pay for sales and marketing expenses. In fact, the funds were used in part to start new ventures and to pay new investors "dividends."
- (h) Investors were also told that no commissions or fees would be charged. In fact, Reech and his co-conspirators used investor funds to pay themselves undisclosed commissions and fees.

IV.

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

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