

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 86601 / August 8, 2019**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19123**

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**In the Matter of**

**DENNIS GIBB and**  
**SWEETWATER INVESTMENTS,**  
**INC.**

**Respondents.**

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**NOTICE OF PROPOSED PLAN OF**  
**DISTRIBUTION AND**  
**OPPORTUNITY TO COMMENT**

Notice is hereby given, pursuant to Rule 1103 of the United States Securities and Exchange Commission's ("Commission") Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan of distribution (the "Plan") for the distribution of monies paid to the Commission in settlement of the above-captioned administrative proceeding.

On March 28, 2019, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the "Order")<sup>1</sup> against Sweetwater Investments, Inc. ("Sweetwater"), a registered investment adviser, and Dennis Gibb ("Gibb"), Sweetwater's founder and sole owner. In the Order, the Commission found that, from July 2007 to September 2018, Gibb stole more than \$3 million from Sweetwater Income Flood LP ("Income Flood"), a private fund managed by Sweetwater. The Commission found that, among other misrepresentations, Gibb inflated account values and Income Flood holdings in account statements and tax documents sent to investors, and in Forms ADV filed with the Commission. The Commission determined that, by this conduct, Gibb and Sweetwater (the "Respondents") willfully violated, among other things, the antifraud provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Advisers Act of 1940. The Commission ordered the Respondents to pay, jointly and severally, disgorgement of \$1,144,000 and prejudgment interest of \$20,747.40 to the Commission, but offset Gibb's obligation by the amount of any criminal order restitution entered against him. The Commission established a disgorgement fund so that collected disgorgement and prejudgment interest could be distributed

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<sup>1</sup> Securities Act Rel. No.10623 (Mar. 28, 2019).

to harmed investors in accordance with a distribution plan to be approved by the Commission (the “Disgorgement Fund”). The Respondents have not paid any of the ordered disgorgement or prejudgment interest.

In the Order, Gibb voluntarily undertook to liquidate the securities in Income Flood’s brokerage account and cause Income Flood to gift all assets in the liquidated account to the Disgorgement Fund pursuant to Section 308(b) of the Sarbanes-Oxley Act of 2002. Gibbs has completed this undertaking, sending approximately \$1.77 million to the Disgorgement Fund.

## **OPPORTUNITY FOR COMMENT**

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission’s public website at <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Plan by submitting a written request to Catherine E. Pappas, Esq., United States Securities and Exchange Commission, One Penn Center, 1617 JFK Blvd., Ste. 520, Philadelphia, PA 19103. All persons who desire to comment on the Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission’s Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov).

Comments submitted should include “Administrative Proceeding File No. 3-19123” in the subject line. Comments received will be publicly available. Persons should submit only information that they wish to make publicly available.

## **THE PLAN**

The Disgorgement Fund is comprised of the \$1.77 million gifted to it pursuant to Gibb’s voluntary undertaking and any additional funds paid pursuant to the Order. The Plan proposes to send the Disgorgement Fund, less any fees and expenses, to the Court Registry Investment System account established in the related criminal action, *US v. Gibb*, 19-cr-059 (RSM) (W.D. Wash.) (the “Criminal Action”), for distribution to harmed investors in accordance with the restitution process in the Criminal Action.

By the Commission.

Vanessa A. Countryman  
Secretary