

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 93351 / October 15, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20626

In the Matter of

KIMBERLY L. SREDICH,

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 Kimberly L. Sredich (“Respondent” or “Sredich”).

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 her and the subject matter of these proceedings, and the findings contained in paragraphs III.2 and 4 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:

1. Kimberly Sredich is 45 years old and is a resident of Burton, Michigan. Sredich was employed as a sales assistant at a registered broker-dealer firm. She was terminated on July 6, 2018.

2. On October 4, 2021, a final judgment was entered by consent against Respondent, permanently enjoining her from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled *U.S. Securities and Exchange Commission v. Kimberly L. Sredich*, No. 4:19-cv-11140, in the United States District Court for the Eastern District of Michigan.

3. The Commission's complaint alleged that, in connection with the sale of securities, Sredich misappropriated funds from at least 15 customer brokerage accounts. Most of the brokerage account holders she targeted were elderly people, ranging from 67 to 91 years old. Sredich caused at least 41 separate check disbursements to be made from these brokerage accounts and deposited into a credit union account she controlled. She then used these funds for personal expenses.

4. On September 25, 2019, Sredich pled guilty to one count of conspiracy to commit wire fraud and mail fraud in violation of Title 18 United States Code, Section 1349; and one count of money laundering in violation of Title 18 United States Code, Sections 1956(a)(1)(B)(i) and 2, before the United States District Court for the Eastern District of Michigan, in *United States v. United States v. Kimberly L. Sredich, et al.*, Crim. No. 4:19-cr-20230. On August 6, 2021, a judgment in the criminal case was entered against Sredich. She was sentenced to 24 months of incarceration and ordered to make restitution in the amount of \$391,908.

5. The counts of the criminal information to which Sredich pled guilty alleged, *inter alia*, that Sredich obtained money from customer brokerage accounts through fraudulent means, by means of wire and mail fraud and money laundering.

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; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent 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, compliance with the Commission's order and payment of any

or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) 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.

Vanessa A. Countryman
Secretary