

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 101008 / September 12, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-22109

In the Matter of

FRANK M. VECCHIO,

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 Frank M. Vecchio (“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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in Paragraph 4 of Section III below, which are admitted, Respondent 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. Vecchio, 66, resides in Delray Beach, FL. At various points in time between January 1987 and March 2008, Vecchio was associated with at least twenty broker-dealers registered with the Commission and held Series 7 and 63 licenses.

2. In December 2007, the National Futures Association (“NFA”) issued a complaint charging Vecchio with making deceptive and misleading sales solicitations, which Vecchio settled, without admitting or denying the allegations, by agreeing to never apply for NFA membership, associated NFA membership or principal status with any NFA member. Based upon the same NFA complaint and Vecchio’s offer of settlement thereto, in February 2010, the New Jersey Bureau of Securities revoked Vecchio’s agent registration.

3. In or around August 2018, Vecchio was hired as a sales agent by StraightPath Venture Partners LLC (the “SP Fund Manager”) to solicit investments in unregistered membership interests in limited liability companies (the “SP Funds”) that purportedly owned shares of private companies that had prospects of going public through initial public offerings (“IPOs”).

4. On September 10, 2024, a final judgment was entered by consent against Vecchio, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Scott J. Hollender, et al., Civil Action Number 23 Civ. 2456 (LAK), in the United States District Court for the Southern District of New York.

5. The Commission’s complaint alleged that, despite being paid 10 percent upfront fees, Vecchio told investors he solicited on behalf of the SP Funds that there were no upfront fees and that the only way he or the SP Fund Manager earned any money was via backend fees on any profits earned by the investors on the pre-IPO shares after an IPO occurred, and that Vecchio knew or recklessly disregarded that these representations were false or misleading. The Commission’s complaint also alleged that while actively soliciting investors on behalf of the SP Funds, Vecchio was not registered with the Commission as a broker-dealer or associated with a Commission-registered broker-dealer.

IV.

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

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

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