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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING
whether there has been a violation of the
Securities Act of Washington by:

IOANNIS "JOHN" EMMANOUIL
SPYRIDAKIS (CRD No. 5542016),

Respondent.

Order Number S-14-1475-16-CO01

CONSENT ORDER

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INTRODUCTION

Pursuant to the Securities Act of Washington, Chapter 21.20 RCW, the Securities Administrator of the Department of Financial Institutions Securities Division ("Securities Division") and the Respondent, Ioannis "John" Emmanouil Spyridakis, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. The Securities Division believes that entry of an agreed Consent Order is in the public interest and is appropriate for the protection of investors. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law stated below.

FINDINGS OF FACT

Respondent

1. Ioannis "John" Emmanouil Spyridakis ("Spyridakis") was a registered in Washington State as securities salesperson from July 2008 to January 2009 and as an investment adviser representative from December 2010 to August 2011. Spyridakis was born in Greece and currently resides in New York. From approximately November 2009 to August 2011 he resided in Washington State. His Central Registration Depository ("CRD") number is 5542016.

Nature of the Conduct

2. In approximately November 2009 Investor A, a Washington resident, met Spyridakis through a church friend. Spyridakis represented to Investor A that he was previously employed as a securities salesperson in New York at a large investment bank for a year when he was only employed for 6 months. Spyridakis failed to disclose that this employment was terminated by his employer for violating company policy.

3. Spyridakis told Investor A that he wanted to start a hedge fund and that the hedge fund would be profitable. Spyridakis stated that the hedge fund would generate a \$10,000 return per year on a \$50,000 investment.

4. Spyridakis told Investor A that he had a Master's of Science in Financial Mathematics from the University of Chicago and a Master's of Arts in Statistics from Columbia University. Spyridakis told Investor A that he developed a mathematical algorithm for the hedge fund; however, Spyridakis did not disclose the details on the algorithm such as that it was not tested and that past performance is not a guarantee of future performance.

5. Spyridakis also told Investor A he was from a wealthy Greek family that was paying his personal expenses while he was in the United States. Because of these representations Investor A believed that Spyridakis did not need money to pay his personal expenses.

6. Spyridakis asked Investor A for funds to set-up the hedge fund. Spyridakis told Investor A he would use the funds to set-up the hedge fund generally and would have sole discretion over how the funds were spent. Investor A understood that the money was to be used *to set up a hedge fund*, as opposed to being invested in a hedge fund. Spyridakis did not tell Investor A, and Investor A did not independently know what setting up a hedge fund entailed.

7. Based on Spyridakis' representations, on or about February 1, 2010, Investor A gave Spyridakis \$170,000. Spyridakis gave Investor A a promissory note evidencing the investment that stated Investor A would be repaid \$170,000 plus \$30,000 interest for a total of \$200,000. Spyridakis did

1 not provide Investor A with any documentation or disclosure about his investment or the risks of the
2 investment other than the promissory note. Spyridakis did not orally disclose the risks to Investor A.
3 Investor A did not receive a security interest in exchange for the \$170,000.

4 8. Spyridakis asked Investor A for additional funds. However, he failed to provide Investor A
5 with information or an accounting of how the initial investment was used. He failed to disclose that the
6 initial investment was used in part to pay Spyridakis' personal expenses, in part to test the algorithm, and
7 in part to set-up the hedge fund. Spyridakis did not provide Investor A with any financial information or
8 disclose that the investment would be used to pay Spyridakis' living expenses and to test the algorithm in
9 addition to setting up the hedge fund.

10 9. Investor A gave Spyridakis an additional \$100,000 in June 2010 and \$50,000 in September
11 2010. Spyridakis did not issue any documents memorializing the investments or disclosing the risks of
12 the new investments. Each time Investor A gave Spyridakis funds, Investor A had an expectation of
13 receiving a profit from the investments through Spyridakis' efforts.

14 10. In December 2010, Spyridakis registered as an investment adviser representative. Between
15 approximately March 2011 and April 2011 Spyridakis sold interests in his hedge fund to 4 investors for
16 \$1,303,000. Investor A was one of the investors in the hedge fund. Spyridakis failed to disclose to the
17 investors that he was terminated from his prior securities related employment for violation of a company
18 policy.

19 11. Spyridakis again approached Investor A for another investment in running the hedge fund
20 (as opposed to an investment in the hedge fund). Investor A told Spyridakis that he would only invest
21 funds if he was given a controlling interest in the hedge fund. Spyridakis refused and Investor A asked
22 for the immediate return of his \$320,000 investment (in setting up the hedge fund) and the promised
23 interest (totaling over \$350,000). Shortly thereafter Spyridakis returned to Greece without informing
24 Investor A.

1 IT IS FURTHER AGREED that Ioannis Spyridakis enters into this Consent Order freely and
2 voluntarily and with full understanding of its terms and significance.

3 IT IS FURTHER AGREED that in consideration of the foregoing, Ioannis Spyridakis waives his
4 right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05
5 RCW.

6 **AUTHORITY AND PROCEDURE**

7 This Order is entered pursuant to the provisions of chapter 21.20 RCW and is subject to the
8 provisions of RCW 21.20.120 and Chapter 34.05 RCW. The Respondent has been notified of his right to
9 an administrative hearing and has waived his right to a hearing.

10 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

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12 Signed this 29th day of February, 2016.

13 Signed by:

14 RYAN SWANSON & CLEVELAND PLLC

15
16 /S/
17 ROGER MELLEME, WSBA #14917
Attorney for Ioannis Spyridakis

18 Signed by:

19
20 /S/
21 IOANNIS "JOHN" EMMANOUIL SPYRIDAKIS
22 CRD #5542016

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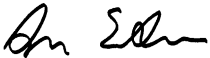
DATED and ENTERED this 8th day of March, 2016.



WILLIAM M. BEATTY
Securities Administrator

Approved by:

Presented by:



Suzanne Sarason
Chief of Compliance

Kristen Standifer
Financial Legal Examiner