



U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 23211 / March 2, 2015

Securities and Exchange Commission v. Gary S. Williky, Civil Action No. 15-cv-357

SEC Charges Texas Recidivist with Pump-And-Dump and Insider Trading Violations

The Securities and Exchange Commission (SEC) today filed a civil injunctive action in the United States District Court for the Southern District of Indiana alleging that Gary S. Williky of Colleyville, Texas perpetrated an illegal market manipulation and insider trading scheme in the stock of Imperial Petroleum, Inc., a public company based in Evansville, Ind., that is itself the subject of an earlier SEC lawsuit. *SEC v. Imperial Petroleum, Inc., et al.* (S.D. Ind. No. 13-cv-1489).

The SEC alleges that between 2010 and early 2012, while working as an investor relations consultant for Imperial, Williky artificially pumped up the volume of Imperial stock through match and wash trades and engaged in fraudulent scalping by touting Imperial stock in mass email communications without disclosing that he was contemporaneously selling his own shares. In the course of his fraud, he acquired more than 5 percent of Imperial's shares and failed to disclose this ownership stake as required by the federal securities laws. The SEC also alleges that while working for Imperial, Williky learned that the company was involved in significant fraudulent activity of its own, and he sold hundreds of thousands of Imperial shares based on that nonpublic information.

The SEC's complaint charges Williky with violating Section 17(a) of the Securities Act of 1933 and Sections 9(a)(1), 10(b) and 13(d) of the Securities Exchange Act of 1934 and Rules 10b-5 and 13d-1 thereunder. It also seeks additional relief, including disgorgement of ill-gotten gains, a civil penalty, a permanent injunction against further violations of the securities laws, and to bar Williky from acting as an officer or director of a public company.

Williky settled previous claims of securities fraud filed by the SEC in *SEC v. Williky, et al.* (N.D. Tex. No. 94-cv-2088) and in 1996 consented to the entry of an order barring him from association with any broker, dealer, investment adviser, investment company or municipal securities dealer.

The SEC's continuing investigation is being conducted by Scott J. Hlavacek and Anne Graber Blazek of the Chicago Regional Office. The SEC's litigation against Williky will be led by Benjamin Hanauer and Timothy Leiman.

For further information, please see Litigation Release No. [22800](#) (September 18, 2013) and SEC News Digest Issues [96-51](#) (March 20, 1996) and [94-202](#) (October 24, 1994).

► [SEC Complaint](#)

