

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 73694 / November 26, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16289

In the Matter of

NICKOLAS C. SKALTSIS,

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 Nickolas C. Skaltis (“Skaltis” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) that 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 consents to the Commission’s jurisdiction over him and the subject matter of these proceedings and 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. Skaltsis was the co-trustee of Liberty Realty Trust (“Liberty”), a Dover, New Hampshire-based trust that was registered in 2009 as a trade name with the New Hampshire Secretary of State’s Corporation Department with a purported purpose of purchasing and selling real estate. He was also president and a director of Phoenix Asset Group, Inc. (“Phoenix”), a Dover, New Hampshire-based entity that purported to be in the business of acquiring, rehabilitating and managing real estate properties. Skaltsis, age 62, was a resident of Dover, New Hampshire until he was incarcerated in 2013. Neither Skaltsis, Liberty, nor Phoenix has ever been registered with the Commission in any capacity.

2. On May 20, 2013, a final judgment was entered against Skaltsis by the Superior Court for the State of New Hampshire in William Gardner, New Hampshire Secretary of State v. Nickolas Skaltsis, et al., Docket No. 219-2013-CV-00031, permanently enjoining him from engaging in securities fraud in violation of New Hampshire Revised Statutes Annotated (“RSA”) 421-B:3; issuing securities without being licensed to do so in violation of RSA 421-B:6; and selling unregistered securities in violation of RSA 421-B:11.

3. The New Hampshire Bureau of Securities Regulation’s Petition for Injunctive Relief (“Petition”) in the above-referenced action alleged, inter alia, that Skaltsis, individually and through Liberty and Phoenix, used a device, scheme, or artifice to defraud investors, including through the use of material and untrue statements to lure investors to invest money with him by claiming the monies would be used for the purchase, rehabilitation, and resale of distressed properties when the funds were actually misappropriated for personal use and no properties were ever purchased. The Petition further alleged that Skaltsis issued securities without being licensed to do so and that the securities were not registered or exempt from registration.

4. By soliciting investors, inducing at least 12 investors to effect transactions in securities, and receiving compensation in connection therewith, Skaltsis was engaged in the business of effecting transactions in securities for the accounts of others, and therefore acted as an unregistered broker-dealer.

5. On July 3, 2013, Skaltsis pled guilty to one count of theft by misapplication in violation of RSA 637:10 and three counts of theft by deception in violation of RSA 637:4 before the Strafford County Superior Court in New Hampshire in State v. Nickolas C. Skaltsis, SSC#219-2013-CR-48. He was also sentenced on July 3, 2013 to a prison term of 1½ to 5 years on the theft by misapplication count and a consecutive sentence of 3½ to 7 years for the three counts of theft by deception, the latter of which was suspended for a period of 10 years. Skaltsis was also ordered to make restitution in the amount of \$277,733.94.

6. The counts of the criminal information to which Skaltsis pled guilty alleged, inter alia, that Skaltsis obtained and exercised control over funds belonging to investors by deception and with the purpose of depriving investors of the money by representing that he would use the funds to acquire, rehabilitate and re-sell real estate properties and return the funds to investors with a fixed rate of interest, knowing that representation was false and, with regard to one investor, committed to purchasing specific real estate property on behalf of the investor and himself but instead withheld the money as his own.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act Respondent Skaltsis 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, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) 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 (d) 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.

Brent J. Fields
Secretary