

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SECURITIES EXCHANGE ACT OF 1934
Release No. 62931/September 17, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13981

In the Matter of	:	
	:	ORDER MAKING FINDINGS AND
LAMBROS D. BALLAS	:	IMPOSING SANCTION BY DEFAULT

SUMMARY

This Order bars Lambros D. Ballas (Ballas) from association with a broker or dealer. Ballas was previously enjoined from violating the antifraud provisions of the securities laws, based on his involvement in a fraudulent scheme to manipulate the stock prices of multiple publicly traded companies by disseminating phony press releases and then hyping the companies on Internet bulletin boards.

I. BACKGROUND

The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings (OIP) against Ballas on July 28, 2010, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act). The OIP alleges that he was enjoined in 2010 from violating the antifraud provisions of the Exchange Act, based on his involvement in a fraudulent scheme to manipulate the stock prices of multiple publicly traded companies. Ballas was served with the OIP by personal service on August 24, 2010. He failed to file an Answer, due twenty days after service of the OIP. See 17 C.F.R. § 201.220(b); OIP at 2. A respondent who fails to file an Answer to the OIP may be deemed to be in default, and the administrative law judge may determine the proceeding against him.¹ See 17 C.F.R. §§ 201.155(a), .220(f); OIP at 2. Thus, Ballas is in default, and the undersigned finds the following allegations in the OIP are true.

II. FINDINGS OF FACT

Ballas, of Huntington, New York, is permanently enjoined from violating the antifraud provisions of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. SEC v. Ballas, No. 5:09-cv-05036 (N.D. Cal. July 8, 2010). The wrongdoing that underlies Ballas's injunction

¹ Ballas was advised that if he failed to file an Answer to the OIP within the time provided by law, the undersigned would enter an order barring him from association with a broker or dealer. See Lambros D. Ballas, Admin. Proc. No. 3-13981 (A.L.J. Aug. 26, 2010) (unpublished).

occurred from September 29, 2009, through October 2, 2009, when he engaged in a fraudulent scheme to manipulate the stock price of multiple publicly traded companies by disseminating phony press releases and then hyping the companies on Internet bulletin boards. During this time, Ballas arranged for the distribution of phony press releases involving major public companies, such as Google, Microsoft, and Walt Disney, and then posed as an investor on Yahoo! Inc. Internet message boards providing links to the bogus releases he had created and disseminated. In the case of one company he touted, Ballas bought 5,000 shares of its stock before issuing a phony press release that caused the stock price to increase nearly 80% within a few hours of the issuance of the phony release. During the time in which he engaged in this conduct, Ballas was a registered representative with a broker-dealer registered with the Commission.

III. CONCLUSIONS OF LAW

Ballas is permanently enjoined “from engaging in or continuing any conduct or practice in connection . . . with the purchase or sale of any security” within the meaning of Sections 15(b)(4)(C) and 15(b)(6)(A)(iii) of the Exchange Act.

IV. SANCTION

Ballas will be barred from association with any broker or dealer. This sanction will serve the public interest and the protection of investors, pursuant to Section 15(b) of the Exchange Act. It accords with Commission precedent and the sanction considerations set forth in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979), aff’d on other grounds, 450 U.S. 91 (1981). Ballas’s unlawful conduct was egregious and recurring, occurring repeatedly over a short period. There are no mitigating circumstances.

V. ORDER

IT IS ORDERED that, pursuant to Section 15(b) of the Securities Exchange Act of 1934, LAMBROS D. BALLAS IS BARRED from association with a broker or dealer.

Carol Fox Foelak
Administrative Law Judge