

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 74582 / March 25, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16457

<p>In the Matter of</p> <p style="text-align:center">CRAIG S. LAX,</p> <p>Respondent.</p>
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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 Craig S. Lax (“Respondent” or “Lax”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (“Offer”) that the Commission has determined to accept. Respondent admits the facts set forth in Section III below, acknowledges that his conduct violated the federal securities laws, admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and 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. At all times relevant to these proceedings, Lax was the Chief Executive Officer and an associated person of G-Trade Services LLC (“G-Trade”), a broker-dealer registered with the Commission. Lax, 50 years old, is a resident of New Jersey.

2. On March 11, 2015, a judgment was entered by consent against Lax, permanently enjoining him from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Craig S. Lax, Civil Action Number 2:15-cv-01079-WHW-CLW, in the United States District Court for the District of New Jersey.

3. The Commission's complaint alleged that G-Trade and ConvergeX Global Markets Limited ("CGM Limited"), a broker-dealer formerly registered with the Bermuda Monetary Authority, violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by engaging in a fraudulent scheme to conceal from customers the practice of charging hidden mark-ups and mark-downs, in addition to disclosed commissions, on securities trades. During the period from at least January 2008 through August 2011, Lax was a controlling person of G-Trade and CGM Limited, and with Lax's culpable participation, G-Trade and CGM Limited employees took steps to conceal from customers the practice of taking the hidden mark-ups and mark-downs, which were referred to in the scheme as "trading profits," or more commonly, as "TP."

IV.

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

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

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Lax be, and hereby is 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;

with the right to apply for reentry after five years to the appropriate self-regulatory organization, or if there is none, to the Commission.

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