

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 75080 / June 1, 2015**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-16564**

**In the Matter of**  
  
**GERARD HARYMAN,**  
  
**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE AND CEASE-AND-**  
**DESIST PROCEEDINGS PURSUANT**  
**TO SECTIONS 15(b) AND 21C OF THE**  
**SECURITIES EXCHANGE ACT OF**  
**1934 AND NOTICE OF HEARING**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Gerard Haryman (“Respondent” or “Haryman”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A.     RESPONDENT**

1.       Respondent, age 70, a resident of Lake Worth, Florida, was a consultant to and investor in A Clean Slate, Inc. (“Clean Slate”), a publicly-traded company that provides financial services and specialized in debt relief and financial recovery services. Respondent participated in an offering of Clean Slate stock, which is a penny stock. Respondent was charged with two counts each of mail fraud and wire fraud and one count of conspiracy to commit securities fraud on March 21, 2014 and pleaded guilty to all counts on May 2, 2014 in *U.S. v. Haryman*, 14-CR-10077-RGS (D. Mass.). On November 13, 2014, he was sentenced to 1 day in prison and 3 years’ supervised release. He was also ordered to pay a \$500.00 special assessment and \$24,000 in restitution. On November 21, 2014, Haryman was ordered to forfeit \$24,000.

B. OTHER RELEVANT ENTITIES

1. A Clean Slate, Inc. is a Delaware corporation with its principal place of business in Palm Beach, Florida that provides financial services and specializes in debt relief and financial recovery services. Its securities had been registered with the Commission under Exchange Act Section 12(g), but Clean Slate filed a Form 15-12G on April 13, 2012 terminating its securities registration. Clean Slate's securities are publicly quoted on OTC Link under the symbol "DRWN," but the OTC Markets website contains a warning that the company may not be making material information publicly available.

C. KICKBACK SCHEME

1. These proceedings arise out of a fraudulent scheme in which insiders of publicly-traded penny stock companies paid secret kickbacks to a purported corrupt hedge fund manager, who was in fact an undercover agent with the Federal Bureau of Investigation ("Fund Manager"), in exchange for the Fund Manager's purchase of restricted stock of the penny stock companies on behalf of his purported hedge fund ("the Fund"), which did not actually exist.

2. At some point prior to September 28, 2011, an individual serving as a cooperating witness for the Federal Bureau of Investigation ("CW") arranged for Haryman and another individual ("R.G.") to meet with the Fund Manager to discuss funding for Clean Slate.

3. On or about September 28, 2011, Haryman and R.G. met with the Fund Manager and CW to discuss a potential investment of the Fund's monies in Clean Slate in exchange for a fifty percent kickback to the Fund Manager (the "September 28 Meeting").

4. Haryman and R.G. indicated that they were both willing to enter into the kickback arrangement.

5. At the September 28 Meeting, the Fund Manager, Haryman, R.G., and CW also discussed the mechanics of the funding. Haryman and R.G. were informed that the Fund Manager would begin by investing smaller amounts in Clean Slate, while planning to increase the funding in installments, or tranches, in the future.

6. At the September 28 Meeting, the Fund Manager further discussed with Haryman and R.G. the mechanics of the kickbacks to the Fund Manager. The Fund Manager explained to Haryman and R.G. that Haryman and R.G. would be sending the kickbacks to one or more companies that the Fund Manager himself controlled. The Fund Manager discussed with Haryman and R.G. that Clean Slate would execute consulting agreements with one or more of the Fund Manager's companies, and Haryman and R.G. would pay the relevant company owned by the Fund Manager an amount equal to fifty percent of Fund monies invested in Clean Slate as purported fees for consulting services that would not, in fact, be rendered. The Fund Manager further explained to

Haryman and R.G. that the Fund would not know about these kickbacks paid to him through such sham consulting agreements. After the Fund Manager had explained the scheme, Haryman and R.G. agreed to enter into the kickback arrangement.

7. On various dates between on or about September 29, 2011 and on or about November 2, 2011, Haryman and R.G. sent the Fund Manager documents related to the kickback transactions, including purported consulting agreements between Clean Slate and the Fund Manager's nominee consulting companies and phony invoices in the name of the Fund Manager 's nominee consulting companies.

8. On or about October 5, 2011, \$16,000 was sent by wire transfer from a bank account maintained in Boston, Massachusetts, purportedly belonging to the Fund, to a corporate bank account of Clean Slate outside of Massachusetts. The wire transfer represented the first tranche of funding for Clean Slate.

9. On or about October 6, 2011, Haryman and R.G. caused \$8,000 to be sent by wire transfer from a corporate bank account of Clean Slate outside of Massachusetts to a bank account maintained in Boston, Massachusetts, purportedly belonging to one of the Fund Manager's nominee companies. This wire transfer represented Haryman and R.G.'s kickback to the Fund Manager from the first tranche of funding for Clean Slate.

10. On or about October 13, 2011, Haryman and R.G. caused a stock certificate representing the shares purchased by the Fund in Clean Slate to be sent to the Fund Manager.

11. On or about October 20, 2011, \$32,000 was sent by wire transfer from a bank account maintained in Boston, Massachusetts, purportedly belonging to the Fund, to a corporate bank account of Clean Slate outside of Massachusetts. This wire transfer represented the second tranche of funding for Clean Slate.

12. On or about October 21, 2011, Haryman and R.G. caused \$16,000 to be sent by wire transfer from a corporate bank account of Clean Slate outside of Massachusetts to a bank account maintained in Boston, Massachusetts, purportedly belonging to one of the Fund Manager's nominee companies. This wire transfer represented Haryman and R.G.'s kickback to the Fund Manager from the second tranche of funding to Clean Slate.

13. On or about October 24, 2011, Haryman and R.G. caused phony invoices for consulting services that were never performed to be sent to the Fund Manager by electronic mail. These phony invoices related to the monies Haryman and R.G. caused to be kicked back to the Fund Manager on or about October 6, 2011, and October 21, 2011, respectively.

14. On or about October 28, 2011, Haryman and R.G. caused a stock certificate representing the additional shares purchased by the Fund in Clean Slate to be sent to the Fund Manager.

15. On or about November 2, 2011, Haryman and R.G. caused phony invoices for consulting services that were never performed to be sent to the Fund Manager by electronic mail. These phony invoices related to the monies Haryman and R.G. agreed to kick back to the Fund Manager from a proposed third tranche of funding for Clean Slate. This proposed third tranche of funding did not, ultimately, occur.

**D. VIOLATIONS**

1. As a result of the conduct described above, Haryman willfully violated Section 10(b) of the Exchange Act and Rule 10b-5(a) thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

**III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act including, but not limited to, disgorgement, and civil penalties pursuant to Section 21B of the Exchange Act; and

C. Whether, pursuant to Section 21C of the Exchange Act, Respondent should be ordered to cease and desist from committing or causing violations of and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, whether Respondent should be ordered to pay a civil penalty pursuant to Section 21B(a) of the Exchange Act, and whether Respondent should be ordered to pay disgorgement pursuant to Sections 21B(e) and 21C(e) of the Exchange Act.

**IV.**

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Brent J. Fields  
Secretary