

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 75802 / September 1, 2015**

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

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

**ORDER MAKING FINDINGS AND  
IMPOSING REMEDIAL SANCTIONS AND A  
CEASE-AND-DESIST ORDER PURSUANT  
TO SECTIONS 15(b) AND 21C OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**I.**

On June 1, 2015, the Securities and Exchange Commission (“Commission”) instituted public administrative and cease-and-desist proceedings pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Gerard Haryman (“Haryman” or “Respondent”).

**II.**

In response to 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 admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and consents to the entry of this Order Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Order”), as set forth below.

**III.**

On the basis of this Order and Respondent’s Offer, the Commission finds<sup>1</sup> that:

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<sup>1</sup> The findings herein are made pursuant to Respondent’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

## Summary

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.

## Respondent

1. Respondent, age 71, 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. Haryman 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.

## Other Relevant Entities and Individuals

2. 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 the OTC Link under the symbol “DRWN,” but the OTC Link website contains a warning that the company may not be making material information publicly available.

## Background

3. 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.

4. 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").

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

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

#### IV.

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

Accordingly, pursuant to Sections 15(b) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent Haryman shall cease and desist from committing or causing any violations and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Respondent Haryman 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.

By the Commission.

Brent J. Fields  
Secretary