

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 78591 / August 16, 2016

INVESTMENT ADVISERS ACT OF 1940
Release No. 4489 / August 16, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17397

In the Matter of

MICHAEL J. OPPENHEIM,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
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”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Michael J. Oppenheim (“Oppenheim” or Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which 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 the findings contained in Section III.3 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the

Investment Advisers Act of 1940, 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. Oppenheim was a Vice President and Private Client Advisor at a major New York financial institution (the “Bank”), where he provided banking, brokerage and investment advisory services to approximately 500 Bank customers, largely high net worth individuals. Oppenheim has been a registered investment adviser representative and a registered representative associated with the Bank’s affiliated registered broker-dealer. Oppenheim, 50 years old, is a resident of Livingston, New Jersey.

2. The Commission filed a complaint against Oppenheim in a civil action, captioned SEC v. Michael J. Oppenheim, et al., No. 15 Civ. 2957 (WHP), in the United States District Court for the Southern District of New York, charging him with violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act. The Commission’s complaint alleged that, in connection with his position as a Private Client Advisor, Oppenheim persuaded at least two customers, one of which was also an investment advisory client, to withdraw a total of over \$12 million out of their accounts on the promise that he would use the withdrawals to purchase safe and secure municipal bonds or a municipal bond fund for their accounts. Instead, Oppenheim used the clients’ money to buy himself cashier’s checks which he deposited into brokerage accounts he controlled. Oppenheim then used the funds to engage in risky options trading, losing substantially all of the money he had misappropriated from his clients.

3. On November 5, 2015, Oppenheim pled guilty to a criminal information in United States v. Michael Oppenheim, 15 Cr. 548 (AT) (S.D.N.Y.) that charged him with one count of embezzlement, in violation of 18 U.S.C. §§ 656 and 3571, and one count of securities fraud in violation of 15 U.S.C. §§ 78j(b) and 78ff, and 17 C.F.R. § 240.10b-5. He also consented to the entry of a preliminary order of forfeiture/money judgment, by which, as later amended, he agreed to forfeit \$20,185,225. On March 8, 2016, the court sentenced Oppenheim to 60 months in prison.

4. In connection with that plea, Respondent admitted that:

(a) beginning in 2008, he misappropriated more than \$20 million from the accounts of Bank clients; and

(b) he lied to Bank clients from whom he was misappropriating funds, telling some of them that he was moving their money from one low risk bond investment to another, when in fact he was moving their funds to his own trading account.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Oppenheim 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 Oppenheim 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.

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