

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10872 / October 8, 2020

SECURITIES EXCHANGE ACT OF 1934
Release No. 90110 / October 8, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-15211

In the Matter of

FRANCIS V. LORENZO,

Respondent.

**ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS AND
A CEASE-AND-DESIST ORDER
PURSUANT TO SECTION 8A OF THE
SECURITIES ACT OF 1933 AND
SECTIONS 15(b) AND 21C OF THE
SECURITIES EXCHANGE ACT OF 1934
AS TO RESPONDENT
FRANCIS V. LORENZO**

I.

On February 15, 2013, the Securities and Exchange Commission (“Commission”) instituted public administrative proceedings and cease-and-desist proceedings against Gregg C. Lorenzo (“Gregg Lorenzo”), Francis V. Lorenzo (“Frank Lorenzo”), and Charles Vista, LLC (“Charles Vista”) pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Sections 15(b), 21B, and 21C of the Securities Exchange Act of 1934 (“Exchange Act”). Respondents Gregg Lorenzo and Charles Vista previously settled this matter, and this proceeding is presently on remand to the Commission following *Lorenzo v. SEC*, 872 F.3d 578, 595-96 (D.C. Cir. 2017) and *Lorenzo v. SEC*, 139 S. Ct. 1094 (2019).

II.

Respondent Francis V. Lorenzo (“Respondent” or “Frank Lorenzo”) 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 consents to the entry of this Order Making Findings

and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933 and 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 the Offer, the Commission finds¹ that:

Findings

Order Instituting Proceedings

1. On February 15, 2013, the Commission instituted this proceeding against Respondents Gregg Lorenzo, Frank Lorenzo (no relation), and Charles Vista LLC (“Charles Vista”) by issuing an Order Instituting Proceedings (“OIP”). Charles Vista was a broker-dealer, registered with the Commission and controlled by Gregg Lorenzo. Frank Lorenzo, who was 51 at the time of the OIP, was a registered representative associated with Charles Vista, acting as an investment banker there. Frank Lorenzo held Series 7 and 63 licenses at Charles Vista.

2. The OIP alleged that, beginning in or about September 2009, Respondents made fraudulent misrepresentations to several customers of Charles Vista to induce them to invest in convertible debentures issued by a start-up waste management company called Waste2Energy Holdings, Inc. (“W2E”).² The OIP alleged that Frank Lorenzo sent at least two Charles Vista customers emails containing materially false and/or misleading statements concerning W2E’s assets and alleged contracts. Based on these allegations — as detailed in the OIP — the Division of Enforcement alleged that Frank Lorenzo violated Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder; and the Commission instituted these proceedings to determine whether the above allegations were true and what, if any, remedial action was appropriate and in the public interest against Respondents.

Procedural History

3. On December 31, 2013, after a two-day hearing (September 18-19, 2013), the Administrative Law Judge assigned to this proceeding issued an initial decision (“Initial Decision”). The Initial Decision found that Frank Lorenzo violated Securities Act Section 17(a) and Exchange Act Section 10(b) and Rule 10b-5 thereunder. *In the Matter of Gregg C. Lorenzo,*

¹ 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.

² The Commission previously issued an order accepting Respondents Gregg Lorenzo’s and Charles Vista’s offers of settlement.

et al., SEC Release No. 544, 2013 WL 6858820, at *1, 7 (Initial Decision Dec. 31, 2013). The Initial Decision further ordered that: (1) pursuant to Securities Act Section 8A and Exchange Act Section 21C(a), Frank Lorenzo cease and desist from committing or causing any violations or future violations of Securities Act Section 17(a) and Exchange Act Section 10(b) and Rule 10b-5 thereunder; (2) pursuant to Exchange Act Section 21B, Frank Lorenzo pay a \$15,000 civil money penalty; and (3) pursuant to Exchange Act Section 15(b), Frank Lorenzo be barred from associating with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, and from participating in an offering of penny stock. *Id.* at *10.

4. Frank Lorenzo petitioned the Commission for review of the Initial Decision and, on April 29, 2015, the Commission found that Frank Lorenzo had willfully violated Securities Act Section 17(a)(1), Exchange Act Section 10(b), and Rules 10b-5(a), (b), and (c) thereunder. *In the Matter of Francis V. Lorenzo*, SEC Release No. 9762, 2015 WL 1927763, at *10-11 (Commission Opinion Apr. 29, 2015). The Commission ordered the same relief as in the Initial Decision.³

5. Frank Lorenzo then petitioned the United States Court of Appeals for the District of Columbia Circuit for review of the Commission Order. On September 29, 2017, the D.C. Circuit granted in part Frank Lorenzo's petition, vacating the sanctions imposed by the Commission and remanding the case to the Commission for reconsideration regarding sanctions. *Lorenzo v. SEC*, 872 F.3d 578, 595-96 (D.C. Cir. 2017). In so ruling, the D.C. Circuit sustained the Commission's findings that Frank Lorenzo willfully violated Exchange Act Section 10(b), Rules 10b-5(a) and (c) thereunder, and Securities Act Section 17(a)(1). The D.C. Circuit did not sustain the Commission's finding that Frank Lorenzo violated Exchange Act Rule 10b-5(b). *Id.* at 588-89.

6. While these administrative proceedings were pending before the Commission on remand from the D.C. Circuit, Lorenzo petitioned the United States Supreme Court for review of the D.C. Circuit's judgment sustaining the Commission's finding that he had willfully violated Securities Act Section 17(a)(1), Exchange Act Section 10(b), and Rules 10b-5(a) and (c) thereunder. On March 27, 2019, the Supreme Court affirmed the judgment. *Lorenzo v. SEC*, 139 S. Ct. 1094 (2019). These proceedings are now before the Commission solely for reconsideration of sanctions against Frank Lorenzo.

7. The Commission considered Frank Lorenzo's financial situation in determining to accept his Offer.

³ On June 3, 2015, the Commission denied Frank Lorenzo's motion for reconsideration of the Commission's April 29 opinion. *In the Matter of Francis V. Lorenzo*, SEC Release No. 9803, 2015 WL 3505301 (Commission Order June 3, 2015).

IV.

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

Accordingly, pursuant to Section 8A of the Securities Act, and Sections 15(b) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent Frank Lorenzo cease and desist from committing or causing any violations and any future violations of Section 17(a)(1) of the Securities Act, and Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) thereunder;

B. Respondent Frank Lorenzo be, and hereby is:

- (1) suspended from association with any broker or dealer for a period of twelve months, effective on the second Monday following the entry of the Order; and
- (2) suspended from participating in any offering of a penny stock for a period of twelve months, effective on the second Monday following the entry of the Order, 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

Vanessa A. Countryman
Secretary