

herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph 2 of Section III below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, 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. Kleyman, age 80, resides in St. Paul, Minnesota. Kleyman has never held any securities licenses and is not registered with the Commission in any capacity. He was previously licensed to practice law in the state of Minnesota, but was disbarred on June 9, 2021. See In re Petition for Disciplinary Action against Howard S. Kleyman, File No. A20-1304 (Minn. Sup. Ct. 2020).

2. On August 30, 2021 the Commission filed a complaint against Kleyman in SEC v. Howard S. Kleyman (Civil Action No. 21-1943), in the United States District Court for the District of Minnesota. On October 8, 2021, the court entered an order permanently enjoining Kleyman by consent, from future violations of Sections 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The court's order also permanently enjoined Kleyman from directly or indirectly participating in, including acting as a paymaster in connection with, the issuance, offer, or sale of any security, including but not limited to bank guarantees, medium term notes, standby letters of credit, and similar instruments; provided, however, that this injunction shall not prevent Defendant from purchasing or selling securities listed on a national securities exchange for his own personal account.

3. The Commission's complaint alleged, among other things, that Kleyman facilitated a series of investments in prime bank schemes by acting as a paymaster for fraudulent transactions. As paymaster, Kleyman accepted at least \$1.22 million in investors' funds into his attorney IOLTA account. The investors' funds were advanced fees for the purchase or lease of fictitious bank instruments, such as standby letters of credit or bank guarantees, from a Panamanian company, The Hanson Group of Companies S.A., run by Harold Soto Boigues ("Soto"). Kleyman disbursed the investors' funds per Soto's instructions, without performing any inquiry into whether the investors had received the promised bank instruments or returns. Kleyman agreed to act as paymaster, and continued acting as paymaster for two years, despite multiple red flags indicating that the transactions were fraudulent.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice, effective immediately, that Kleyman is suspended from appearing or practicing before the Commission.

By the Commission.

Vanessa A. Countryman
Secretary