

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 34-105800 / June 29, 2026**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14957**

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<b>In the Matter of</b>	:	<b>ORDER PERMITTING ATTORNEY TO</b>
	:	<b>RESUME APPEARING AND</b>
Stephen J. Czarnik, Esq.	:	<b>PRACTICING PURSUANT TO RULE</b>
	:	<b>102(e) OF THE COMMISSION’S RULES</b>
Respondent	:	<b>OF PRACTICE</b>
	:	

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**I.**

On July 19, 2012, the Commission instituted this proceeding, pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice, and issued an Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, Making Findings and Imposing Remedial Sanctions (“Order”) that accepted Stephen J. Czarnik, Esq.’s (“Czarnik” or “Respondent”) offer of settlement and suspended him from appearing or practicing before the Commission as an attorney. *See In the Matter of Stephen J. Czarnik, Esq.*, Admin Proc. No. 3-14957 (July 19, 2012). The Commission’s Order was based on its findings that, on July 11, 2012, a final judgment was entered against Czarnik in the civil action entitled *SEC v. Stephen J. Czarnik* (Civil Action No. 10-CV-745) in the United States District Court for the Southern District of New York, permanently enjoining Czarnik, by consent, from future violations of Section 5 of the Securities Act of 1933 (“Securities Act”). In addition, Czarnik was barred from participating in an offering of penny stock for a period of five years and was permanently barred from providing professional legal opinions in connection with the offer or sale of securities claiming an exemption under Regulation D of the Securities Act. *Id.* Nothing in this order shall be construed as relieving Czarnik from complying with the terms of the July 11, 2012 Final Judgment in *SEC v. Stephen J. Czarnik*, Civil Action No. 10-CV-745 (SDNY). The Commission’s Order included a provision permitting Czarnik, three (3) years from the date of the Order, to request that the Commission consider his reinstatement by filing an application with the Office of the General Counsel. This matter is before the Commission on Czarnik’s application for reinstatement.

**II.**

Czarnik is an attorney licensed to practice in the State of New York.

The Commission filed an initial complaint against Czarnik on February 1, 2010. *SEC v. Stephen J. Czarnik*, Civ. Action No. 10-cv-745 (S.D.N.Y.). The Commission's complaint alleged, among other things, that, in 2007 and 2008, Czarnik and three stock promoters misused the Rule 504 exemption, adopted as part of Regulation D, 17 C.F.R. § 230.501 *et seq.*, to improperly exempt from registration certain limited offers and sales of securities that did not exceed \$1,000,000. Czarnik, acting as a lawyer, helped illegally procure from transfer agents unrestricted certificates by misrepresenting that the promoters were accredited investors who intended to buy and hold stock of small companies for investment purposes. In fact, their goal was to take the companies public and immediately offer stock for sale in the public market. Czarnik played an essential role in these offers, issuing bogus opinion letters predicated on the promoters' alleged representation to him that they were buy-and-hold investors.

On June 28, 2012, the Commission accepted an offer of settlement from Czarnik in which he consented, without admitting or denying the allegations in the complaint, to entry of a final judgment imposing a permanent injunction against violations of Sections 5(a) and 5(c) of the Securities Act. On July 6, 2012, Enforcement staff filed a motion for a consent judgment based on a third amended complaint filed simultaneously with the motion. On July 11, 2012, the Court entered a Final Judgment that: waived findings of fact and conclusions of law; waived any right to appeal; enjoined Czarnik from future violations of Section 5 of the Securities Act; and barred him from participating in an offering of penny stock for a period of five years.

On July 19, 2012, the Commission issued an Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings and Imposing Remedial Sanctions. The Order accepted Czarnik's offer of settlement and suspended Czarnik from appearing and practicing before the Commission for three years and stated that the Commission would consider an application for reinstatement provided that Czarnik was not subject to any suspension or disbarment by any court of the United States or of any state, territory, district, commonwealth, or possession, and that he had not been convicted of a felony or misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice.

### III.

On August 5, 2019, Czarnik filed an application for reinstatement to appear and practice before the Commission. His application included a supporting affidavit and a certificate of good standing from the appropriate Appellate Division, Office of Court Administration for the State of New York. In subsequent sworn affidavits and affirmation that Czarnik provided to Commission staff, he attested that he is not subject to any suspension or disbarment by any court of the United States or of any state, territory, district, commonwealth, or possession, that he has not been convicted of a felony or misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice and that he had complied with the Commission's Order.

Based on the information supplied and attestations made, and on the Commission staff's independent inquiry, it appears that Czarnik has met the conditions set forth in the Order. Among other things, Czarnik has sworn that, since entry of the Order, except for any actions concerning the conduct that was the basis for the Order: (i) he has complied with the Order; (ii) he has not

been subject to any suspension or disbarment of an attorney by any court of the United States or of any state, territory, district, commonwealth, or possession, and has not been convicted of a felony or a misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice; (iii) he has not been suspended or disbarred as an attorney, or convicted of a felony or misdemeanor involving moral turpitude since the Order; (iv) he has not transacted any business, including communications in any form, with the Commission since the Order; (v) he has not prepared any statement, opinion, or other paper filed with the Commission in any registration statement, notification, application, report, or other document since the Order; (vi) he has not provided advice in respect of the United States securities laws or the Commission's rules or regulations thereunder regarding any document that he had notice would be filed with or submitted to the Commission since the Order; and (vii) he has not advised an issuer as to whether information or a statement, opinion, or other writing is required under the United States securities laws or the Commission's rules or regulations thereunder to be filed with or submitted to, or incorporated into any document that will be filed with or submitted to the Commission since the Order. The Commission staff's inquiry has found no information to the contrary.

Moreover, since entry of the Order, no information has come to the attention of the Commission relating to Czarnik's character, integrity, professional conduct, or qualifications to practice before the Commission that would be a basis for an adverse action against him pursuant to Rule 102(e), or that otherwise indicates that reinstatement would not be in the public interest.

#### IV.

Based on the foregoing, the Commission has determined that it is appropriate to reinstate Czarnik to appear and practice as an attorney before the Commission.

Accordingly, it is HEREBY ORDERED that Stephen J. Czarnik, Esq., is hereby reinstated to appear and practice as an attorney before the Commission.

By the Commission.

Vanessa A. Countryman  
Secretary