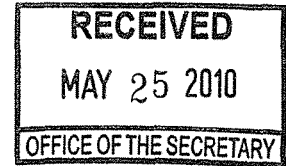


UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



In the Matter of

RONALD S. BLOOMFIELD,
ROBERT GORGIA, VICTOR LABI,
JOHN EARL MARTIN, SR., and
EUGENE MILLER,

Respondents.

ADMINISTRATIVE PROCEEDING
File No. 3-13871

**ANSWER OF RESPONDENTS RONALD S. BLOOMFIELD
AND JOHN EARL MARTIN SR.**

COMES NOW the Respondents **RONALD S. BLOOMFIELD AND JOHN EARL MARTIN SR.** (the "Answering Respondents") by and through their counsel of record, pursuant to Rule 220 of the Commission's Rules of Practice, to answer the allegations contained in the Order Instituting Administrative and Cease and Desist Proceedings herein (the "OIP") as follows:

I.

Answering paragraph II of the OIP by number, Answering Respondents admit, deny and allege as follows:

1. Admit that Ronald S. Bloomfield was a registered representative and the supervisor from July 2005 to May 2007 of an Office of Supervisory Jurisdiction ("OSJ") for Leeb Brokerage Services, Inc. ("Leeb") a brokerage firm registered with the Commission but are unable to obtain, sufficient information to admit or deny that Leeb is defunct. Deny that Bloomfield participated in offerings of penny stocks. Admit that Bloomfield, is 62 years old and a resident of Westlake Village, California.

2. Admit that Robert Gorgia was the Chief Compliance Officer at Leeb during the period February 2005 to July 2006. Admit that Gorgia supervised Bloomfield

but deny that such supervision included participation in offerings of penny stocks. Are unable to obtain, sufficient information to admit or deny that Gorgia is 60 years old or is a resident of Succasunna, New Jersey.

3. Are unable to obtain, sufficient information to admit or deny.

4. Admit that John Earl Martin, Sr. was a registered representative at Leeb from November 2004 to May 2007. Deny that Martin participated in offerings of penny stocks. Admit that Martin is 67 years old and is a resident of South Pasadena, California.

5. Admit that Eugene Spencer Miller was the President of Leeb during the period April 2004 to April 2007. Are unable to obtain, sufficient information to admit or deny the remainder of the allegations.

6. Admit that Leeb Brokerage Services, Inc., was a broker-dealer incorporated under New York law, with a main office in New York and an OSJ in California. Admit that Leeb was registered with the Commission from March 1999 to July 20, 2007, when the firm filed a Broker-Dealer Withdrawal form. Are unable to obtain, sufficient information to admit or deny that Leeb has not been dissolved, is not conducting business and is insolvent.

7. Deny.

8. (i) Are unable to obtain, sufficient information to admit or deny; (ii) admit they knew Leeb customers who were engaged in promotional activity in the stocks they were selling but deny that any such conduct was unlawful; (iii) admit that some customer representatives controlled more than one brokerage account for different entities but deny that any customers engaged in questionable trading behavior; (iv) lacking further identification of the referenced "offshore corporation", are unable to obtain, sufficient information to admit or deny.

9. Deny.

10. Deny.

11. Are unable to obtain, sufficient information to admit or deny.
12. Deny that Bloomfield and Martin failed to address whether they fulfilled their obligations under the Bank Secrecy Act to file Suspicious Activity Reports concerning their customers' conduct. Are unable to obtain, sufficient information to admit or deny the remainder of the allegations.
13. Deny.
14. Deny.
15. Deny.
16. Admit that Note II to Securities Act Rule 144(g)(3) reads substantially as quoted. Allege that the Rule and Notes thereto speak for themselves.
17. Admit that Leeb provided Answering Respondents from time to time with a "Low Priced Security Questionnaire" to be completed at the specific request of Leeb in connection with stocks identified by Leeb. Deny that Bloomfield and Martin failed to complete the questionnaires when requested. Are unable to obtain, sufficient information to admit or deny the remainder of the allegations.
18. Deny.
19. Are unable to obtain, sufficient information to admit or deny.
20. Admit that certain customers deposited shares of Equipment Systems Engineering, Inc. ("EQSE") at Leeb in early November 2005. Admit that Bloomfield and Martin sold shares of EQSE to the market from November 28, 2005 through January 27, 2006 in unsolicited brokers' transactions. Deny that any such sales were made without an exemption from registration. Are unable to obtain, sufficient information to admit or deny the remainder of the allegations.
21. Deny that Bloomfield and Martin failed to conduct a reasonable inquiry into the origin and ownership of the stock prior to selling the stock to the market. Deny

the existence of red flags. Deny that both Bloomfield and Martin knew that these customers were in the business of obtaining stock from issuers in exchange for promotional services. Are unable to obtain, sufficient information to admit or deny the remainder of the allegations.

22. Are unable to obtain, sufficient information to admit or deny.

23. Admit that in or about October 2006, a customer of Leeb deposited 3.75 million shares of EQSE at Leeb. Admit that Bloomfield and Martin sold shares of EQSE to the market from between December 1 and 8, 2006 in unsolicited brokers' transactions. Deny that any such sales were made without an exemption from registration. Are unable to obtain, sufficient information to admit or deny the remainder of the allegations.

24. Deny that Bloomfield and Martin failed to conduct a reasonable inquiry into the origin and ownership of the stock prior to selling the stock to the market. Deny the existence of red flags. Are unable to obtain, sufficient information to admit or deny the remainder of the allegations.

25. Admit that a Leeb customer deposited a certificate dated February 6, 2006 in its Leeb account. Are unable to obtain, sufficient information to admit or deny the remainder of the allegations.

26. Admit that on or about February 13, 2006, a Leeb customer received into its Leeb account 390,000 shares of GAPJ. Are unable to obtain, sufficient information to admit or deny the remainder of the allegations.

27. Admit that from February 24, 2006 to May 18, 2007, 1,170,000 shares of Golden Apple Oil and Gas, Inc. ("GAPJ") were sold to the public in unsolicited brokers' transactions. Deny that any such sales were made without an exemption from registration.

28. Deny that Bloomfield and Martin failed to conduct a reasonable inquiry into the origin and ownership of the stock prior to selling the stock to the market. Deny the existence of red flags. Are unable to obtain, sufficient information to admit or deny the remainder of the allegations.

29. Are unable to obtain, sufficient information to admit or deny.
30. Are unable to obtain, sufficient information to admit or deny.
31. Are unable to obtain, sufficient information to admit or deny.
32. Are unable to obtain, sufficient information to admit or deny.
33. Are unable to obtain, sufficient information to admit or deny.
34. Are unable to obtain, sufficient information to admit or deny.
35. Admit.
36. Are unable to obtain, sufficient information to admit or deny.
37. Are unable to obtain, sufficient information to admit or deny.
38. Are unable to obtain, sufficient information to admit or deny.
39. Are unable to obtain, sufficient information to admit or deny.
40. Are unable to obtain, sufficient information to admit or deny.
41. Are unable to obtain, sufficient information to admit or deny.
42. Are unable to obtain, sufficient information to admit or deny.
43. Admit that 31 C.F.R. § 103.19(a)(2) reads substantially as quoted. Allege that the Rule speaks for itself.
44. Admit that Exchange Act Rule 17a-8 states that every registered broker or dealer who is subject to the requirements of the Currency and Foreign Transactions Reporting Act of 1970 shall comply with the reporting, recordkeeping and record retention requirements of part 103 of title 31 of the Code of Federal Regulations. Allege that the Rule speaks for itself.
45. Allege that the term “Leeb’s Anti Money Laundering (“AML”) program”

is ambiguous and uncertain as to the elements of the “program” and as a consequence are unable to obtain, sufficient information to admit or deny.

46. Allege that the term “Leeb’s Anti Money Laundering (“AML”) program” is ambiguous and uncertain as to the elements of the “program” and as a consequence are unable to obtain, sufficient information to admit or deny. Admit that Bloomfield testified that he was the “first line of defense” for AML-related duties at the OSJ. Are unable to obtain, sufficient information to admit or deny the remainder of the allegations.

47. Are unable to obtain, sufficient information to admit or deny the allegation that during the Relevant Period, the Bloomfield and Martin customers who engaged in the EQSE transactions controlled accounts at Leeb that delivered in more than 65 different penny stocks that had been obtained in private transactions, and sold those stocks to the public for approximately \$20.5 million. Are unable to obtain, sufficient information to admit or deny the allegation that in addition to the specific trading activity described above by these customers, the accounts controlled by these customers and their transaction histories were suspicious in many respects. Deny that Bloomfield or Martin were aware one of the accounts was in the name of a stock promotion entity that was compensated for its services by receiving stock from issuer clients. Are unable to obtain, sufficient information to admit or deny the remaining allegations of this paragraph.

48. Are unable to obtain, sufficient information to admit or deny.

49. Are unable to obtain, sufficient information to admit or deny.

50. Are unable to obtain, sufficient information to admit or deny.

51. Are unable to obtain, sufficient information to admit or deny.

52. Deny that the information on the transactions available to Answering Respondents was suspicious and that Answering Respondents should have caused Leeb to file SARs. Are unable to obtain, sufficient information to admit or deny the remainder of the allegations.

53. Deny that Bloomfield or Martin willfully violated Sections 5(a) and 5(c)

of the Securities Act. Are unable to obtain, sufficient information to admit or deny the remainder of the allegations.

54. Are unable to obtain, sufficient information to admit or deny.

55. Deny that Bloomfield or Martin and Miller willfully aided and abetted and caused violations of Section 17(a) of the Exchange Act and Rule 17a-8 thereunder. Are unable to obtain, sufficient information to admit or deny the remainder of the allegations.

II

As and for a First Affirmative Defense to the OIP, Answering Respondents allege an inability to pay disgorgement, interest or a penalty and request the opportunity to present evidence of an inability to pay in determining whether disgorgement, interest or a penalty is in the public interest.

WHEREFORE, Answering Respondents pray:

A. That Answering Respondents be afforded an opportunity to establish their defenses to the allegations set forth in Section II of the OIP;

B. That it be determined that no remedial action is appropriate in the public interest against Answering Respondents pursuant to Section 15(b) of the Exchange Act including, but not limited to, disgorgement and civil penalties pursuant to Section 21B of the Exchange Act;

C. That it be determined that, pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Answering Respondents should not be ordered to cease and desist from committing or causing violations of Sections 5(a) and 5(c) of the Securities Act, Section 17(a) of the Exchange Act and Rule 17a-8 thereunder, nor ordered to pay disgorgement pursuant to Section 8A(e) of the Securities Act and Section 21C(e) of the Exchange Act.

D. For such other and relief as the Administrative Law Judge shall deem appropriate.

Dated: May18, 2010

Respectfully submitted,

/s/ Robert B. Martin Jr.

Robert B. Martin Jr.
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