



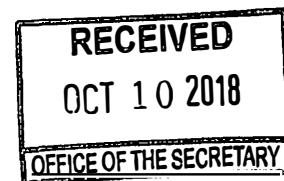
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
PHILADELPHIA REGIONAL OFFICE
ONE PENN CENTER
1617 JFK BLVD., STE. 520
PHILADELPHIA, PENNSYLVANIA 19103

JOHN V. DONNELLY III
SENIOR TRIAL COUNSEL
(215) 861-9670
Donnellyj@sec.gov

October 9, 2018

Via Facsimile

Honorable Cameron Elliot
Administrative Law Judge
Office of Administrative Law Judges
U.S. Securities and Exchange Commission
100 F. Street, N.E.
Washington, DC 20549



Re: In the Matter of Gregory Reyftmann, Admin. Proc. File No. 3-17959

Dear Judge Elliot:

Per Your Honor's Order on September 18, 2018, we write to notify Your Honor that Respondent Gregory Reyftmann has not contacted the Division of Enforcement in connection with this matter. On September 20, 2018, the Division of Enforcement sent Reyftmann notice of the September 18 Order via Federal Express International Delivery and requested that he contact the undersigned on or before October 5, 2018 to discuss a joint proposal for further proceedings. A true and correct copy of the September 20, 2018 letter from John Donnelly to Gregory Reyftmann and the enclosures thereto are attached as Exhibit 1. A true and correct copy of the proof of mailing is attached as Exhibit 2. The mailing was delivered to Reyftmann's address on September 24, 2018, where it was signed for by M. Reyftmann. A true and correct copy of the proof of delivery is attached as Exhibit 3. However, Reyftmann has not contacted the Division of Enforcement.

Accordingly, the Division of Enforcement submits the following requests as its proposal. First, based on the Division of Enforcement's prior submissions regarding service of the Order Instituting Administrative Proceedings, specifically the Declaration of John Donnelly filed May 26, 2017 and the Second Declaration of John Donnelly dated June 23, 2017 and the attachments thereto, that Your Honor find that Reyftmann was served with the Order Instituting Administrative Proceedings. And, second, based on the prior submission of the Motion for Default and Sanctions Pursuant to Rule 155 of the Commission Rules of Practice, filed August 11, 2017, that Your Honor issue a default judgment against Reyftmann, granting the requested relief—barring Respondent from association with any broker or dealer and from participating in the offer of any penny stock.

Pursuant to the September 18 Order, the undersigned confirms that he is available at Your Honor's convenience for a telephonic conference during the period October 15 to October 26, 2018.

Respectfully submitted,

A handwritten signature in black ink that reads "John V. Donnelly III / CRK". The signature is written in a cursive style with a clear, legible font.

John V. Donnelly III

Enclosures

cc: Gregory Reyftman (via Federal Express International Delivery)

EXHIBIT 1



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
PHILADELPHIA REGIONAL OFFICE
ONE PENN CENTER
1617 JFK BLVD., STE. 520
PHILADELPHIA, PENNSYLVANIA 19103

JOHN V. DONNELLY III
SENIOR TRIAL COUNSEL
(215) 861-9670
Donnellyvj@sec.gov

September 20, 2018

Via Federal Express International

Mr. Gregory Reyftmann
9 Avenue Jean Baptiste Charcot
34740 Vendargues
France

Re: In the Matter of Gregory Reyftmann, Admin. Proc. File No. 3-17959

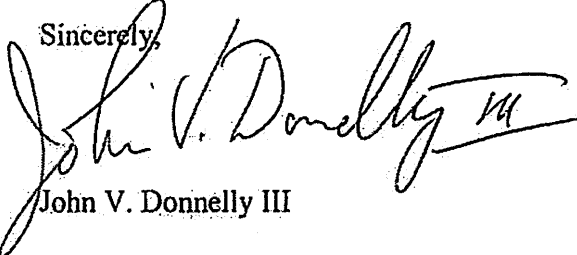
Dear Mr. Reyftmann:

I am an attorney with the United States Securities and Exchange Commission and write regarding the above matter. On August 22, 2018, the Securities and Exchange Commission vacated orders issued in certain administrative proceedings, including the matter identified above in which you are the respondent. For your convenience, a copy of that order is enclosed. On September 12, 2018, Chief Administrative Law Judge Murray issued an order transferring this matter to Administrative Law Judge Elliott for further proceedings. A copy of that order is also enclosed. On September 18, 2018, Administrative Law Judge Elliott issued an order requiring the parties to meet and confer regarding a schedule for this matter (the "September 18 Order"). A copy of the September 18 Order is enclosed as well. Pursuant to the September 18 Order, as soon as possible, please contact me to discuss this matter and a proposed schedule to submit jointly to Administrative Law Judge Elliott. My phone number, email address, and mailing address are in the header at the top of this letter. If I do not hear from you by October 5, 2018, I will so advise the Administrative Law Judge.

For your convenience, a courtesy copy of the Order Instituting Proceedings, In the Matter of Gregory Reyftmann, dated May 1, 2017, is enclosed.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, reading "John V. Donnelly III". The signature is written in a cursive style with a prominent initial "J" and a long horizontal flourish at the end.

John V. Donnelly III

Enclosures

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 80568 / May 1, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17959

In the Matter of

GREGORY REYFTMANN,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND NOTICE OF HEARING**

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") against Gregory Reyftmann ("Respondent" or "Reyftmann").

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From February 2005 until June 2010, Reyftmann was a registered representative associated with Linkbrokers Derivatives LLC ("Linkbrokers"), a broker-dealer registered with the Commission. Reyftmann has not been associated with a registered entity since his voluntary separation from Linkbrokers in 2010. At all relevant times, Reyftmann held Series 7, 24, 55 and 63 licenses, and he obtained his Series 24 license on January 21, 2009. Reyftmann, 43 years old, currently resides in France.

B.e OTHER RELEVANT ENTITIES AND INDIVIDUALS

1. **Linkbrokers**, a Delaware limited liability company formed in 2002, was a broker-dealer registered with the Commission from 2003 to September 2014, with its principal place of business in New York, New York. On August 14, 2014, the Commission accepted Linkbrokers' Offer of Settlement and instituted administrative and cease-and-desist proceedings, pursuant to Sections 15(b) and 21C of the Exchange Act, ordering that Linkbrokers (1) cease and desist from committing or causing any violations and any future violations of Section 15(c) of the Exchange Act, (2) is censured, and (3) pay disgorgement of \$14,000,000 to the Commission. In the Matter of Linkbrokers Derivatives LLC, File No. 3-16017 (Aug. 14, 2014).

2.e **Benjamin Chouchane** ("Chouchane"), 42 years old, was a registered representative who acted as a sales broker at Linkbrokers from February 2005 until December 2010. On June 12, 2013, he pled guilty in a criminal case arising from the same conduct discussed herein, United States v. Leszczynski, No. 12-cr-00923 (S.D.N.Y.). On November 14, 2013, he was sentenced to twenty-four months imprisonment, two years of supervised release, and was ordered to pay \$5 million in restitution. On January 14, 2014, a final judgment was entered by consent against Chouchane, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and ordering him to pay \$2,449,577 in disgorgement and prejudgment interest, in the related case SEC v. Leszczynski, et al., Civil Action No. 12-cv-07488 (S.D.N.Y.). The Commission subsequently accepted Chouchane's Offer of Settlement and instituted administrative proceedings, pursuant to Section 15(b) of the Exchange Act, ordering that Chouchane be barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent, and from participating in any offering of a penny stock. In the Matter of Benjamin Chouchane, File No. 3-15739 (Feb. 4, 2014).

3.e **Marek Leszczynski** ("Leszczynski"), 46 years old, was a registered representative who acted as a sales broker at Linkbrokers from March 2005 until December 2010. On August 20, 2013, he pled guilty in a criminal case arising from the same conduct discussed herein, United States v. Leszczynski, No. 12-cr-00923 (S.D.N.Y.). During his allocution when pleading guilty for his role in the scheme, Leszczynski stated under oath that Reyftmann instructed him on how to add markups to trades placed for customers. On January 30, 2014, he was sentenced to eighteen months imprisonment, two years of supervised release, and ordered to pay \$1.5 million in restitution. On January 14, 2014, a final judgment was entered by consent against Leszczynski, permanently enjoining him from future violations of Section 17(a) of the Securities Act, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and ordering him to pay \$1.5 million in disgorgement, in the related case SEC v. Leszczynski, et al., Civil Action No. 12-cv-07488 (S.D.N.Y.). The Commission subsequently accepted Leszczynski's Offer of Settlement and instituted administrative proceedings, pursuant to Section 15(b) of the Exchange Act, ordering that Leszczynski be barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent, and from participating in any offering of a penny stock. In the Matter of Marek Leszczynski, File No. 3-15738 (Feb. 4, 2014).e

4.e Henry A. Condrón (“Condrón”), 37 years old, was a registered representative who acted as a sales trader and middle-office assistant at Linkbrokers from February 2005 until October 2010. On October 5, 2012, he pled guilty in a criminal case arising from the same conduct discussed herein, United States v. Condrón, No. 12-cr-768 (S.D.N.Y.). On February 20, 2014, he was sentenced to serve 18 months of probation and pay \$207,675 in restitution. On January 14, 2014, a final judgment was entered by consent against Condrón, permanently enjoining him from future violations of Section 17(a) of the Securities Act, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and ordering him to pay \$207,675 in disgorgement and prejudgment interest, in the related case SEC v. Leszczynski, et al., Civil Action No. 12-cv-07488 (S.D.N.Y.). The Commission subsequently accepted Condrón’s Offer of Settlement and instituted administrative proceedings, pursuant to Section 15(b) of the Exchange Act, ordering that Condrón be barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent, and from participating in any offering of a penny stock. In the Matter of Henry Condrón, File No. 3-15740 (Feb. 4, 2014).

5. Aaron Nowak (“Nowak”), 37 years old, was a registered representative who acted as a sales trader and middle-office assistant at Linkbrokers from November 2004 until April 2011. On December 11, 2015, the Commission accepted Nowak’s Offer of Settlement and instituted administrative and cease-and-desist proceedings, pursuant to Section 8A of the Securities Act, Section 15(b) of the Exchange Act, and Section 9(b) of the Investment Company Act of 1940, ordering that Nowak (1) cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) and (3) of the Securities Act, (2) be barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent; prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter, and barred from participating in any offering of a penny stock, with the right to apply for reentry after three years, and (3) pay a civil money penalty of \$5,000 to the Commission. In the Matter of Aaron Nowak, File No. 3-16999 (Dec. 11, 2015).

C. ENTRY OF THE INJUNCTION

1.e On October 5, 2012, the Commission filed a complaint in the United States District Court for the Southern District of New York against Reyftmann and others concerning the same conduct described below. Securities and Exchange Commission v. Marek Leszczynski, et al., Civil Action Number 1:12-cv-7488.

2.e On February 9, 2015, a final judgment by default was entered against Reyftmann, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

3.e The allegations in the Commission’s complaint covered the same conduct as the allegations contained herein. Reyftmann failed to appear in the civil action and has not

acknowledged any wrongdoing or offered any assurances against future violations of the securities laws.

D.e FRAUDULENT MARKUP/MARKDOWN SCHEME

1.e From at least 2005 through at least February 2009 (the “relevant period”),**e** Reyftmann and others perpetrated a fraudulent markup/markdown scheme by falsifying trade execution prices and embedding hidden markups or markdowns on over 36,000 customer transactions. Through this fraudulent scheme, Reyftmann and other Linkbrokers employees involved in the scheme defrauded customers of \$18.7 million.

2.e During the relevant period, Linkbrokers acted as an interdealer brokere predominately for market counterparties and institutional customers dealing in equities and fixed income products. Linkbrokers acted as an agent on behalf of its customers and consistently marketed and advertised itself as an agency-only business, meaning Linkbrokers did not trade as a principal in its own account. Linkbrokers executed large volumes of securities trades on behalf of customers for low commissions. According to Linkbrokers’ internal records it was to charge its customers flat commission rates between \$0.005 and \$0.02 per share.

3.e Reyftmann was the head of Linkbrokers’ “Cash Desk” during the relevante period, and Chouchane and Leszczynski were sales brokers on the Cash Desk. Reyftmann, Chouchane and Leszczynski were responsible for finding customers, developing relationships, and taking orders from customers to purchase and sell securities on their behalf. Reyftmann led the fraudulent scheme and urged and encouraged others on the Cash Desk to participate in it. Condron and Nowak served as “middle-office assistants” who maintained and updated Linkbrokers’ internale “trade blotter,” which was a software-generated spreadsheet that contained detailed information about trades executed by the Cash Desk. The trade blotter contained three separate price fields: (1) the actual execution price received by Linkbrokers; (2) the gross price—the price that included an undisclosed markup/markdown; and (3) the net price—the gross price plus the agreed upon commission.

4.e The undisclosed markup/markdown scheme generally worked as follows.**e** Reyftmann or another sales broker involved in the scheme (Chouchane or Leszczynski) would receive a customer order either by telephone, instant message, or email. The sales broker would give the order to a sales trader, who executed the trade. After the order was executed, a middle-office assistant recorded the actual execution price on the trade blotter and informed the sales broker of the execution. Shortly after the trade was executed, Reyftmann or another sales broker involved in the scheme examined other market executions in or around the time of the actual execution, to determine whether there was any stock price fluctuation. If there was sufficient stock price fluctuation at the time of the trade sufficient to conceal the fraud from the customer, the sales broker instructed the middle-office assistant to record a false execution price in the gross price field on the internal trade blotter. The middle-office assistant and/or the sales broker then reported the gross price (*i.e.* the false execution price) to the customer as the actual execution price, and tacked on the agreed-upon commission to arrive at the net price. The customers thus paid not only the

agreed-upon commission charged, but also the fraudulent secret profit that Reyftmann or one of his cohorts embedded in the price they reported to the customer as the actual trade price.

5. For example, on February 3, 2005 at 9:44 a.m., a customer sent Reyftmann an email placing an order to sell short 16,000 shares of Mercury Interactive Corp. (“MERQ”). Linkbrokers then executed the trade, short-selling 16,000 shares of MERQ on the customer’s behalf at \$47.6390 per share. The trade blotter reflected an execution price of \$47.6390, a gross price of \$47.5390, and a net price of \$47.5290. At 9:57 a.m., Reyftmann emailed the customer a trade recap confirming the trade at the false execution price of \$47.5390 per share. The commission for this transaction was \$0.01 per share, resulting in a total commission of \$160 for this trade, which Linkbrokers charged the customer. However, Reyftmann failed to disclose the additional fraudulent markdown of \$1,600.

6. Reyftmann knew that the prices and/or commissions that he, the other participants in the scheme, and Linkbrokers reported to their customers were false because he knew the prices at which the transactions were actually executed were different from the gross prices reported to the customers, and because he and the others involved in the scheme created the fictitious gross prices themselves.

7. Reyftmann also knew that the purpose of reporting the gross price to customers as the actual execution prices was to take a secret profit for Linkbrokers above the agreed-upon commission. On February 7, 2005, Reyftmann, Condrón and others received an email from an officer of Linkbrokers’ parent company explaining that the additional gross price field on the trade blotter was necessary “for those trades that you do where you can actually execute the trade at a better price than you agree with the client (i.e. where you can make a couple of cents even before you’ve added in the commission).” In other emails, an IT specialist described to Reyftmann, among others, that Linkbrokers’ proprietary software has two different commission fields—one for actual total commission charged and one for the commission amount that would be provided to the customer. Reyftmann also received an email in which Condrón requested that the IT specialist ensure that the customer will “never see the execution price” on any customer statements or trade confirmations.

8. Reyftmann and the others involved in the fraud ensured the scheme was difficult for customers to detect by selectively engaging in it only when the volatility in the market was sufficient to conceal the fraud.

E. FRAUDULENT LIMIT ORDER PROFIT-STEALING SCHEME

1. At times during the relevant period, Reyftmann and some of his colleagues employed a second scheme to defraud customers. Specifically, at times, when a customer placed a limit order and there was a favorable intraday movement in the price of the security, Reyftmann instructed others to take advantage of favorable intraday price movements to steal a piece of a profitable customer trade.

2.e A “limit order” refers to an order to buy or sell a security at a specific price or better. For example, a customer could place a limit order to buy 100 shares of ABC stock at a price not greater than \$10.00 per share. If the broker can fill the order at that price or better, it should do so. But if the price of ABC stock is above the price specified by the customer in the limit order, the shares will not be purchased.

3.e The limit order scheme was conducted as follows. When a customer placed a limit order, a member of the Cash Desk would execute it in full. Instead of reporting the full transaction to the customer, however, Reyftmann would look for an opportunity to buy or sell the same stock at a better price than the price at which the customer’s trade was executed. When such a circumstance arose, Reyftmann instructed the sales trader to either buy back some shares at the now-lower price or resell some shares at the now-higher price, and keep the profit. Then Reyftmann instructed members of the Cash Desk to falsely report to the customer that they were only able to execute a portion of the limit order at the requested price. They did not disclose to their customers that they had improperly bought back or sold a portion of the full order for their own benefit.

4.e For example, on April 26, 2007 from 2:48 p.m. until 2:49 p.m., Linkbrokerse executed a customer’s order to sell 22,576 shares of Qualcomm, Inc. (“QCOM”) at an average price of \$45.7500. At 3:41 p.m., Linkbrokers bought back 3,000 shares—shares that should have been allocated to the customer—for an average price of \$45.3500. At 4:30 p.m. a member of the Cash Desk falsely reported to the customer that Linkbrokers was only able to sell 19,576 shares for the customer and was not able to fill the remaining shares ordered by the customer. At 4:40 p.m., despite having sold 22,576 shares, Linkbrokers allocated sell executions representing only 19,576 shares of QCOM to its customer for a gross execution price of \$45.7500 per share. Linkbrokers recognized an additional secret profit of approximately \$1,200 on the purchase of the 3,000 shares. Linkbrokers did not inform the customer of its sale of 3,000 QCOM shares that should have been allocated to the customer. Instead, Linkbrokers only disclosed that it received a commission of \$135.07 on the customer’s sale of 19,576 shares.

5. Reyftmann and the other participants in the scheme knew that they were making misstatements to the customer when they represented, either orally or in writing, that they had been unable to fill a particular limit order in its entirety, since they were aware that the order had initially been fully executed.

F. REYFTMANN PROFITED FROM THE FRAUDULENT SCHEMES

1.e Reyftmann and the other Linkbrokers’ employees involved in the fraud used these two fraudulent schemes to steal from customers on over 36,000 customer transactions placed through the Cash Desk over a period of more than four years. Overall, approximately 40% of the revenue generated from trading on the Cash Desk during the relevant period was attributable to the fraudulent schemes, for a total of \$18.7 million in fraudulent profits.

2. Reyftmann's compensation was directly tied to the Cash Desk's gross revenue. Reyftmann received substantial performance bonuses because he and others substantially increased revenue through the fraudulent schemes described above. As set forth in the table below, Reyftmann realized over \$3 million in ill-gotten gains from the fraudulent schemes. This amount was calculated by multiplying the bonus Reyftmann received for a particular year by the percentage of the profits of the Cash Desk attributable to the fraudulent schemes during that year:

Year	Reyftmann's Bonus	Percentage of Cash Desk's Revenue Attributable to the Fraud	Reyftmann's Ill-gotten Gains From the Fraud
2005	\$992,098	39%	\$386,918
2006	\$1,284,383	51%	\$655,035
2007	\$2,407,288	28%	\$674,040
2008	\$3,451,947	42%	\$1,449,817
2009	\$1,820,759	0.4%	\$7,283
TOTAL of Reyftmann's Ill-gotten Gains			\$3,181,068

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

- A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;
- B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act;
- C. Whether, pursuant to Section 15(b) of the Exchange Act, it is appropriate and in the public interest to bar Respondent from participating in any offering of 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.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served upon Respondent as provided for in Rule 141(a)(2)(iv) of the Commission's Rules of Practice, 17 C.F.R. § 201.141(a)(2)(iv).

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 75 days from the occurrence of the following events, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice: (1) the completion of post-hearing briefing in a proceeding where the hearing has been completed; or (2) the completion of briefing on a § 201.250 motion in the event the hearing officer has determined that no hearing is necessary; or (3) the determination by the hearing officer that, pursuant to § 201.155, a party is deemed to be in default and no hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Brent J. Fields
Secretary

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10536 / August 22, 2018

SECURITIES EXCHANGE ACT OF 1934
Release No. 83907 / August 22, 2018

INVESTMENT ADVISERS ACT OF 1940
Release No. 4993 / August 22, 2018

INVESTMENT COMPANY ACT OF 1940
Release No. 33211 / August 22, 2018

In re:
Pending Administrative Proceedings

ORDER

On November 30, 2017, we ratified the appointments of Chief Administrative Law Judge Brenda Murray and Administrative Law Judges Carol Fox Foelak, Cameron Elliot, James E. Grimes, and Jason S. Patil to the office of administrative law judge in the Securities and Exchange Commission.¹ In an abundance of caution and for avoidance of doubt, we today reiterate our approval of their appointments as our own under the Constitution.

In light of the Supreme Court's decision in *Lucia v. SEC*,² we previously stayed any pending administrative proceeding initiated by an order instituting proceedings that commenced the proceeding and set it for hearing before an ALJ, including any such proceeding currently pending before the Commission.³ We now find it prudent to allow the stay to expire effective today, August 22, 2018.

With respect to any such proceeding currently pending before an ALJ or the Commission, we order that respondents be provided with the opportunity for a new hearing before an ALJ who did not previously participate in the matter. We remand all proceedings currently pending before the Commission to the Office of Administrative Law Judges for this purpose and vacate any

¹ Order, Exchange Act Release No. 82178, 2017 WL 5969234 (Nov. 30, 2017); see also *SEC Ratifies Appointment of Administrative Law Judges*, <https://www.sec.gov/news/press-release/2017-215> (Nov. 30, 2017).

² 138 S. Ct. 2044 (2018).

³ Order, Exchange Act Release No. 83675, 2018 WL 3494802 (July 20, 2018); Order, Exchange Act Release No. 83495, 2018 WL 3193858 (June 21, 2018).

prior opinion we have issued in the matter. A list of matters is attached as Exhibit A. In these matters, as well as the matters currently pending before an ALJ, we direct the conduct of further proceedings consistent with this order and the Court's decision in *Lucia v. SEC*. The ALJs are directed to notify the parties in the cases pending before them of this order.

Any pending deadlines in each administrative proceeding currently pending before an ALJ or remanded to the Office of Administrative Law Judges, as described above, are hereby vacated and superseded by the procedures and deadlines set forth in this order. In each such proceeding, absent express agreement by the parties regarding alternative procedures, the Chief Administrative Law Judge shall by rotation to the extent practicable designate an ALJ who did not previously participate in the matter to be the presiding hearing officer.⁴ Any agreement by the parties regarding alternative procedures shall be submitted to the Chief Administrative Law Judge by September 7, 2018. In all cases, assignments shall be made no later than September 21, 2018.

The assigned ALJ shall exercise the full powers conferred by the Commission's Rules of Practice and the Administrative Procedure Act and shall not give weight to or otherwise presume the correctness of any prior opinions, orders, or rulings issued in the matter.⁵ Within 21 days of being assigned to the proceeding, the ALJ shall issue an order directing the parties to submit proposals for the conduct of further proceedings. After considering the parties' submissions, the ALJ shall hold a new hearing and prepare an initial decision; but if a party fails to submit a proposal, the ALJ may enter a default against that party pursuant to Rule of Practice 155 or impose another appropriate sanction under Rule of Practice 180.⁶

The Rules of Practice as amended on July 13, 2016 shall govern all pending proceedings,⁷ unless the presiding ALJ determines, after giving the parties notice and an

⁴ 17 C.F.R. § 200.30-10(a)(2).

⁵ *E.g.*, Rule of Practice 111, 17 C.F.R. § 201.111; 5 U.S.C. § 556.

⁶ 17 C.F.R. §§ 201.155, .180.

⁷ In proceedings instituted before the effective date of the amended Rules of Practice, the Commission directed the ALJ to issue an initial decision within 120, 210, or 300 days of service of the OIP; for purposes of applying the amended Rules of Practice to such proceedings, they shall be deemed proceedings under the 30-, 75-, or 120-day timeframes, respectively, as specified in Rule of Practice 360(a)(2). In all proceedings, the ALJ shall compute the deadlines for scheduling a hearing and issuing an initial decision as specified in amended Rule of Practice 360(a)(2) from the date the proceeding is assigned to a hearing officer pursuant to this order, rather than the date of service of the relevant order instituting proceedings. The deadlines stated in this order confer no procedural or substantive rights on any party, and the presiding ALJ may, for good cause shown, modify any of them, including the date by which the initial decision must be issued. This grant of authority allowing the presiding ALJ to modify the deadlines stated in

(footnote continued . . .)

opportunity to be heard, that application of a particular amended rule in a proceeding instituted prior to their effective date would not be just and practicable or otherwise would work a manifest injustice under the circumstances of that case, in which case the former rule applies.

This order does not preclude the Commission from assigning any proceeding to the Commission itself or to any member of the Commission at any time.

By the Commission.

Brent J. Fields
Secretary

Lynn M. Powalski
By: Lynn M. Powalski
Deputy Secretary

(... continued)

this order supersedes the provisions in Rule of Practice 360(a)(3)(i) and (ii) governing the circumstances under which the deadlines to issue initial decisions may be extended.

Exhibit A

A.C. Simmonds, et al., File No. 3-17999e
Accelerated Acquisition XVII, et al., File No. 3-18146e
Aervision Holdings, Inc., et al., File No. 3-18199e
Affirmative Insurance Holdings, Inc., Armada Oil, Inc., and Chuma Holdings, Inc.,
File No. 3-18378
AFN, Inc., et al., File No. 3-17743
Alexandre S. Clug, File No. 3-16318
Altovida Inc., et al., File No. 3-18104
American Magna Corp., et al., File No. 3-18105
American-Swiss Capital, Inc., et al., File No. 3-18156
Andrew Stitt, File No. 3-17621
Anthony C. Zufelt, File No. 3-17907
ARX Gold Corporation, File No. 3-18185
Atomic Paintball, Inc., et al., File No. 3-17991
Aurios, Inc., et al., File No. 3-18092
Axesstel, Inc., File No. 3-17941
Axiom Oil & Gas Corp., et al., File No. 3-18096
Balqon Corporation, et al., File No. 3-18095
Baltia Air Lines, Inc., Graphite Corp., and 24Holdings, Inc., File No. 3-18472
Barbara Duka, File No. 3-16349
Bioelectronics Corp., Ibex, LLC, St. John's, LLC, Andrew J. Whelan, and Kelly A. Whelan,
File No. 3-17104
BioPharma Manufacturing Solutions Inc., et al., File No. 3-18148
Biovest International, Inc., et al., File No. 3-17935
Bluforest, Inc., File No. 3-17558
Bohai Pharmaceuticals Group Inc., File No. 3-18151
BOLDFACE Group, Inc., et al., File No. 3-18103
Brian Michael Berger, File No. 3-18129
Canso Enterprises Ltd., et al., File Nos. 3-17984, 17985, 17986, 17987, 17988, 17989
CellCyte Genetics Corp., File No. 3-18141
Century Acquisition Corp. and Eastern Acquisition Corp., File No. 3-18162
Chile Mining Technologies Inc., File No. 3-18174
China Du Kang Co., Ltd., File No. 3-18106
China Fruits Corp., et al., File No. 3-18017
China Greenstar Corporation, et al., File No. 3-18097
China Hefeng Rescue Equipment, Inc., et al., File No. 3-18179
Christopher M. Gibson, File No. 3-17184
Cibolan Gold Corporation, File No. 3-18077
Circle Star Energy Corp. and Energy Holdings International, Inc., File No. 3-18142
CNK Global, Inc. (a/k/a American Life Holding Co., Inc.), File No. 3-18082
Cono Italiano, Inc., et al., File No. 3-18177
Core Resource Management, Inc., et al., File No. 3-18079
Creator Capital Ltd., File No. 3-18189
David F. Bandimere, File No. 3-15124
Dearborn Bancorp, Inc., File No. 3-18223

dELIA*s Inc. and Global Energy, Inc., File No. 3-18037
Demitrios Hallas, File No. 3-18229
Diane Dalmy, File No. 3-16339
Digital Brand Media & Marketing Group, Inc., File No. 3-17990
e.Digital Corp., and Liberty Coal Energy Corp., File No. 3-18475e
Edward M. Daspin, File No. 3-16509
Energy Edge Technologies Corp. and Focus Gold Corp., File No. 3-18038
Engage Eco Solutions, Inc., et al., File No. 3-18191e
Evolucia, Inc. and OSL Holdings, Inc., File No. 3-18014
E-Waste Systems, Inc., File No. 3-18107
Frank Chiappone, Andrew G. Guzzetti, William F. Lex, Thomas E. Livingston, Brian T. Mayer, e
and Philip S. Rabinovich, File No. 3-15514
Fu Lu Cai Productions Ltd. and Heavy Earth Resources, Inc., File No. 3-18173
Gamzio Mobile, Inc., File No. 3-18170
Gary C. Snisky, File No. 3-17645
GC China Turbine Corp., File No. 3-16604
Geoglobal Resources, Inc. and USA Synthetic Fuel Corp., File No. 3-18153
Gerardo E. Reyes, File No. 3-18126
GL Capital Partners, LLC and GL Investment Services, LLC, File No. 3-17818 and 17819
GO EZ Corporation, et al., File No. 3-18204
Gregory Reyftmann, File No. 3-17959
GS Enviroservices, Inc., et al., File No. 3-17977
Guardian 8 Holdings, et al., File No. 3-18221
Hall Tees, Inc., et al., File No. 3-18155
Hampshire Group, Limited, File No. 3-18201
Hedgebrook, JayHawk Energy, Inc., and Rubicon Financial, Inc., File No. 3-18484
Hui Feng and Law Offices of Feng & Associates, P.C., File No. 3-18209
Hydrogen Future Corporation, et al., File No. 3-18220
HydroPhi Technologies Group, Inc., et al., File No. 3-18208
Ibex Advanced Mortgage Technology, Inc., File No. 3-18047
Icon Vapor, Inc., et al., File No. 3-18210
IMK GROUP, INC., et al., File No. 3-18203
Immunoclin Corp. et al., File No. 3-18190
Infinity Real Estate Holdings Corporation, et al., File No. 3-18217
Intellicell Biosciences, Inc., File No. 3-17990
J.S. Oliver Capital Management, L.P., File No. 3-15446
James A. Winkelmann and Blue Ocean Portfolios, File No. 3-17253
James E. Cohen and Joseph A. Corazzi, File No. 3-15974
James P. Griffin, File No. 3-17848
Jeffrey D. Smith, Joseph Carswell, and Michael W. Fullard, File No. 3-18271
Jeffrey Gainer, File No. 3-18130
Joe Lawler, File No. 3-17650
John Austin Gibson, Jr., File No. 3-17856
John J. Aesoph, CPA and Darren M. Bennett, CPA, File No. 3-15168
John Thomas Capital Management, L.P., and George R. Jarkesy, Jr., File No. 3-15255
Joseph J. Fox, File No. 3-16795

Joseph Vitale, File No. 3-18252
JuQun, Inc., et al., File No. 3-18193
KollagenX Corp., et al., File No. 3-18207
Kun De International Holdings, Inc., and Sutor Technology Group Limited, File No. 3-18169
Kung Fu Dragon Group Limited, File No. 3-18091
Laurie Bebo, File No. 3-16293
Lawrence E. Penn, III, File No. 3-18288
Louis V. Schooler, File No. 3-17115
Mackenzie Taylor Minerals, Inc., et al., File No. 3-18149
MarilynJean Interactive Inc., File No. 3-18445
Mark Megalli, File No. 3-18250
Medicus Homecare Inc., File No. 3-18081
Michelle L. Helterbran Cochran, CPA, File No. 3-17228
Montalvo Spirits, Inc., et al., File No. 3-18078
Neurologix, Inc., et al., File No. 3-18180
New Media Insight Group, Inc. and Pacific Sands, Inc., et al., File No. 3-18206
New Western Energy Corp. and Primco Management, Inc., File No. 3-18007
New York Sub Co., File No. 3-18038
Next Galaxy Corp. and Novamex Energy, Inc., File No. 3-18219
Patric Ken Baccam a/k/a Khanh Sengpraseuth, File No. 3-18276
Paul Edward ("Ed") Lloyd, Jr., CPA, File No. 3-16182
Penny Auction Solutions, Inc., et al., File No. 3-18202
Raymond J. Lucia Companies, Inc. and Raymond J. Lucia, Sr., File No. 3-15006
Retirement Surety LLC, Crescendo Financial LLC, Thomas Rose, David Leeman, and David
Featherstone, File No. 3-18061
Rosalind Herman, File No. 3-17828
Roy Dekel, File No. 3-17751
Saving2Retire, LLC and Marian P. Young, File No. 3-17352
Sean P. Finn and M. Dwyer LLC, File No. 3-17693
Shervin Neman and Neman Financial, Inc., File No. 3-17699
Spring Hill Capital Markets, LLC, Spring Hill Capital Partners, LLC, Spring Hill Capital
Holdings, LLC, and Kevin D. White, File No. 3-16353
StationDigital Corp., File No. 3-18004
Talman Harris and Victor Alfaya, File No. 3-17874
Timothy W. Carnahan and CYIOS Corporation, File No. 3-16386
Tintic Gold Mining Company, File No. 3-18157
Tod A. Ditommaso, File No. 3-17550
Vortronnix Technologies, Inc., File No. 3-18023
Warren D. Nadel, File No. 3-17883
William D. Bucci, File No. 3-17888

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Administrative Proceedings Rulings
Release No. 5955 / September 12, 2018

Administrative Proceeding
File Nos. 3-15006, et al.

In re:
Pending Administrative
Proceedings

Chief Administrative Law Judge's
Order Assigning Proceedings
Post *Lucia v. SEC*¹

This order accomplishes the Securities and Exchange Commission's directive that the Chief Administrative Law Judge assign each proceeding affected by its August 22, 2018, order to an administrative law judge who had not previously participated in the proceeding. *Pending Admin. Proc., Securities Act of 1933* Release No. 10536, 2018 SEC LEXIS 2058, <https://www.sec.gov/litigation/opinions/2018/33-10536.pdf> (Comm'n Order).

To accomplish the Commission's directive, the Office of Administrative Law Judges made a list of affected cases with the identities of the administrative law judges who previously participated in those proceedings. Using the list and maintaining the assignment-by-rotation system, I am transferring Judge Cameron Elliot's cases to Judge Carol Fox Foelak, Judge Foelak's cases to Judge James E. Grimes, Judge Grimes's cases to me, and my cases to Judge Elliot. Because Judge Jason S. Patil will not be available to preside at hearings for the next several months, I am distributing most of his pending cases among the other judges. The assigned judge will handle the parties' request in A.P. File No. 3-17990. I am not assigning A.P. File Nos. 3-17253 and 3-17342 at the present time.

The Commission gave parties until September 7, 2018, to express a preference to remain with the previously assigned judge. *Id.* at 2. I did not include proceedings where parties exercised a preference for remaining with the previously assigned judge or A.P. File Nos. 3-15974, 3-16349, and 3-17550, pending resolution of settlement discussions. I also did not include

¹ 138 S. Ct. 2044 (2018).

A.P. File No. 3-16318 where the parties waived their right to a new hearing and requested that the Commission decide their petitions for review on the present record or A.P. File No. 3-17828 where the pro se litigant has requested an explanation of what is happening.

Pursuant to delegated authority, 17 C.F.R. § 200.30-10(a)(2), I ORDER the following administrative law judges to preside at the hearings in the designated proceedings, listed below by their administrative proceeding file numbers, and to perform other and related duties in accordance with the Commission's Rules of Practice.

Judge Cameron Elliot

3-154463	3-180373	3-182043
3-157833	3-180823	3-182073
3-169653	3-180913	3-182213
3-170293	3-181053	3-182523
3-171843	3-181263	3-183253
3-175953	3-181413	3-184223
3-176453	3-181463	3-184753
3-177163	3-181533	3-184853
3-178483	3-181573	3-184923
3-179353	3-181773	3-184963
3-179593	3-181793	3-185073
3-17984 – 3-179893	3-181853	3-185353
3-180073	3-181893	3-185523
3-180173		

Judge Carol Fox Foelak

3-150063	3-179993	3-182233
3-151243	3-180043	3-182713
3-155143	3-180143	3-182923
3-162933	3-180383	3-183463
3-163863	3-180613	3-183473
3-167953	3-180813	3-183783
3-172283	3-180953	3-184053
3-173663	3-181043	3-184383
3-175583	3-181563	3-184603
3-176993	3-181733	3-184893
3-177433	3-181743	3-184903
3-17874 & 3-178753	3-181873	3-184973
3-178833	3-182013	3-185013
3-179903	3-182093	3-185083
3-179913		

Judge James E. Grimes

3-151688	3-178888	3-18206
3-152558	3-179778	3-18208
3-161828	3-180788	3-18217
3-163538	3-180798	3-182208
3-170318	3-180928	3-182298
3-171048	3-180968	3-18288
3-171158	3-181038	3-184458
3-171328	3-181068	3-184508
3-175458	3-181298	3-184548
3-175468	3-181308	3-184618
3-175478	3-181428	3-184728
3-175488	3-181488	3-184838
3-175498	3-181628	3-184938
3-176218	3-18169	3-185068
3-176508	3-181888	3-185458
3-176938	3-181938	3-185508
3-177518	3-18203	3-18551
3-178498		

Chief Judge Brenda P. Murray

3-163398	3-180978	3-18199
3-165098	3-180998	3-182028
3-166048	3-181078	3-18210
3-173528	3-181498	3-18219
3-17818 & 3-178198	3-181518	3-182768
3-178568	3-181558	3-184808
3-178868	3-181708	3-184818
3-179078	3-181768	3-18484
3-18023	3-181808	3-185008
3-180478	3-181908	3-185308
3-180778	3-181918	3-185348

Within twenty-one days of this order or by October 3, 2018, the assigned judge shall issue an order directing the parties to submit proposals for the conduct of further proceedings. Comm'n Order at 2. If a party fails to participate in the proceeding or fails to submit a proposal, the judge may enter a default against that party or impose another appropriate sanction. *See id.* & n.6 (citing 17 C.F.R. §§ 201.155, .180).

ii FURTHER ORDER that proceedings previously consolidated remain consolidated.

This order will be served on all parties by the Commission's Office of the Secretary, or other duly authorized Commission officer, pursuant to Commission Rule of Practice 1-11, 17 C.F.R. § 201.1-11. The Commission's website at <http://www.sec.gov/alj> has links to all issuances by Commission administrative law judges and instructions for respondents that address procedural questions, such as how to make filings.²

Given this unusual situation, parties with procedural questions may contact the Office of Administrative Law Judges and ask for the law clerk assigned to the proceeding: (202) 551-6030 or alj@sec.gov. All filings must be made with the Commission's Office of the Secretary and served on parties to the proceeding. See 17 C.F.R. §§ 201.150-152. If convenient, the parties are asked to send electronic courtesy copies of filings to alj@sec.gov; email to the administrative law judge does not, however, replace the required paper filing with the Office of the Secretary.



Brenda P. Murray
Chief Administrative Law Judge

² The Commission's Rules of Practice are located at <https://www.sec.gov/about/rules-of-practice-2018.pdf>.

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Administrative Proceedings Rulings
Release No. 6000 / September 18, 2018

Administrative Proceeding
File No. 3-17959

In the Matter of
Gregory Reyftmann

Order Following Reassignment

This proceeding was assigned to me following the Securities and Exchange Commission's order dated August 22, 2018, which vacated the prior finality order entered in this proceeding and remanded this matter for further proceedings. *Pending Admin. Proc.*, Securities Act of 1933 Release No. 10536, 2018 SEC LEXIS 2058, at *2-3; *Pending Admin. Proc.*, Admin. Proc. Rulings Release No. 5955, 2018 SEC LEXIS 2264 (ALJ Sept. 12, 2018). I direct the parties to submit proposals for the conduct of further proceedings by October 9, 2018. The parties should confer and, if possible, submit a joint proposal that reflects any agreement regarding service of the order instituting proceedings (OIP) and addresses the numbered items referenced in 17 C.F.R. § 201.221(c). The joint proposal or, in the absence of a joint proposal, the parties' separate proposals should also include the parties' availability between October 15 and October 26, 2018, for a telephonic prehearing conference. If the Division of Enforcement is unable to contact Respondent, it should submit a notice to that effect by October 9, 2018.

The previously assigned administrative law judge issued an initial decision on default barring Respondent from association with any broker or dealer and from participating in an offering of penny stock. If Respondent again fails to participate by not submitting a proposal, and I find that he has been served with the OIP but never filed an answer, I may enter an initial decision of default against him. *Pending Admin. Proc.*, 2018 SEC LEXIS 2058, at *4; 17 C.F.R. §§ 201.155(a)(2), .220(f).

Cameron Elliot
Administrative Law Judge

EXHIBIT 2



Shipment Receipt



FedEx Office

Address Information

Ship to:
Gregory Reyftmann
Gregory Reyftmann
9 Avenue Jean Batiste
Charcot

Ship from:
George Pond
SEC
1617John F. Kennedy Blvd

VENDARGUES,
34740
FR
00000000 5641

Suite 520
Philadelphia, PA
19103
US
2155970509

Address: 1500 MARKET ST
PHILADELPHIA
PA 19102
Location: PSQKK
Device ID: -BTC02

FedEx Express Package(s) - Dropped Off
773284944706

Shipment Information:

Tracking no.: 773284944706
Ship date: 09/20/2018
Estimated shipping charges: 31.32 USD

Total Pieces: 1

Subject to additional charges. See FedEx Service Guide
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Package Information

Pricing option:
Service type: International Priority
Package type: FedEx Pak
Number of packages: 1
Total weight: 3 1.BS
Declared Value: 0.00 USD
Special Services: Direct signature required. Residential
Delivery
Pickup/Drop-off: Drop off package at FedEx location

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Or call 1.800.GoFedEx
1.800.463.3339

Sep 20, 2018 4:14:54 PM

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Bill duties/taxes/fees to: MyAccount-541
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Department no.:

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EXHIBIT 3



September 24, 2018

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Delivery Information:

Status:	Delivered	Delivered to:	Residence
Signed for by:	M.REYFTMANN	Delivery location:	VENDARGUES
Service type:	FedEx International Priority	Delivery date:	Sep 24, 2018 16:08
Special Handling:	Deliver Weekday		
	Residential Delivery		
	Direct Signature Required		

Signature image is available. In order to view image and detailed information, the shipper or payor account number of the shipment must be provided.

Shipping Information:

Tracking number:	773284944706	Ship date:	Sep 20, 2018
		Weight:	0.6 lbs/0.3 kg

Recipient:
VENDARGUES FR

Shipper:
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STATEMENT OF FILING BY FACSIMILE

I hereby certify that, on this 9th day of October, 2018, with respect to In the Matter of Gregory Reyftmann, Administrative Proceeding File No. 3-17959, I caused a true and correct copy of the Letter from John Donnelly to Administrative Law Judge Elliot to be filed via facsimile with the Office of the Secretary of the U.S. Securities and Exchange Commission pursuant to SEC Rule of Practice 151, 17 C.F.R. § 201.151. The facsimile was transmitted to (202) 772-9324.

This filing was served on Respondent Gregory Reyftmann by Federal Express International Delivery as the Respondent resides in France and his facsimile number is not known.

Handwritten signature of John V. Donnelly III in black ink, written over a horizontal line.

John V. Donnelly III, Esq.
SECURITIES AND EXCHANGE COMMISSION
Philadelphia Regional Office
One Penn Center
1617 JFK Blvd., Suite 520
Philadelphia, PA 19103
(215) 597-3100 (telephone)
(215) 597-2740 (facsimile)
DonnellyJ@sec.gov

Counsel for the Division of Enforcement