

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 58477 / September 8, 2008

INVESTMENT ADVISERS ACT OF 1940
Release No. 2774 / September 8, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-13163

In the Matter of

SHAWN F. HABER (A/K/A
LEO SCHWARTZ),

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF
1940, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS

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”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Shawn F. Haber (also known as Leo Schwartz) (“Haber” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent 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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, 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. Assuming the alias Leo Schwartz, Haber held himself out as an employee of unregistered broker-dealer Blue Square Management, Inc. (“Blue Square”) from approximately January 2001 through March 2004. During this period, Blue Square operated as a purported New York City-based venture capital firm in the business of selling securities and specializing in underwriting initial public offerings. Blue Square was not registered in any capacity with the Commission, the National Association of Securities Dealers (“NASD,” now known as FINRA), or any other regulatory authority. From January 2001 to July 2001, Haber was a registered representative at Raymond James Financial Services, Inc., which was registered with the Commission and the NASD as both a broker-dealer and an investment adviser. From May 2003 to June 2006, Haber was a registered representative at Joseph Stevens & Company, Inc., a broker-dealer registered with the Commission and the NASD. Haber, 35 years old, resided in the State of New York prior to his current incarceration.

2. On October 24, 2006, Haber pled guilty to one count of conspiracy to commit mail fraud and securities fraud in violation of Title 18 of the United States Code Section 371, before the United States District Court for the District of Connecticut, in United States v. Shawn F. Haber, Crim. Information No. 3:06-CR-80. On June 22, 2007, a judgment in the criminal case was entered against Haber. He was sentenced to a prison term of twenty-four months followed by three years of supervised release and ordered to pay restitution in the amount of \$200,000.

3. The counts of the criminal information to which Haber pled guilty alleged, among other things, that:

a. Beginning in or about January 2001 and continuing until in or about March 2004, Haber and his co-defendants cold-called potential investors across the country, claimed that they worked for a New York City-based venture capital firm called Blue Square, and solicited investments in the securities of a purported ATM management company. In telephone conversations and subsequent documents sent to investors, they falsely and fraudulently

represented that investors would make significant profits in the near future due to an expected initial public offering (“IPO”) and/or buy-out of the company. In truth, the purported ATM management company was a fictitious entity with no actual operations, no profits, and no planned IPO or buy-out.

b. Haber and his co-defendants divided telephone solicitations between cold-callers such as Haber, who initially contacted potential investors and made false and fraudulent statements to them in order to generate their interest in investing with Blue Square and “qualify” them as clients, and traders, who subsequently contacted these “qualified” individuals and made additional false and fraudulent statements to them in order to sell the bogus stock of the purported ATM management company and thereby obtain their funds.

c. Haber and his co-defendants failed to invest the funds received as a result of their solicitations as represented, but instead diverted investors’ funds for their own personal use and benefit.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, Respondent Haber be, and hereby is barred from association with any broker, dealer or investment adviser.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Florence E. Harmon
Acting Secretary