

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 65799 / November 21, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14636

In the Matter of

MICHAEL S. KROME,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO RULE 102(e) OF THE
COMMISSION'S RULES OF PRACTICE,
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 against Michael S. Krome (“Respondent” or “Krome”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

II.

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . attorney . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

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.3 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. Krome, age 50, is a U.S. citizen who lives in Lake Grove, New York.
2. Krome is and has been an attorney licensed to practice in the State of New York.
3. On November 2, 2011, a final judgment was entered by consent against Krome, permanently enjoining him from future violations of Sections 5(a) and (c) and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, in the civil action entitled *Securities and Exchange Commission v. Jonathan R. Curshen, et al.*, Civil Action No. 1:11-2051(JLK), filed in the United States District Court for the Southern District of Florida. The final judgment also barred Krome from participating in any offering of penny stock.
4. The Commission’s complaint alleged, *inter alia*, that in connection with a fraudulent pump-and-dump scheme in the common stock of CO2 Tech Ltd., which certain defendants perpetrated through Red Sea Management, Ltd., a Costa Rican asset protection company, from late 2006 through April 2007, defendants used the services of Krome, an attorney, who issued a fraudulent opinion letter to enable them to have the restrictive legend removed from their CO2 Tech stock certificate, giving them nearly full control over the freely tradeable shares of CO2 Tech stock. Defendants then used Red Sea to sell massive quantities of CO2 Tech stock to the investing public through its web of nominee brokerage accounts and caused materially false and misleading information about CO2 Tech to be disseminated in press releases and on its website.

IV.

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

Accordingly, it is hereby ORDERED, effective immediately, that

Krome is suspended from appearing or practicing before the Commission as an attorney.

By the Commission.

Elizabeth M. Murphy
Secretary