

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 67190 / June 12, 2012**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14913**

**In the Matter of**

**JAMES FLEISHMAN,**

**Respondent.**

**ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO SECTION 15(b) OF THE  
SECURITIES EXCHANGE ACT OF 1934,  
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”) against James Fleishman (“Fleishman” 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, Respondent consents to the Commission’s jurisdiction over him and the subject matter of these proceedings and to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, 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. Fleishman was a sales manager at Primary Global Research LLC ("PGR") from at least 2008 through December 2010. Fleishman held Series 7 and 63 licenses that were registered with a broker-dealer affiliate of PGR during the relevant time period. Fleishman, age 42, is currently incarcerated in Colorado.

2. On May 7, 2012, a final judgment was entered by consent against Fleishman, permanently enjoining him from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled SEC v. Longoria et al., Civil Action No. 11-CV-0753 (S.D.N.Y.).

3. The Commission's complaint alleged that, in connection with the purchase or sale of securities, Fleishman knew, recklessly disregarded, or should have known, that material nonpublic information he received from consultants to PGR was disclosed or misappropriated in breach of a fiduciary duty, or similar relationship of trust and confidence. The complaint further alleges that Fleishman facilitated the transfer of the material nonpublic information to hedge fund clients of PGR and/or passed the information directly to PGR clients himself, and that certain hedge fund clients of PGR traded based on the material nonpublic information.

4. On September 20, 2011, Fleishman was convicted of one count of conspiracy to commit securities fraud and one count of conspiracy to commit wire fraud in violation of Title 18 United States Code, Sections 371 and 1349, before the United States District Court for the Southern District of New York, in United States v. James Fleishman, 11-cr-00032 (JSR).

5. The counts of the indictment on which Fleishman was convicted alleged, inter alia, that Fleishman, and others, participated in a scheme to defraud public companies of material nonpublic information. The indictment alleged that Fleishman did so by obtaining material nonpublic information and transmitting it directly to clients of PGR, and by facilitating meetings, phone calls, and other communications between employees of public companies and PGR clients knowing that material nonpublic information would be divulged. The indictment alleged that Fleishman understood that the material nonpublic information would be used for purposes of executing and causing others to execute trades in the securities of public companies.

#### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b) of the Exchange Act that Respondent Fleishman be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

barred from participating in any offering of a 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.

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.

Elizabeth M. Murphy  
Secretary