

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

SECURITIES EXCHANGE ACT OF 1934
Release No. 67915/September 24, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14875

In the Matter of	:	
	:	ORDER MAKING FINDINGS AND
ROBERT C. PRIBILSKI	:	IMPOSING SANCTIONS BY DEFAULT

SUMMARY

This Order imposes broker-dealer and penny stock bars on Robert C. Pribilski (Pribilski).

I. BACKGROUND

The Securities and Exchange Commission (Commission) instituted this proceeding with an Order Instituting Proceedings (OIP) on May 10, 2012, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act). The OIP alleges that Pribilski has been enjoined against violations of the registration and antifraud provisions of the federal securities laws. Pribilski was served with the OIP, by personal service, in accordance with 17 C.F.R. § 201.141(a)(2)(i) on July 21, 2012, and his Answer to the OIP was due within twenty days of service of the OIP on him. See OIP at 2; 17 C.F.R. § 201.220(b). Pribilski has not filed an Answer to date. The Division of Enforcement (Division) filed a Motion for Default on September 13, 2012, and Pribilski did not respond. Accordingly, he has failed to answer, to respond to a dispositive motion within the time provided, or otherwise to defend the proceeding within the meaning of 17 C.F.R. § 201.155(a)(2). Accordingly, he is in default, and the undersigned finds that the allegations in the OIP are true. See OIP at 3; 17 C.F.R. §§ 201.155(a), .220(f).

II. FINDINGS OF FACT

Pribilski is permanently enjoined from violating the antifraud and registration provisions of the federal securities laws, specifically, from violating Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder.¹ SEC v. Durmaz, No. 2:10-cv-01689 (C.D. Cal. Apr. 12, 2012). The wrongdoing underlying the judgment took place from 2005 until March 2010. Pribilski, acting as an

¹ Official notice, pursuant to 17 C.F.R. § 201.323, is taken of the fact that Pribilski was also ordered to pay, jointly and severally with another, a civil penalty of \$6,073,322 and, jointly and severally with others, to disgorge \$32,282,791 plus prejudgment interest. SEC v. Durmaz, No. 2:10-cv-01689 (C.D. Cal. Apr. 12, 2012).

unregistered broker-dealer, and another solicited investments in promissory notes that were to invest in “Turkish Eurobonds.” No such investments were made. Rather, Pribilski operated a Ponzi scheme. Additionally, he and another misappropriated millions of dollars for their personal use and transferred substantial amounts to others.

III. CONCLUSIONS OF LAW

Pribilski is permanently enjoined “from engaging in or continuing any conduct or practice in connection . . . with the purchase or sale of any security” within the meaning of Sections 15(b)(4)(C) and 15(b)(6)(A)(iii) of the Exchange Act.

IV. SANCTIONS

As the Division requests, Pribilski will be barred from association with any broker or dealer² and from participating in an offering of penny stock.³ These sanctions will serve the public interest and the protection of investors, pursuant to Section 15(b) of the Exchange Act, and accord with Commission precedent and the sanction considerations set forth in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979). Pribilski’s unlawful conduct was recurring and egregious. Extending over a period of five years, it involved millions of dollars. There are no mitigating circumstances.

V. ORDER

IT IS ORDERED that, pursuant to Section 15(b) of the Securities Exchange Act of 1934, ROBERT C. PRIBILSKI IS BARRED from association with any broker or dealer and from participating in an offering of penny stock.

Carol Fox Foelak
Administrative Law Judge

² The Division’s request for sanctions also includes a collateral bar pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). However, Pribilski’s misconduct antedates the July 22, 2010, effective date of the Dodd-Frank Act. Neither the Commission nor the courts have approved such retroactive application of its provisions in any litigated case, and the undersigned declines to impose the new sanction retroactively. See Koch v. SEC, 177 F.3d 784 (9th Cir. 1999); see also Sacks v. SEC, 648 F.3d 945 (9th Cir. 2011).

³ Thus, he will be barred from acting as a promoter, finder, consultant, or agent; or otherwise engaging 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. See Exchange Act Section 15(b)(6)(C). While the promissory notes and putative “Turkish Eurobonds” were not penny stocks within the meaning of Exchange Act Section 3(a)(51) and Rule 3a-51-1, the nature of Pribilski’s conduct in selling worthless investments to credulous investors is almost identical to that which led to the passage of the Securities Enforcement Remedies and Penny Stock Reform Act of 1990, 101 P.L. 429, 104 Stat. 931. See H.R. Rep. No. 101-617, at 19-20, reprinted in 1990 U.S.C.C.A.N. 1408.