

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 69371 / April 12, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15275

In the Matter of

ROBERT MOUALLEM,

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 Robert Mouallem (“Respondent” or “Mouallem”).

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. Between February 2004 and December 2011, Mouallem was a registered representative associated with Garden State Securities, Inc. (“Garden State”), a broker-dealer registered with the Commission. Mouallem, 57 years old, is a resident of Boca Raton, Florida.

2. On August 20, 2012, after a jury trial, Mouallem was found guilty of conspiracy to commit securities fraud and violate the Travel Act in violation of Title 18 U.S.C. §§ 371 and 3551 et seq., five counts of attempted securities fraud in violation of Title 18 U.S.C. §§ 1348, 2 and 3551 et seq., and commercial bribery in violation of Title 18 U.S.C. §§ 1952(a)(3)(A), 2 and 3551 et seq. before the United States District Court for the Eastern District of New York, in United States v. Stockdale, et al., Crim. Information No. 11-CR-0801. On March 13, 2013, Mouallem was sentenced to a prison term of one year and one day, followed by three years of supervised release and ordered to pay forfeiture in the amount of \$26,610.

3. The counts of the criminal indictment to which Mouallem was found guilty alleged, among other things, that Mouallem, while associated with Garden State, and aware of a kickback agreement arranged by his co-defendants and John Doe (“Doe”), an undercover FBI agent, agreed to assist in selling his co-defendants’ shares of stock in Dolphin Digital Media, Inc. (“Dolphin”) by matching their sales of Dolphin stock with corresponding purchases of Dolphin stock from discretionary accounts that Mouallem believed were controlled by stock brokers who were working for Doe. Mouallem and his co-defendants, together with Doe, orchestrated five “test transactions” that were to be a prelude to larger future transaction in which Mouallem would assist his co-defendants in liquidating their entire holdings in Dolphin at inflated prices.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Mouallem be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent; 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