

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 71724 / March 14, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15793

IN THE MATTER OF

FRANK I. REINSCHREIBER,

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 Frank I. Reinschreiber (“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 them 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 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:

1. During the relevant period Respondent Frank I. Reinschreiber ("Reinschreiber") was a principal of Global Financial Management, LLC ("Global Financial"), through which he acted as an escrow agent for several of the issuers of stock sold through an alleged boiler room scheme. Global Financial's website stated that Reinschreiber had thirty years of experience in accounting, tax and financial planning, and was formerly the CFO of A-Street Capital. According to CRD records, during the relevant period Reinschreiber was not associated with a registered broker-dealer. Reinschreiber is a resident of Chicago.

2. Global Financial, during the relevant time period, was an Illinois corporation based in Chicago. On its website, Global Financial portrayed itself as a "finance management company" offering "a complete line of escrow services including the ability to receive and send funds in any foreign currency." Respondent Reinschreiber was one of two individuals who controlled Global Financial, which acted as an escrow agent for several of the issuers of stock sold through the boiler room scheme. Global Financial is not registered with the Commission as a broker-dealer.

3. On February 21, 2014, a final judgment was entered by consent against Respondent, permanently enjoining him from future violations of Section 15(a) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 77o(a)], in the civil action entitled Securities and Exchange Commission v. Philip T. Powers, et al., Civil Action Number 09-CV-676, in the United States District Court for the Northern District of Illinois.

4. The Commission's complaint alleges that the Respondent violated Section 15(a) of the Securities Exchange Act of 1934 by failing to register with the Commission as a broker or dealer. It is alleged that the Respondent acted as an escrow agent for the issuers of "penny stock" securities sold through a boiler room scheme, and received transaction based compensation for serving as escrow agent. It is further alleged that as escrow agent, the Respondent received the funds from allegedly defrauded investors, and disbursed the funds in accordance with distribution and escrow agreements. The Complaint also alleges that the Respondent's distribution of funds resulted in more than 60% of the proceeds being paid to distribution agents, foreign boiler room operators and to himself and Global Financial, with less than 40% paid to the issuer 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 Frank I. Reinschreiber's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Frank I. Reinschreiber 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 with the right to apply for reentry after three years to the appropriate self-regulatory organization, or if there is none, to the Commission.

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.

Jill M. Peterson
Assistant Secretary