

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 74978 / May 15, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16539

In the Matter of
MITCHELL J. STEIN,
Respondent.

ORDER OF SUSPENSION PURSUANT
TO RULE 102(e)(2) OF THE
COMMISSION'S RULES OF PRACTICE

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate to issue an order of forthwith suspension of Mitchell J. Stein (“Stein”) pursuant to Rule 102(e)(2) of the Commission’s Rules of Practice (17 C.F.R. § 200.102(e)(2)).¹

II.

The Commission finds that:

1. Mitchell J. Stein was at all relevant times an attorney admitted to practice law in California.
2. On May 20, 2013, a jury in the United States District Court for the Southern District of Florida convicted Stein of conspiracy to commit mail and wire fraud (1 count); mail

¹ Rule 102(e)(2) provides, in pertinent part, that “[a]ny attorney who has been suspended or disbarred by a court of the United States or of any State . . . or any person who has been convicted of a felony or a misdemeanor involving moral turpitude shall be forthwith suspended from appearing or practicing before the Commission.”

and wire fraud (3 counts each); securities fraud (3 counts); money laundering (3 counts); and conspiracy to obstruct justice (1 count) as a result of his participation in a securities fraud involving the stock of Heart Tronics, Inc. *U.S. v. Mitchell J. Stein*, Case No. 11-80205-KAM (S.D. Fla.) (May 20, 2013). The evidence at trial demonstrated that Stein, while acting as Heart Tronics' outside counsel, orchestrated the repeated announcement of fictitious sales orders for Heart Tronics' products in public filings, press releases and other public broadcasts to inflate the price of Heart Tronics' stock; fabricated documents designed to make it appear that Heart Tronics had entered into viable sales offers; and defrauded an investor into making a substantial investment in Heart Tronics while pocketing the proceeds for his personal use. Through his conduct, Stein reaped millions in illegal profits.

3. As a result of these convictions, Stein was sentenced on December 4, 2014 to a prison term of 17 years, and ordered to pay a judgment of \$5,378,581.61.

4. On October 1, 2013, the State Bar Court of California suspended Stein's license based upon his felony convictions in Florida.

III.

In view of the foregoing, the Commission finds that Stein has been convicted of felonies involving moral turpitude and suspended by the State Bar Court of California, within the meaning of Rule 102(e)(2) of the Commission's Rules of Practice.

Accordingly, it is ORDERED, that Mitchell J. Stein is forthwith suspended from appearing or practicing before the Commission pursuant to Rule 102(e)(2) of the Commission's Rules of Practice.

By the Commission.

Brent J. Fields
Secretary