

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 76523 / November 25, 2015

INVESTMENT ADVISERS ACT OF 1940
Release No. 4282 / November 25, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16971

In the Matter of

MICHAEL SZAFRANSKI,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
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”) and Section 203(f) of the Investment Advisers Act (“Advisers Act”) against Michael Szafranski (“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 admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2. below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, 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:

RESPONDENT

1. Respondent, age 37, is a resident of Surfside, Florida. Respondent was associated with Onyx Options Consultants Corp ("Onyx"), an investment adviser registered with the State of Florida. Onyx's registration was terminated in December 2010 for failure to renew its registration. From 2000 to 2001, Respondent was a registered representative with Bear, Stearns & Co., Inc., a formerly registered broker-dealer then registered with the Commission since 1985. From 2002 to 2007, Respondent was a registered representative with Sochet & Company, Inc., a formerly registered broker-dealer then registered with the Commission since 1986. Respondent previously held Series 7, 63, and 65 licenses.

ENTRY OF THE RESPONDENT'S CRIMINAL CONVICTION

2. On July 29, 2015, pursuant to a plea agreement, Respondent pled guilty in the United States District Court for the Southern District of Florida to the sole count of a superseding information charging him with conspiracy to commit wire fraud, in violation of 18 U.S.C. § 371, based on his conduct described herein. *United States v. Szafranski*, No. 15-cr-60010-WPD (S. D. Fla. Jan. 22, 2015). On October 26, 2015, Respondent was sentenced to 30 months imprisonment, followed by three years of supervised release, and the judgment of conviction was entered that same day.

3. The single count charged against Respondent was that he, along with Scott Rothstein ("Rothstein"), knowingly and willfully conspired to devise a scheme and artifice to defraud others to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and that he knowingly transmitted and caused to be transmitted wire transfers of funds in furtherance of the scheme.

4. At the time of the conduct, Respondent acted as and was associated with an unregistered broker and was associated with an investment adviser registered with the State of Florida. The object of the conspiracy to which Respondent pled guilty was to enrich members of the conspiracy by convincing investors, through material misrepresentations and omissions, to purchase certain settlement agreements, offered by Rothstein, that turned out to be fictional. In or about January 2009, Respondent began soliciting investors to purchase these structured settlements. Pursuant to a written agreement with at least one such investor, Respondent had agreed to provide independent verification of these settlement agreements. Respondent received a sales commission from Rothstein for each such solicited transaction.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent 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.

Brent J. Fields
Secretary