

ADMINISTRATIVE PROCEEDING
File No. 3-17172

SEC Charges Development-Stage Airline Company Executive

March 15, 2016 – The Securities and Exchange Commission today announced charges against a New York-based airline company executive for allegedly acting as an unregistered broker for sales of stock issued by his employer.

The SEC’s Enforcement Division alleges that Barry B. Clare, who resides in Bayside, New York and is the vice president of finance at Baltia Air Lines, Inc., acted as an unregistered broker for sales of Baltia’s common stock to investors. Although Baltia has existed since 1989—ostensibly for the purpose of flying commercial flights from New York City to St. Petersburg, Russia—it has never operated a commercial flight or otherwise generated any revenue. To fund its operations, Baltia has sold its stock to investors. Between March 2011 and March 2015, when Baltia raised more than \$26 million through such stock sales, Clare allegedly solicited potential investors, recommended the investments in Baltia, negotiated and closed stock sales, and received commissions totaling approximately \$1.7 million for his work.

In its order instituting proceedings, the Enforcement Division alleges, among other things:

- Clare actively solicited investors by phone, by email, and in person, and received up to 20% of the proceeds of the Baltia investments he obtained.
- Clare wrote emails to investors describing the Baltia investment opportunity as “attractive,” “prudent,” and capable of generating “tremendous gains.”
- Clare solicited potential investors on a New York-area Russian language radio station through paid advertisements.
- During those advertisements, Clare described Baltia as a “great investment opportunity” with a share price that was “undervalued.”
- Clare maintained detailed ledgers of the Baltia investments he obtained and the compensation he received. Those ledgers show that Clare sold Baltia stock on a near-daily basis, participated in at least 820 sales of Baltia stock, and received commissions totaling \$1.7 million for approximately 605 of these sales.

The SEC’s Enforcement Division alleges that Clare willfully violated Section 15(a) of the Securities Exchange Act of 1934. The matter will be scheduled for a public hearing before an administrative law judge, who will prepare an initial decision stating what, if any, remedial actions are appropriate.

The SEC’s investigation was conducted by Osman Nawaz, Lee Greenwood, Kathy Murdocco, and Celeste Chase in the New York Regional Office, and the litigation will be led by Preethi Krishnamurthy and Mr. Greenwood. The case is being supervised by Sanjay Wadhwa. The SEC appreciates the assistance of the Public Company Accounting Oversight Board.

See also: [Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 15\(b\) and 21C of the Securities Exchange Act of 1934, and Section 9\(b\) of the Investment Company Act of 1940 and Notice of Hearing](#)