

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 78418 / July 26, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17362

In the Matter of

NATHAN SCHLEIFER,

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 Nathan Schleifer (“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 him and the subject matter of these proceedings and the findings contained in paragraphs III.2 and III.4 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 that:

1. From 1999 through at least December 31, 2008, Respondent acted as an unregistered broker. Specifically, Schleifer solicited funds from a married couple (“Investor A”), which they provided to him for purposes of investing in securities. Schleifer commingled Investor A’s funds with his own funds and used the pooled funds to effect transactions in securities and in the futures markets on Investor A’s behalf. Schleifer is 68 years old and a resident of New York, NY.

2. On April 12, 2016, the Commodity Futures Trading Commission (“CFTC”) entered a settled Order Instituting Proceedings Pursuant to Sections 6(c) and 6(d) of the Commodity Exchange Act, Making Findings and Imposing Remedial Sanctions (“CFTC Order”) against Schleifer. The CFTC Order found that Schleifer violated Sections 4b(a)(1)(A), (C), 4o(1) and 9(a)(4) of the Commodity Exchange Act (“CEA”).

3. The CFTC Order further found that, from at least 1999 through 2014, Schleifer fraudulently obtained at least \$2.8 million from numerous individual investors, including Investor A, for the purported purpose of trading a pooled investment in commodity futures on a designated contract market, misrepresenting to the investors that Schleifer had achieved past success trading futures and was achieving enormous profits trading on investors’ behalf, when in reality his trading resulted in significant losses. The CFTC Order found that Schleifer solicited individuals for managed commodity trading accounts by making similar material misrepresentations, and that Schleifer made numerous false statements and misrepresentations to the National Futures Association (“NFA”) during routine NFA audits.

4. The CFTC Order required Schleifer to pay restitution of \$1,150,618.28, a \$420,000 civil monetary penalty, and \$38,022 in disgorgement. The Order further imposed permanent registration and commodity trading bans on Schleifer and required him to cease and desist from further violations of the CEA.

IV.

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

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

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Schleifer be, and hereby is 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