

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 78606 / August 17, 2016**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17403**

**In the Matter of**

**JUSTIN ESPOSITO,**

**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 Justin Esposito (“Respondent” or “Esposito”).

**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 paragraphs III.2 and III.4 below, and 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. Between in or about June 2012 and January 2014, Esposito defrauded investors in Lustros Inc. (“Lustros”), an issuer with common stock registered pursuant to Section 12(g) of the Exchange Act that was subject to Exchange Act reporting obligations pursuant to Section 13(a).

Among other things, Esposito received transaction-based compensation in the form of undisclosed commissions to solicit investments in Lustrós's securities without being registered with the Commission as a broker or dealer. Esposito, 25 years old, resides in Boca Raton, Florida.

Respondent participated in an offering of Lustrós stock, which was a penny stock.

2. On December 17, 2015, a final judgment was entered by consent against Respondent, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder in the civil action entitled Securities and Exchange Commission v. Jason Cope et al., Civil Action Number 14 Civ. 7575, in the United States District Court for the Southern District of New York.

3. The Commission's Amended Complaint alleged that Respondent defrauded investors by, inter alia, accepting undisclosed commissions to solicit investors to buy Lustrós securities. The Amended Complaint also alleged that Respondent sold unregistered securities and solicited investors to purchase Lustrós securities without being registered with the Commission as a broker or dealer.

4. On January 6, 2016, Respondent pled guilty to one count of conspiracy to commit securities fraud, 18 U.S.C. § 1348, and wire fraud, 18 U.S.C. § 1343, in violation of 18 U.S.C. § 1349 before the United States District Court for the Northern District of Ohio, in United States v. William Scholander et al., Crim. Indictment No. 1:15-cr-335.

5. The count of the criminal indictment to which Respondent pled guilty alleged, inter alia, that Respondent conspired (i) to defraud persons in connection with the securities of an issuer and to obtain money and property by means of false and fraudulent pretenses in connection with the purchase and sale of securities; and (ii) to devise a scheme to defraud investors by transmitting and causing the transmission by means of wire communications in interstate commerce writings, signs, signals, and pictures.

#### IV.

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

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

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields  
Secretary