

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 78783 / September 8, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17530

In the Matter of

MARIUS MORARIU,

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 Marius Morariu (“Morariu” or “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 Sections III. 2., III.3, 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. Morariu, age 21, is a resident of Beaverton, Oregon. Morariu started and ran the websites InfinityStockPicks.com and ZeusAlerts.com.
2. Morariu participated in offerings of General Environment Management, Inc. ("GEVI"), Brightec Inc. ("BRTE") and Green Street Capital Corp. ("JAGR"), which are penny stocks. Morariu also engaged in a scheme to manipulate the market for GEVI stock by trading in the stock through nominee accounts and disseminating false information in order to artificially inflate its price. Morariu sold shares of GEVI as the price of the stock rose, making a profit. The price of GEVI collapsed soon thereafter.
3. On August 13, 2015, Morariu pleaded guilty before the United States District Court for the Western District of Washington, to one count of securities fraud [15 U.S.C. § 78j(b), 78ff; 17 C.F.R § 240.10b-5] in *United States v. Marius Morariu*, 15-CR-5364-RBL (W.D. WA.). On December 21, 2015, the Court entered a final judgment against Morariu finding him guilty of one count of securities fraud. Morariu was also ordered to forfeit \$23,800 being held by the FBI, and was ordered to be jointly and severally liable with Tovy Pustovit for payment of \$74,596.
4. In connection with his plea and conviction, Morariu admitted that:
 - (a) Between November 2014 and March 2015, defendant Morariu and Tovy Pustovit engaged in a series of pump and dump schemes in the stock of GEVI, BRTE and JAGR. At the time, these stocks were quoted on the over-the-counter securities market for an average price of less than \$0.01 per share, and historically had very little trading activity.
 - (b) In about November 2014, Morariu contacted Pustovit and asked him to help conduct a fraudulent pump and dump scheme. Pustovit agreed to help conduct the scheme by, among other things, providing the cash necessary to fund the scheme and instructing Morariu on how to operate a successful pump and dump scheme.
 - (c) Morariu and Pustovit agreed that: (1) Morariu would recruit other individuals who did not know Pustovit to open accounts to conduct the scheme; (2) Pustovit would provide cash to Morariu who would use that cash to fund the nominee accounts; (3) these accounts would be used to accumulate BRTE, GEVI, and JAGR stock; (4) after the stock was accumulated, stock promotion companies that Morariu and Pustovit had set up would promote these stocks by disseminating false and fraudulent information concerning the stocks; (5) after the false promotion campaign, the stocks would be sold in the market as the price rose in response to the promotion.

(d) With Pustovit's advice, Morariu created new stock promotion websites and email addresses for two companies – Infinity Stock Picks and Zeus Alerts. Pustovit also owned a stock promotion company, Hulk Alerts. During the scheme, Morariu, with Pustovit's knowledge and assistance, used Infinity Stock Picks, Zeus Alerts and Hulk Alerts to disseminate materially false and fraudulent information concerning BRTE, GEVI, and JAGR.

(e) Specifically, between December 4, 2014, and February 4, 2015, Morariu and Pustovit engaged in a pump and dump of GEVI stock. Prior to the manipulation of GEVI, Pustovit met Morariu in Vancouver, Washington, and gave him \$20,000 cash in order to fund the nominee accounts Morariu had set up to purchase the stock.

(f) Between December 4, 2014, and February 5, 2015, Pustovit and Morariu agreed to make a number of purchases of GEVI stock in the nominee accounts. These purchases were made at prices ranging from \$001735 to \$.02. For example, on January 20, 2015, approximately 226,000 shares of GEVI were purchased in the E*Trade account in the name of V.M. through an internet protocol address located in Auburn, Washington. In total, approximately 2.7 million shares of GEVI were accumulated.

(g) After the accumulation of GEVI stock, Pustovit and Morariu agreed to execute the "dump" portion of their scheme on the morning of February 5, 2015. In furtherance of the scheme, on February 5, 2015, Morariu, using Zeus Alerts and Hulk Alerts, alerted the subscribers that GEVI was its "play" and urged subscribers to buy the stock. One email from Hulk Alerts stated, "GEVI is the pick you have all been waiting for! It is extremely thin and ready to soar to gains over 450% GEVI has a target price of .09 - .12c." It was not disclosed that Morariu controlled a significant amount of GEVI stock and that Pustovit and Morariu stood to profit from the sale of GEVI stock.

(h) As soon as the promotion was released, the price of GEVI rose sharply on heavy trading volume. Shortly thereafter, all of the accumulated GEVI stock was sold reaping \$83,096 in net profits. In the days following the sale of the GEVI shares on February 5, 2015, the price of GEVI collapsed.

(i) Morariu and Pustovit also manipulated BRTE and JAGR making total \$6,254 in profits in BRTE and \$9,046 in JAGR.

IV.

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

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