

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 79708 / December 29, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17757

In the Matter of

Rafael Antonio Calleja, Jr.,

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 Rafael Antonio Calleja, Jr. (“Calleja” 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, and without admitting or denying the findings¹ herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, 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.

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Respondent Calleja, age 42, resides in Naples, Florida and was the part owner and managing member of Tower Trade Group USA LLC ("TTG USA"), a private company based in Miami, Florida. From approximately March through July 2014, Calleja acted as an unregistered broker and solicited and received investment funds of approximately \$2.7 million from ten mostly elderly or retired investors in unregistered transactions. Calleja personally touted the merits of the investments, guaranteeing that the principal amount was insured and periodic interest payments. The investments were memorialized in promissory notes with a one-year redemption period.

2. On November 29, 2016, a judgment was entered by consent against Calleja, permanently enjoining him from future violations of Sections 5(a) and (c) and 17(a) of the Securities Act of 1933 ("Securities Act") and Sections 15(a)(1) and 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled *Securities and Exchange Commission v. Rafael Antonio Calleja, Jr.*, Civil Action Number 16-24872-CIV-Williams, in the United States District Court for the Southern District of Florida.

3. The Commission's complaint alleged that Calleja conducted a fraudulent offering of TTG USA securities whereby he misappropriated investor funds for his own personal enjoyment and failed to invest their funds as promised. The offering did not qualify for a private placement exemption or another exemption from registration because all but two of the investors were non-accredited and not sophisticated. Calleja also failed to disclose to investors that on September 5, 2012, he had been permanently barred by FINRA from association with any FINRA member in any capacity. As a result of this non-disclosure TTG USA was ineligible for a private placement pursuant to the "bad actor" provision of Securities Act Rule 506(d). Despite acting as a broker or dealer, Calleja failed to register as such with the Commission. Calleja did not disclose to investors that their funds would be sent offshore to be invested with TTG USA's affiliated company ("Foreign Affiliate"). The Foreign Affiliate eventually began investing the funds in November 2014, approximately 8 months after the initial investor deposit, but did not invest the bulk of the funds until the end of January 2015, nearly a year after the first investor sent Calleja his investment funds. Calleja failed to invest at all at least \$90,000 of investor funds. After discovering Calleja's misuse of investor funds, the Foreign Affiliate re-paid all of the investors in full, even covering the shortfall caused by Calleja's misappropriation.

IV.

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

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

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