

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 34-80342 / March 30, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17895

In the Matter of

PAUL L. GOMEZ,

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 Paul L. Gomez (“Gomez” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (“Offer”) that the Commission has determined to accept. Respondent admits the facts set forth in Section III below, acknowledges that his conduct violated the federal securities laws, admits the Commission’s jurisdiction over him and the subject matter of these proceedings, 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. Gomez acted as an unregistered broker from approximately March 2013 through February 2014. Gomez, 39 years old, is a resident of Los Angeles, California.

2. On December 12, 2016, a judgment was entered by consent against Gomez, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”), 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. Luna, et al., Civil Action Number CV-16-07333-BRO-SKx, in the United States District Court for the Central District of California.

3. The Commission’s complaint alleged that Gomez and three co-defendants operated a penny stock pump-and-dump scheme that defrauded investors out of \$13.6 million. The complaint alleges that the scheme entailed setting up boiler rooms, including one that Gomez ran in Beverly Hills, California. The complaint further alleges that telemarketers who worked at the boiler rooms, and who were hired and trained by Gomez and others, touted a pair of companies that two of Gomez’s co-defendants controlled, and the sales staff cold-called potential investors to solicit their purchase of stock in those companies. The complaint alleges that, as the boiler rooms’ efforts to inflate the stock prices of the two companies succeeded, Gomez’s co-defendants sold their shares at substantial profits. The complaint further alleges that an entity controlled by one of Gomez’s co-defendants paid undisclosed commissions ranging between 10% and 20% of the amounts investors invested in the stocks, and that an entity controlled by Gomez received approximately \$1 million in commissions, some of which was used to pay the sales staff.

IV.

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

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

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