

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 80960 / June 19, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-18026

In the Matter of

Michael J. Randles,

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 Michael J. Randles (“Randles” 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 paragraph III.2 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. Respondent was an employee at Moneyline Brokers ("Moneyline"), an offshore brokerage company located in San Jose, Costa Rica, which was not registered as a broker-dealer with the Commission. Randles, 49 years old, is a Canadian citizen who resided in Costa Rica.

2. On October 21, 2016, Randles pled guilty to one count of money laundering conspiracy in violation of Title 18 United States Code, Section 371, before the United States District Court for the Eastern District of Virginia, in *United States of America v. Michael J. Randles*, Crim. No. 1:15-CR-178-2-AJT. On January 25, 2017, a judgment in the criminal case was entered against Randles. He was sentenced to be imprisoned for a term of forty-eight months followed by three years of supervised release. The United States of America obtained a money judgment against Randles to forfeit, jointly and severally with codefendants in the criminal case, \$992,077.58, which constitutes proceeds or property involved in the offense.

3. In connection with that plea, Respondent admitted that:

(a) Respondent, along with another individual, controlled and operated Moneyline. At all times since Moneyline was founded, Randles and the other individual received equal shares of the profits of Moneyline. Respondent managed Moneyline's office in Costa Rica and exercised authority over Moneyline's banking and financial transactions.

(b) The purpose of Moneyline was to trade securities, primarily microcap or "penny stocks," through multiple nominee brokerage accounts in the United States. Randles opened or caused the opening of Moneyline brokerage and bank accounts, including those in the United States. The accounts were used in part to conceal the true source, ownership and control of shares and the proceeds of the liquidation of shares.

(c) Beginning at least as early as in or about 2008, Randles, along with others, conspired to transport, transmit and transfer securities and funds to conceal and disguise the ownership and control of the proceeds of securities fraud, namely, "pump and dump" activities involving microcap shares, through a series of nominee brokerage and bank accounts. Randles and others deliberately sought to circumvent U.S. securities laws and evade regulatory authorities.

IV.

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

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