

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 81743 / September 28, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-18229

In the Matter of

DEMITRIOS HALLAS,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND NOTICE OF HEARING**

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 Demitrios Hallas (“Respondent” or “Hallas”).

II.

After an investigation, the Division of Enforcement alleges that:

1. Respondent, age 41, is a resident of New York, New York. From May 2013 through May 2014, Hallas was a registered representative associated with Santander Securities LLC. From August 2014 through July 2015, Hallas was a registered representative associated with Forefront Capital Markets LLC. From August 2015 through November 2015, Hallas was a registered representative associated with PHX Financial, Inc. Hallas is not currently registered with a broker-dealer.

2. On September 27, 2017, a final judgment was entered by default against Hallas, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil

action entitled Securities and Exchange Commission v. Demitrios Hallas, Civil Action Number 17-CV-02999, in the United States District Court for the Southern District of New York.

3. The Commission's complaint alleged that, from March 2014 to May 2016, Hallas violated the antifraud provisions of the federal securities laws in several different ways. First, the complaint alleged that Hallas purchased and sold daily leveraged Exchange-Traded Funds and Notes ("ETFs" and "ETNs") in his customers' accounts, knowingly or recklessly disregarding that these products were unsuitable for such customers. The complaint alleged that despite his customers' lack of sophistication and knowledge concerning daily leveraged ETFs and ETNs and their risks, Hallas purchased and sold approximately 179 daily leveraged ETF and ETN positions in their accounts. Second, the complaint alleged that Hallas had no reasonable basis for recommending daily leveraged ETFs and ETNs. The complaint alleged that Hallas did not conduct adequate due diligence on the products; did not adequately understand how the products worked or the risks involved in purchasing and selling them (including the risks inherent in holding daily leveraged ETF and ETN positions open for periods greater than one day); and, had no basis to believe that the products were suitable for his customers. Third, the complaint alleged that Hallas misappropriated \$170,750 from one of his customers, a truck driver with no trading or finance experience and no retirement resources outside of the funds that he provided to Hallas. The complaint alleged that the customer transferred funds to Hallas with the understanding that Hallas would make investments on his behalf, but that instead, Hallas spent the customer's funds on personal expenditures and concealed that fact from the customer.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

- A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;
- B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and
- C. Whether, pursuant to Section 15(b) of the Exchange Act, it is appropriate and in the public interest to suspend or bar Respondent from participating in any offering of 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.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an

Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice, 17 C.F.R. § 201.360(a)(2), the Administrative Law Judge shall issue an initial decision no later than 75 days from the occurrence of one of the following events: (A) The completion of post-hearing briefing in a proceeding where the hearing has been completed; (B) Where the hearing officer has determined that no hearing is necessary, upon completion of briefing on a motion pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250; or (C) The determination by the hearing officer that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155 and no hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

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

Brent J. Fields
Secretary