

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 81886 / October 17, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-18255

In the Matter of

LEONARD VINCENT
LOMBARDO,

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 Leonard Vincent Lombardo (“Lombardo” 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 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. From April 1994 through April 1997, Lombardo was a registered representative associated with broker-dealers registered with the Commission. Lombardo, 42 years old, is a resident of Melville, New York.
2. On September 13, 2017, Lombardo agreed to a consent and final judgment before the United States District Court for the Eastern District of New York, in Securities and Exchange Commission v. The Leonard Vincent Group et al., Case No. 17-CV-5723. On October 12, 2017, a final judgment in the civil case was entered against Lombardo, permanently enjoining him from future violations, directly or indirectly, of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], Rule 10b-5 thereunder, and Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)].
3. The Commission's complaint alleges that Lombardo perpetrated an offering fraud on investors by misleading them about the use of their funds both orally and in written offering documents, to wit, he told investors that he would use their money to invest in the Leonard Vincent Group and related entities to purchase distressed real estate when in fact he used a substantial part of the funds to start an electronic cigarette business known as Cleurette Cigarette Company and later to start a vapor liquids business. During this time, Lombardo was not registered with the Commission and acted as an unregistered broker-dealer by, among other things, making general solicitations to investors to invest in unregistered offerings both himself and through a hired salesforce and representing in offering documents that he would receive sales-based commissions. In total, Lombardo received from investors over \$6.5 million. The complaint further alleges that Lombardo took steps to conceal his fraudulent scheme by commingling funds and otherwise engaging in a variety of conduct which operated as a fraud and deceit on investors, including misappropriating over \$1 million dollars of investor funds for personal use such as using investor funds to make rental payments on his personal home, car payments on automobiles, and payments to the marina where he kept a boat.
4. On June 22, 2017, Lombardo pled guilty to one count of wire fraud in violation of Title 18 United States Code, Section 1343 before the United States District Court for the Eastern District of New York, in United States v. Lombardo, Case No. 17 CR 318(JA).
5. The count of the information to which Lombardo pled guilty alleged, inter alia, that Lombardo engaged in a scheme to defraud investors and to obtain money and property from them by means of materially false and fraudulent pretenses by misappropriating \$686,651.58 from monies invested by investors in The Leonard Vincent Group Inc. and its affiliated entities. This conduct involved, among other things, transmitting and causing to be transmitted, by means of wire communications in interstate and foreign commerce, electronic payments to various vendors via debit card transactions.

IV.

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

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

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Lombardo 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.

By the Commission.

Brent J. Fields
Secretary