

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 81954 / October 26, 2017

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3903 / October 26, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-18264

In the Matter of

HAROLD J. SWART, JR.,
CPA,

Respondent.

ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO RULE 102(e) OF THE
COMMISSION'S RULES OF PRACTICE,
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 against Harold J. Swart, Jr. CPA (“Respondent”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

¹ Rule 102(e)(3)(i) provides, in pertinent part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

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 findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph 2 below, which are admitted, Respondent consents to the entry of this Order Instituting Public Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, 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. Swart, age 71, is and has been a certified public accountant licensed to practice in the State of Florida. In 2001, Swart was ordered to cease and desist from committing or causing certain violations under the federal securities laws, was suspended from appearing or practicing before the Commission as an accountant, and was ordered liable for \$32,750 in disgorgement and \$9,231 in prejudgment interest. SEC v. Swart, Baumruk & Co., LLP and Harry J. Swart, CPA, Securities Exchange Act Release No. 43883 (Jan. 25, 2001) (the “Commission Order”).

2. On July 27, 2017, the Commission filed a complaint against Swart in Securities and Exchange Commission v. Harold J. Swart, Jr. et al. (Civil Action No. 17-01386) in the United States District Court for the Middle District of Florida. On October 17, 2017, the court entered an order permanently enjoining Swart, by consent, from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and directing Swart to comply with the Commission Order. Respondent was also ordered to pay \$41,945.56 in disgorgement of ill-gotten gains and \$5,491.07 in prejudgment interest jointly and severally with Mind Your Own Business, Inc., and a \$41,945.56 civil money penalty.

3. The Commission’s complaint alleged, among other things, that Swart requested that the control person of Mainstream Entertainment, Inc. (“Mainstream”) retire a personal debt to Swart by transferring “free trading” Mainstream shares to an entity controlled by Swart. On or about May 3, 2012, Swart agreed with the control person to sign a stock purchase agreement that he knew falsely identified the seller of the shares and the consideration paid for the shares. On or about January 30, 2013, Swart prepared and submitted securities deposit forms to a broker-dealer for these Mainstream shares that he had received from the control person. Swart made a number of misrepresentations in these forms, including the name of the seller of the shares (whom Swart knew to be the control person) and “affiliate” status of the seller. The broker-dealer accepted the deposit of these shares based on these representations, and Swart executed the sales of all of the shares in the open market in March 2013.

IV.

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

Accordingly, it is hereby ORDERED, effective immediately, that Respondent is suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Brent J. Fields
Secretary