

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 82840 / March 9, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18396

In the Matter of

ROBERT JOSEPH RITCH,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTIONS 15(b) AND 21C OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS AND A CEASE-
AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Robert Ritch (“Respondent” or “Ritch”).

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, which are admitted, Respondent consents to the Entry of this Order Instituting Administrative and Cease-and-Desist Proceedings pursuant to Sections 15(b) and 21C of the Exchange Act, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”) as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

Summary

1. These proceedings concern false and misleading statements to the public by Ritch in his capacity as the president and sole employee of Manzo Pharmaceuticals, Inc. ("MNZO"). Ritch primarily communicated to current and prospective MNZO investors through his website robertritch.com (the "Website"). On the Website, Ritch touted his investment background, his role at MNZO and the prospects of MNZO, which he claimed would "operate as a mini-Berkshire Hathaway" and "acquire in whole or in part operating companies" in the "energy, technology, real estate and financial services" sectors. In fact, since his acquisition of over one million MNZO shares in or around January 2017, Ritch has authored numerous blog posts on his Website falsely claiming that he built and exited several multimillion dollar businesses, had been involved in over \$1 billion in investment deals, and had degrees from college and/or graduate school. On another blog post, Ritch obscured the nature of his criminal record when directly asked about it.

2. Accordingly, Ritch willfully violated Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder.

Respondent

3. **Robert Joseph Ritch**, 51, of Spring Hill, Tennessee, has been the President, Secretary and Treasurer of MNZO since at least July 17, 2017. Ritch's blog claims that he is also the CEO, managing partner and/or chairman of numerous other businesses. One such business is Ritch and Associates which, based on its website, allegedly "specializes in Mergers & Acquisitions; Capital Raises; Risk Assessment & Due Diligence, and Lobbying." Another business, First Capital Services, claims to "offer Business Loans, Surety and Financial Bonds, Financial Guarantees and Letter of Credit." Ritch has been convicted of multiple crimes, including misdemeanor larceny and several felony convictions for obtaining property by false pretenses from 2000 to 2003. Ritch was sentenced to probation for each conviction.

Related Persons and Entities

4. **MNZO** is a Wyoming corporation with its principal place of business in Franklin, Tennessee. MNZO's common stock is quoted on the OTC Link ("OTC Link") pursuant to Exchange Act Rule 15c2-11. The primary source of current information about MNZO is Ritch's Website. MNZO has not made any public filings since September 2016, and its only other current online presence is Ritch's Twitter account, which links to the Website. MNZO does not have any class of securities registered with the Commission.

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Background

5. Ritch registered the Website in March 2010 and has maintained control over its content since that time. In or around January 2017, Ritch acquired one million shares of MNZO. In July 2017, Ritch became the company's only executive officer and employee, serving as the company's President, Secretary, and Treasurer. Shortly thereafter, Ritch began posting information about MNZO on his Website, along with information about himself and his investment successes.

6. On the front page of the Website, Ritch falsely stated, "I have founded, built and exited four successful multi-million dollar businesses. I have also completed over one billion dollars in transactions during my career."

7. In fact, as confirmed by his sworn testimony, Ritch did not found, build, or exit even one successful multi-million dollar business, let alone four, and did not complete \$1 billion in transactions during his career. In fact, he has not completed even \$1 million in transactions during his career.

8. Ritch repeated the second of these misrepresentations when responding to an August 7, 2017 investor blog post on his Website stating "you haven't invested a billion dollars in companies." Ritch falsely responded that: "This was not all my money, most of it was funds I managed and/or gathered but I have done over \$1 billion in transactions."

9. Characterizing the \$1 billion as money that was managed or gathered does not cure the misrepresentation because, as Ritch testified, he has never managed or gathered even \$1 million for investment purposes or other transactions.

10. In response to a July 27, 2017 investor blog post on his Website asking whether he had a criminal record, Ritch stated that: "The State of [North Carolina] settled all actions against me out of court; by agreement, I can not [sic] disclose my information about the settlement."

11. In fact, as confirmed during his sworn testimony, there is no such agreement precluding Ritch from discussing his criminal history. Further, Ritch did not disclose in response to the July 27, 2017 post that he has been convicted of multiple crimes, including misdemeanor larceny and several felony convictions for obtaining property by false pretenses from 2000 to 2003. Ritch was sentenced to probation for each conviction.

12. In reply to an August 7, 2017 blog post on his Website about his educational background, Ritch falsely stated: "I did not get either of my degrees from an accredited school as I did not have the funds and attended [sic] using the predecessor to online which was called distant learning because I was working for the US Navy and traveled extensively. It was the 80s and the options were limited."

13. In fact, Ritch never received any college or graduate degrees as he never graduated from any college or graduate school.

14. From January 2017 through August 2017, hundreds of millions of shares of MNZO have traded on the OTC Link. Throughout this period, MNZO has not made any public filings or issued any press releases. The only source of current information on the company is the Website.

15. As a result of the conduct described above, Ritch willfully violated Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder.

IV.

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

Accordingly, pursuant to Sections 15(b)(6) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent cease and desist from committing or causing any violations and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder.

B. Respondent be, and hereby is:

- (1) prohibited from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act, or that is required to file reports pursuant to Section 15(d) of that Act; and
- (2) 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.

C. Respondent shall pay a civil money penalty in the amount of \$50,000, plus post-order interest to be calculated on the date of entry of this Order, to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments: (1) \$25,000, within 10 days of the entry of this Order, (2) \$25,000 in ten monthly installments of \$2,500, plus post-order interest pursuant to 31 U.S.C. § 3717 due on the 15th of each month. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of civil penalties, plus any additional interest accrued pursuant to 31 U.S.C. 3717, shall be due and payable immediately at the discretion of the staff of the Commission, without further application.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Robert Ritch as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Lara Shalov Mehraban, Associate Director, Division of Enforcement, Securities and Exchange Commission, New York Regional Office, Brookfield Place, 200 Vesey Street, Suite 400, New York, NY 10281.

D. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other

amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary