

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 84501 / October 30, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18878

<p>In the Matter of</p> <p style="text-align:center">ARIC YERUSALEM SWARTZ</p> <p>Respondent.</p>
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**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 Aric Yerusalem Swartz (“Respondent” or “Swartz”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

II.

¹ Rule 102(e)(3)(i) provides, in relevant 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 . . . attorney . . . 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.

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 Section III, 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. Swartz, age 52, is and has been an attorney licensed to practice in the Commonwealth of Pennsylvania and Israel. Swartz is self-employed and practices law in Israel. His license to practice law in Pennsylvania has been administratively suspended for reasons unrelated to this proceeding.

2. On September 26, 2018, a final judgment was entered against Swartz, permanently enjoining him from future violations of Sections 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934 (“Exchange Act”), in the civil action entitled Securities and Exchange Commission v. Sharone Perlstein et al., Civil Action Number 18-cv-01026, in the United States District Court for the Eastern District of New York. Swartz was also ordered to pay \$273,085.50 in disgorgement of ill-gotten gains from his role in fraudulently creating and selling shell companies, and \$34,424.65 in pre-judgment interest, and barred from participating in any offering of penny stock.

3. The Commission’s complaint alleged, among other things, that Swartz participated in a fraudulent scheme to create and sell public shell corporations. In connection with this scheme, Swartz drafted and arranged for the filing of registration statements with the Commission that contained materially false and misleading statements and omissions concerning, among other things, the identities of the officers, directors and shareholders of each shell, and the fact the shells were created solely to be sold and, in most cases, had no business operations or plans.

IV.

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

Accordingly, it is hereby ORDERED, effective immediately, that Aric Yerusalem Swartz is suspended from appearing or practicing before the Commission as an attorney.

By the Commission.

Brent J. Fields
Secretary