

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4913 / May 22, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18498

In the Matter of

TIBOR KLEIN,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Tibor Klein (“Klein” 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 paragraph III.2 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, 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. Klein, 43, resides in Dix Hills, New York. From October 27, 2009 through October 31, 2016, Klein was president, owner, and a registered representative of Klein Financial Services, an investment adviser registered with the Commission during that same time period. Klein held Series 63 and 65 licenses during that time.

2. On May 17, 2018, the United States District Court entered a judgment by consent against Klein, permanently enjoining him from future violations of Sections 10(b) and 14(e) of the Securities Exchange Act of 1934, and Rules 10b-5 and 14e-3 thereunder, in the civil action entitled *SEC v. Tibor Klein, et al.*, Case No. 13-cv-80954, Southern District of Florida.

3. The Commission's complaint alleged that in the course of acting as an investment adviser representative in August and September 2010, Klein received information from a client who was a lawyer that the pharmaceutical company Pfizer, Inc., was attempting to acquire King Pharmaceuticals, a client of the lawyer's.

4. The complaint further alleged that Klein improperly used that material, non-public information to purchase King Pharmaceuticals' stock for himself and his clients, including the lawyer. The complaint also alleged that Klein gave the acquisition information to a good friend, who was associated with a registered broker-dealer, and who also purchased King shares based on Klein's tip. The complaint alleged Klein made \$8,824 in profits for himself and \$319,550 in profits for his clients based on the material, non-public information.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Klein 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.

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