

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 85343 / March 18, 2019**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19111**

**In the Matter of**

**GREGG A. LERMAN,**

**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 Gregg A. Lerman (“Lerman” 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 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. Lerman was a registered representative and president of Arjent LLC (“Arjent US”), a broker-dealer previously registered with the Commission; and a director of Arjent, Ltd. (“Arjent UK”), a UK-based, FCA-licensed, broker-dealer, which is currently winding down its business. Lerman, age 46, resides in Sea Cliff, NY.

2. On February 5, 2019, a final judgment was entered by consent against Lerman, permanently enjoining him from future violations of Section 17(a)(3) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. § 77q(a)(3), in the civil action entitled Securities and Exchange Commission v. Robert P. DePalo, et al., Civil Action Number 15-CV-3877 (KMW), in the United States District Court for the Southern District of New York.

3. The Commission’s complaint alleged that Lerman negligently engaged in conduct in connection with the offering of interests in Pangaea Trading Partners LLC (“Pangaea”) that operated as a fraud on Pangaea investors. For example, Lerman drew a salary from Arjent UK that, at certain points, was paid using investor funds from Pangaea. As Lerman should have known, these payments were improperly disclosed in the Pangaea offering documents as payments to a company providing services to Arjent UK.

### **Undertakings**

4. Respondent undertakes to provide to the Commission, within 30 days after the end of the six-month suspension period described below, an affidavit that he has complied fully with the sanctions described in Section IV below.

### **IV.**

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Lerman’s Offer. Accordingly, pursuant to Section 15(b)(6) of the Exchange Act, it is hereby ORDERED that:

- A. Respondent Lerman be, and hereby is, for a period of six (6) months, effective on the second Monday following the entry of this Order, suspended from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and
- B. Respondent Lerman be, and hereby is, for a period of six (6) months, effective on the second Monday following the entry of this Order, suspended 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 comply with the undertaking enumerated in Sections III.4 above.

By the Commission.

Vanessa A. Countryman  
Acting Secretary