

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 86925 / September 11, 2019**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19434**

**In the Matter of**

**SCOTT P. STROCHAK,**

**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 Scott P. Strochak (“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. Strochak, age 58, is a resident of Boynton Beach, Florida. Strochak was a registered representative associated with Morgan Stanley from 2009 to 2015, and was also associated with registered broker-dealers Suntrust Equitable Securities (2000-2001), Neuberger Berman, LLC (2001-2005), and Merrill Lynch (2005-2009), and held Series 7, 9, 10, 63 and 66

licenses. In August 2016, Strochak was suspended from associating with any FINRA-member firm for six months due to failure to comply with two arbitration awards. Strochak has not been registered with the Commission or associated with a registered broker-dealer since August 2016.

2. On August 20, 2019, a final judgment was entered by consent against Respondent, permanently enjoining him from future violations of Section 15(a) of the Exchange Act in the civil action entitled *Securities and Exchange Commission v. Scott Strochak*, Case No. 19-cv-81164-RAR, in the United States District Court for the Southern District of Florida.

3. The Commission's complaint alleged that from February 2018 through at least February 2019, Castleberry Financial Services Group, LLC ("Castleberry"), a South Florida-based company that purported to be a successful "Alternative Investment Manager," raised approximately \$3.8 million from at least seventeen investors. Strochak was a person engaged in the business of effecting transactions in securities for the accounts of others and participated in securities transactions at key points in the chain of distribution, and was therefore as a "broker," as defined in the Exchange Act. From at least February 2018 through February 2019, as Castleberry's primary sales agent, Strochak solicited investors in-person and through telephone and email communications, advised investors on the merits of the investments, and sold them Castleberry securities in private-placement offerings, thereby raising a portion of the \$3.8 million of investor proceeds. Castleberry directly or indirectly paid Strochak approximately \$48,000 in transaction-based commissions for his sales of Castleberry securities. Strochak was not registered with the Commission pursuant to Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)], nor was he associated with any registered broker-dealer during this time period.

#### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Strochak 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; and

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Strochak be, and hereby is 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.

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.

Vanessa A. Countryman  
Secretary