

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 87899 / January 7, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-19636

In the Matter of

LUKE CHRISTOPHER ZOUVAS,
Esq.

Respondent.

ORDER OF FORTHWITH
SUSPENSION
PURSUANT TO RULE 102(e)(2)
OF THE COMMISSION'S RULES
OF PRACTICE

I.

The Securities and Exchange Commission deems it appropriate to issue an order of forthwith suspension of Luke Christopher Zouvas, Esq. pursuant to Rule 102(e)(2) of the Commission's Rules of Practice (17 C.F.R. § 200.102(e)(2)).¹

II.

The Commission finds that:

1. Luke Christopher Zouvas, age 49, is an attorney currently suspended from practicing law in the State of California.
2. On April 25, 2016, the Commission filed a civil action seeking permanent injunctive relief against Zouvas and four co-defendants alleging that they had perpetrated a fraudulent "pump and dump" scheme. The Commission's complaint alleges that Zouvas served as general counsel of Crown Dynamics Corp.

¹ Rule 102(e)(2) provides, in pertinent part, that "[a]ny attorney who has been suspended or disbarred by a court of the United States or of any State . . . or any person who has been convicted of a felony or a misdemeanor involving moral turpitude shall be forthwith suspended from appearing or practicing before the Commission." See 17 C.F.R. 201.102(e)(2).

(“Crown”), and assisted two of his co-defendants in utilizing two other co-defendants as nominees to control Crown securities obtained by purported subscribers in Crown’s initial public offering. The complaint also alleges that Zouvas prepared two false attestation letters one of which was submitted to a brokerage firm, and two false certifications to Crown's transfer agent, falsely claiming that certain individuals who were nominees of his co-defendants had purchased their Crown securities from purported IPO subscribers.

3. On August 26, 2019, the court granted the Commission’s motion for partial summary judgment against Zouvas on one of its four claims against him: that his participation in the manipulation scheme violated Section 17(a)(3) of the Securities Act, 15 U.S.C. § 77q(a)(3). The court permanently enjoined Zouvas from violating Section 17(a)(3) and directed him to disgorge the proceeds he obtained from his role in the scheme: \$79,173, with prejudgment interest of \$15,296.55, for a total judgment of \$94,469.55.
4. On July 2, 2019, in a criminal case that is unrelated to the Commission’s action against Zouvas, the U. S. District Court for the Southern District of California entered a criminal judgment against Zouvas for one felony count of money laundering. The court also ordered Zouvas to pay an assessment of \$100 and a fine of \$400. As part of the plea agreement, the Government also obtained a forfeiture of funds from Zouvas of \$64,300, the amount he obtained as a result of his participation in the offense. The court sentenced Zouvas to eight months in federal prison, beginning on September 13, 2019, and three years of supervised release. He must also complete 150 hours of community service. Zouvas is currently incarcerated at the federal correctional institution in Taft, California.
5. On July 11, 2019, the Supreme Court of California entered an order suspending Zouvas from practicing law in California for one year based on charges by the State Bar of California that Zouvas had misused his client trust account by using the account for personal transactions.
6. On August 16, 2019, the State Bar of California (“SBOC”) placed Zouvas on an interim suspension as a result of his felony criminal conviction for money laundering in July 2019. On September 13, 2019, the State Bar of California Court (“Bar Court”) suspended Zouvas from the practice of law, effective October 7, 2019, pending final disposition of the SBOC summary disbarment proceeding based on his criminal conviction. On December 5, 2019, the Bar Court placed Zouvas under “involuntary inactive” status effective December 31, 2019 due to his incarceration of 90 days or more.

III.

In view of the foregoing, the Commission finds that Zouvas has been convicted of a felony, and of a crime involving moral turpitude, and has been suspended from the practice of law within the meaning of Rule 102(e)(2) of the Commission's Rules of Practice.

Accordingly, it is ORDERED, that Luke Christopher Zouvas is forthwith suspended from appearing or practicing before the Commission pursuant to Rule 102(e)(2) of the Commission's Rules of Practice.

By the Commission.

Vanessa A. Countryman
Secretary