

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 88773 / April 29, 2020**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19775**

**In the Matter of**

**LEE C. SCHLESINGER,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**  
**AND NOTICE OF HEARING**

**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 Lee C. Schlesinger (“Schlesinger” or “Respondent”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. RESPONDENT**

1. From November 2011 to September 2013, Schlesinger held the titles of Director and Chief Investment Officer of Treaty Energy Corporation (“Treaty”), a publicly traded oil-and-gas company based in New Orleans, Louisiana. In this role, Schlesinger signed Treaty’s annual SEC filings on Forms 10-K in 2011 and 2012 and its Form S-8 filings in 2012 and 2013. Also, from October 2012 to January 2013, Schlesinger served as Treaty’s investor relations contact person. From May 2011 to November 2011, Schlesinger served as a consultant for Treaty. Schlesinger previously held Series 7 and Series 63 licenses from 2000 to 2011, and was a registered

representative associated with several broker-dealers registered with the Commission. Schlesinger, age 50, currently resides in New Orleans, Louisiana.

**B. ENTRY OF THE INJUNCTION**

2. On March 28, 2017, a final judgment was entered by consent against Schlesinger, permanently enjoining him from future violations of Sections 5(a) and 5(c) of the Securities Act of 1933 (“Securities Act”) and Section 16(a) of the Exchange Act and Rule 16a-3 thereunder, in the civil action entitled *Securities and Exchange Commission v. Ronald L. Blackburn, et al.*, Civil Action Number 2:15-CV-2451-CJB, in the United States District Court for the Eastern District of Louisiana.

3. The Commission’s Complaint, as amended, alleged, among other things, that Schlesinger engaged in the illegal offer and sale of Treaty securities through: (a) an unregistered public offering of restricted stock; and (b) Form S-8 offerings of registered, unrestricted stock to ineligible recipients. The Complaint further alleged that several defendants, including Schlesinger, issued unrestricted Form S-8 shares to themselves, and then illegally sold those shares into the market. For example, on August 8, 2011, Treaty illegally issued 2 million purportedly free-trading (unrestricted) shares to Schlesinger as commissions for his sales of Treaty stock to investors, and Schlesinger transferred those purportedly unrestricted shares to two companies controlled by a co-Defendant, who improperly sold the unregistered securities before the holding period had passed. Further, Schlesinger signed Treaty’s Forms S-8 during 2012 and 2013. The Complaint further alleged that: (a) Exchange Act Section 16(a) and Rule 16a-3 thereunder require certain directors and officers, and persons who beneficially own more than 10% of a registered class of a company’s equity securities, to file reports of ownership and changes in ownership with the Commission; (b) any person who becomes subject to this requirement must file an initial report on Form 3 within ten days of acquiring that status; (c) once a Form 3 is filed, that person must report any changes in his holdings on Form 4 within two business days following the change in beneficial ownership; (d) an annual report on Form 5 must be filed annually within 45 days of the issuer’s fiscal year end to report any transactions or holdings that should have been reported on Form 4 during the prior fiscal year but were not, or to report exempt transactions; and (e) Schlesinger, while serving as an officer and director of Treaty, failed to make any of these required filings with the Commission regarding his ownership of Treaty stock.

**III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

- A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and
- B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

#### IV.

IT IS ORDERED that a public hearing before the Commission for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed by further order of the Commission, pursuant to Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.220(b).

IT IS FURTHER ORDERED that the Division of Enforcement and Respondent shall conduct a prehearing conference pursuant to Rule 221 of the Commission's Rules of Practice, 17 C.F.R. § 201.221, within fourteen (14) days of service of the Answer. The parties may meet in person or participate by telephone or other remote means; following the conference, they shall file a statement with the Office of the Secretary advising the Commission of any agreements reached at said conference. If a prehearing conference was not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer.

If Respondent fails to file the directed Answer, or fails to appear at a hearing or conference after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310.

This Order shall be served forthwith upon Respondent Lee C. Schlesinger by any means permitted by the Commission's Rules of Practice.

Attention is called to Rule 151(b) and (c) of the Commission's Rules of Practice, 17 C.F.R. § 201.151(b) and (c), providing that when, as here, a proceeding is set before the Commission, all papers (including those listed in the following paragraph) shall be filed with the Office of the Secretary and all motions, objections, or applications will be decided by the Commission. The Commission requests that an electronic courtesy copy of each filing should be emailed to [APFilings@sec.gov](mailto:APFilings@sec.gov) in PDF text-searchable format. Any exhibits should be sent as separate attachments, not a combined PDF.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to filing with or disposition by a hearing officer, all filings, including those under Rules 210, 221, 222, 230, 231, 232, 233, and 250 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.210, 221, 222, 230, 231, 232, 233, and 250, shall be directed to and, as appropriate, decided by the Commission. This proceeding shall be deemed to be one under the 75-day timeframe specified in Rule of Practice 360(a)(2)(i), 17 C.F.R. § 201.360(a)(2)(i), for the purposes of applying Rules of Practice 233 and 250, 17 C.F.R. §§ 201.233 and 250.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that the Commission shall issue a decision on the basis of the record in this proceeding, which shall consist of the items listed at Rule 350(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.350(a), and any other document or item filed with the Office of the Secretary and accepted into the record by the Commission. The provisions of Rule 351 of the Commission's Rules of Practice, 17 C.F.R. § 201.351, relating to preparation and certification of a record index by the Office of the Secretary or the hearing officer are not applicable to this proceeding.

The Commission will issue a final order resolving the proceeding after one of the following: (A) The completion of post-hearing briefing in a proceeding where the public hearing has been completed; (B) The completion of briefing on a motion for a ruling on the pleadings or a motion for summary disposition pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250, where the Commission has determined that no public hearing is necessary; or (C) The determination that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155, and no public hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Vanessa A. Countryman  
Secretary