

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 91924 / May 18, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20315

In the Matter of

SETH A. LEYTON,

Respondent.

**ORDER INSTITUTING PUBLIC 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 Seth A. Leyton (“Respondent” or “Leyton”).

II.

In anticipation of the institution of these proceedings, Respondent 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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in Section III.2 below, which are admitted, Respondent 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:

A. RESPONDENT

1. Leyton, age 53, is a resident of San Diego, California. From March 2005 through October 2012, Leyton was the chief executive officer, managing member, chief compliance

officer, and a registered representative of Viewpoint Securities LLC (“Viewpoint” or the “Firm”), a broker-dealer registered during that time with the Commission.

2. On October 11, 2013, the Financial Industry Regulatory Authority (“FINRA”) barred Leyton from association with any FINRA member in any capacity. Based on Leyton’s settlement offer, FINRA found, among other things, that Leyton violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by engaging in the fraudulent sale of a Collateralized Mortgage Obligation (“CMO”) to a Viewpoint customer where he interjected a third party between the Firm and the best available market for the subject security. FINRA also found that Leyton aided and abetted a fraudulent scheme to obtain possession and control of CMOs owned by unwitting investors and to attempt to misappropriate the income streams generated by the CMOs.

B. ENTRY OF THE INJUNCTION

3. On December 11, 2020, a final judgment was entered against Leyton permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder, in the civil action entitled SEC v. Coddington, et al., Civil Action Number No. 1:13-CV-03363-CMA-KMT, in the United States District Court for the District of Colorado.

4. The Commission’s complaint alleged, among other things, that Leyton aided and abetted a scheme to defraud investors that involved obtaining either CMOs or cash to purchase CMOs, which the defendants represented they would pledge as collateral to obtain loans and then invest the proceeds in an offshore trading program that purported to generate astronomical profits. The complaint also alleged that from January 2010 through at least July 2011, the defendants obtained more than \$18 million in cash or CMOs from more than 18 investors nationwide. The complaint also alleged that Leyton was recruited to open brokerage accounts to enable investors to transfer their CMOs to the defendants, delayed return of the CMOs to investors when the defendants were unable to obtain loans using the CMOs as collateral, sold the investors’ CMOs contrary to the agreements with investors, and transferred investors’ CMOs to other brokerage accounts contrary to agreements with investors. The complaint further alleged that Leyton made false and misleading statements to investors about the transactions. In addition, the complaint alleged that Leyton received undisclosed payments from the defendants for his participation in the scheme.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Leyton 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 Leyton 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 or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

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

Vanessa A. Countryman
Secretary