UNited States of America
Before the
Securities and Exchange Commission

Securities Exchange Act of 1934
Release No. 94885 / May 10, 2022

Administrative Proceeding
File No. 3-20848

In the Matter of

LEV PARNAS,
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 Lev Parnas ("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, 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 paragraph III(B)(2) below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceeding 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. Lev Parnas, age 50, resides in Boca Raton, Florida. Parnas was a founder, president, and chief executive officer of Fraud Guarantee LLC, a Delaware corporation with its principal place of business in Florida. From approximately 1993 to 2009, Parnas was a registered representative associated with more than ten different Commission-registered broker-dealers, where he held, at various times, Series 7, 24, and 63 licenses. Since 2009, Parnas has not been licensed or registered as a broker-dealer or as an associated person of a broker-dealer and he has not registered any entity he owns or controls with the Commission as a broker-dealer.

2. On May 6, 2022, a final judgment was entered by consent against Parnas permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Lev Parnas, 21-cv-995 (PAC), in the United States District Court for the Southern District of New York.

3. The Commission’s complaint alleged that, in connection with the sale of convertible notes and membership interests in Fraud Guarantee, Parnas misused and misappropriated investor funds, falsely stated to investors that their funds were invested, and otherwise engaged in a variety of conduct that operated as a fraud and deceit on investors. The complaint also alleged that Parnas acted as an unregistered broker.

4. On March 25, 2022, Parnas pled guilty to one count of conspiracy to commit wire fraud in violation of Title 18 United States Code, Section 1349 and before the United States District Court for the Southern District of New York, in United States v. Parnas et al., 19-cr-725 (JPO). The conspiracy count of the criminal information to which Parnas pled guilty alleged, inter alia, that Parnas defrauded investors. In connection with that plea Respondent admitted that he gave investors incorrect information about Fraud Guarantee, that the information was material to those investors, and that he knew it was wrong.

IV.

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

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

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Parnas 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, compliance with the Commission’s order and payment 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.

By the Commission.

Vanessa A. Countryman
Secretary