

SECURITIES AND EXCHANGE COMMISSION

Securities Exchange Act of 1934

Release No. 51971 / July 5, 2005

Investment Advisers Act of 1940

Release No. 2401 / July 5, 2005

Admin. Proc. File No. 3-11972

SEC INSTITUTES ADMINISTRATIVE PROCEEDINGS AGAINST PHILIP A. LEHMAN

The Commission today instituted public administrative proceedings pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act) and Section 203(f) of the Investment Advisers Act of 1940 against Philip A. Lehman, a resident of Englewood, Ohio. The Order Instituting Proceedings alleges that, from about April 1999 to at least August 2000, Lehman raised \$10 million from 26 investors for a fraudulent prime bank-type scheme involving investment contracts in Ashar Endeavor I, LLC (Ashar) and its successor, Oberland Endeavor I, LLC (Oberland). According to the Order, Lehman falsely represented to the investors that Ashar and Oberland would enter into a “reserved funds transaction” or similar transaction that could earn returns as high as 200 percent in as little as 60 days with no risk of loss. While none of the investors lost any of their principal, the Order alleges that Lehman knew or was reckless in not knowing that the transactions he described to investors did not exist.

The Order alleges that Lehman willfully violated Section 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder. A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide Lehman an opportunity to dispute these allegations, and to determine what, if any, remedial action is appropriate against Lehman and whether he should be ordered to pay a civil penalty. The Commission directed that an administrative law judge shall issue an initial decision in this matter within 300 days from the date of service of the Order.