

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 66365 / February 9, 2012**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14755**

**In the Matter of**

**GREGG M.S. BERGER,**

**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 Gregg M.S. Berger (“Berger” or “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 Sections III.2 and III.4 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:

1. Berger, age 47, resides in Yonkers, New York. From January 2002 to May 2006, he was a registered representative associated with Gilford Securities, Inc. From June 2006 to February 2008, he was a registered representative at Capital Growth Financial, LLC. Berger has been in the securities industry since 1992. He holds Series 3, 7, 31, and 63 securities licenses.

2. On January 27, 2012, a final judgment was entered by consent against Berger, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Gregg M.S. Berger, et al. Civil Action Number 2:11-CV-10403, in the United States District Court for the Eastern District of Michigan.

3. The Commission's complaint alleged that Berger, along with ten other individuals and entities, engaged in schemes to pump and dump the securities of at least eight U.S. microcap stocks of issuers, primarily headquartered in the People's Republic of China, and facilitated unregistered sales of millions of shares of these issuers stock that generated proceeds in excess of \$33 million. Berger also organized and arranged the pump and dump of one of the issuer's stocks.

4. On April 21, 2011, Berger pled guilty to one count of conspiracy to commit wire fraud and securities fraud in violation of Title 18 United States Code, Sections 1343, 1348, and 1349 before the United States District Court for the Eastern District of Michigan, in United States v. Gregg M.S. Berger, 2:07-CR-20627. On September 9, 2011, Berger was sentenced to a term of 24 months in prison and ordered to forfeit \$600,000.

5. The factual basis for Berger's guilty plea states, among other things, that between January 2005 and December 2007 Berger knowingly and willing entered in an unlawful agreement with several other individuals to create and execute a fraudulent stock "pump-and-dump" market manipulation scheme. The factual basis in the guilty plea also states that the scheme used spam e-mails to lure investors into purchasing the securities of six penny stocks through advertisements claiming non-existent Initial Public Offerings and acquisitions, presenting unrealistic pictures of the companies' business prospects, exaggerated share price projections, and false and misleading disclaimers.

#### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Berger be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent.

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 ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) 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 (d) 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.

Elizabeth M. Murphy  
Secretary