UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 67532 / July 30, 2012

INVESTMENT COMPANY ACT OF 1940
Release No. 30158 / July 30, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14965

In the Matter of **STEPHEN MAZUCHOWSKI (A/K/A STEVE MAZUR),** **Respondent.**	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTIONS 15(b) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, AND SECTION 9(b) OF THE INVESTMENT COMPANY ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Exchange Act"), and Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act"), against Stephen Mazuchowski a/k/a Steve Mazur ("Respondent" or "Mazur").

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, which are admitted, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, and Section 9(b) of the Investment Company Act of 1940,

Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds[1] that:

Summary

These proceedings arise out of Respondent's actions as an unregistered broker selling away on two occasions from the registered broker-dealer with which he was associated. During the relevant period, Respondent received transaction-based compensation in exchange for, among other things, soliciting investors for private offerings involving two separate Chinese reverse merger companies. Respondent ultimately raised over $7 million for the two companies, one of which, China Yingxia International, Inc. ("China Yingxia" or the "Company"), collapsed due to reports of fraud involving its chief executive officer. Respondent's conduct violated Section 15(a) of the Exchange Act.

Respondent

1. Mazur, age 59, is a resident of Hellertown, Pennsylvania. Mazur was formerly a registered representative of a Connecticut-based registered broker-dealer from 2002 to 2008. Mazur holds series 7 and 63 securities licenses.

Other Relevant Entity

2. China Yingxia was a Florida corporation headquartered in Harbin, China with purported operations in China. China Yingxia's stock was quoted on the OTC Link (formerly "Pink Sheets") operated by OTC Markets Group, Inc. under the symbol "CYXI." On February 2, 2012, the Commission instituted administrative proceedings pursuant to Section 12(j) of the Exchange Act against China Yingxia, as the Company had not filed any periodic reports with the Commission since late 2008. By an Order dated March 7, 2012, each class of China Yingxia's registered securities was revoked.

Background

Selling Away in Connection with China Yingxia

3. During the relevant period, Mazur worked as a registered representative with an institutional broker-dealer focused on high-yield, distressed, convertible, and emerging market debt securities and equities.

[1] The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

4. In mid-2007, Mazur, who had recently become interested in investing in Chinese reverse merger companies, learned through one of China Yingxia's service providers, an investor relations firm, that the Company was working on a PIPE or private investment in public equity. The investor relations firm ("IR Firm") introduced Mazur to a registered broker-dealer acting as the official placement agent to China Yingxia ("Broker-Dealer"). In due course, Mazur met with, among others, the president of the Broker-Dealer ("Individual A"), and his father ("Individual B"), to receive additional information on the offering. Individual B ran a consulting firm specializing in work with Chinese companies ("Consulting Firm"), and he assisted China Yingxia and the Broker-Dealer with the PIPE. Individual B, however, was not registered as a broker, nor was he associated with any registered broker-dealer.

5. As the deal progressed, Mazur increased his communications with a principal at the IR Firm. He also began communicating with Individual B. Eventually, Mazur asked the principal with the IR firm, "[h]ow can I get paid for bring[ing]" in a certain investor to the deal. Mazur learned from Individual B that "money finder[s]" could earn a certain percentage of investments introduced.

6. Mazur and Individual B, with Individual A's knowledge, reached an oral agreement whereby Mazur would receive transaction-based compensation of 5%, based on the dollar amount of investments he introduced to the Company. While Mazur's broker-dealer had participated in running deals for certain Chinese companies, it was not involved in any way managing or selling the deal for China Yingxia. Mazur's oral agreement and activities were done without his employer's knowledge or opportunity to supervise.

7. Although the Broker-Dealer acted as the official placement agent for the Company, Mazur – and others not formally associated with the official placement agent – solicited virtually all of the investors in exchange for transaction-based compensation. No disclosures were made concerning such payments, rather the term sheet for the deal falsely stated that the Broker-Dealer would receive 13% in fees.

8. Mazur, among other things, circulated confidential offering documents and sent a model that he prepared on the Company to fund managers (including customers of his firm) and several colleagues; reviewed and commented on the terms of the deal and the subscription documents; and facilitated the Company's PIPE closing, including by having documents signed and transmitting such documents to the Broker-Dealer. For some investors, Mazur was the only point of contact. In addition, Mazur worked with China Yingxia representatives and its attorneys to maximize the permissible investment amount for one of the investors Mazur introduced.

9. Further, Mazur kept in close contact with another person, a fund manager who was not associated with a registered broker-dealer but nonetheless solicited investors for the China Yingxia deal ("Fund Manager"). Mazur and the Fund Manager communicated concerning, among other things, the book of investors. Mazur stated that, "[t]he investors I have in the deal [are long-term holders] … I hope your investors are the same …." Mazur also wrote, "I could do much more of this [deal] with good [long-term] investors if necessary." When the

Fund Manager responded to Mazur, "[t]he book is closed[] [d]on't get any more[,]" Mazur stood down and ceased his selling efforts.

10. On August 9, 2007, China Yingxia announced the completion of a PIPE whereby it sold $8,725,130 worth of restricted securities to 20 investors. Virtually all of the 20 investors were contacts of Mazur and others, not the official placement agent. Mazur provided Individual A with a listing of the investors he introduced to the deal along with the amounts each invested. In total, Mazur introduced $4,520,000, more than half of the money invested in the PIPE.

11. After the PIPE closed and the amount raised became clear, Mazur emailed Individuals A and B concerning payment, which totaled $226,000. In response, Individual B and Mazur executed a backdated consulting agreement between the Consulting Firm and Mazur's associated broker-dealer. In an apparent attempt to conceal the true nature of the services provided, the agreement initially concerned supposed "strategic consulting services," and stated that Mazur's employer, a registered broker-dealer, would provide the Consulting Firm with certain services, including "assisting the company in press releases, conference calls, etc.; communicating with investors, accompanying investors to visit the facilities of the [Consulting Firm's] clients; and providing other consulting assistance." The services were not akin to Mazur's role as a registered representative at his broker-dealer.

12. Mazur initially signed the agreement as principal of his broker-dealer, although he was not authorized to do so. Mazur returned the fully executed agreement to Individual A, but a short time later a new and edited agreement was signed by a managing principal at Mazur's firm. Unlike the initial agreement, the edited agreement was not executed by Individual B on behalf of his Consulting Firm.

13. The final form of agreement, edited and executed by a managing principal at Mazur's firm, did not contain any listing of specific services. Instead, the edited agreement generically referred to consulting services provided by Mazur's broker-dealer to the Consulting Firm. The edited agreement further stated that the services had already been provided, and the Consulting Firm was satisfied with such services. Despite Mazur's role as a registered representative, which did not generally include consulting services including the variety listed in the initial agreement, Mazur's activities were conducted under the guise of the consulting agreement.

14. Notwithstanding the references to consulting services in the agreements, Mazur received transaction-based compensation for his selling efforts, not for any consulting services. Mazur received 40% of $226,000, or $90,400, while his associated broker-dealer received the remaining amount under the fiction that Mazur had in fact provided consulting services.

Selling Away in Connection with Company 2

15. In or around early 2008, within months of his improper activity with China Yingxia, a different placement agent approached Mazur to invest in another Chinese reverse merger company ("Company 2").

16. The events surrounding the Company 2 offering appear substantially similar to those concerning China Yingxia. Like China Yingxia, without his broker-dealer's knowledge or opportunity to supervise, Mazur entered into an oral agreement to solicit investors in exchange for transaction-based compensation. The agreement, however, was reached directly with Company 2's placement agent. Mazur then solicited potential investors in the weeks leading up to the PIPE. Mazur contacted many of the same investors he solicited for Company 2, including several of his colleagues. Mazur openly used his work email account to send potential investors term sheets, presentations, or other communications concerning the offering. Again, Mazur's broker-dealer was not involved in any way managing or selling the deal for Company 2.

17. The form of agreement with the broker-dealer for Company 2 appears almost identical to the revised agreement relating to China Yingxia. The Company 2 agreement pertained to undefined "general services" for which Mazur's broker-dealer received $104,000, which was 4% of the $2.6 million in investments Mazur introduced to Company 2. Mazur then received 35% of the payment amount, or $36,400. The agreement was presented to Mazur's broker-dealer after the Company 2 deal closed, and Mazur had already introduced investors to Company 2. Mazur's broker-dealer – specifically, the same managing principal that executed the China Yingxia-related agreement – signed off on the Company 2 related agreement, again apparently under the guise that "consulting" services were provided by one of its registered representatives, Mazur, to another broker-dealer.

18. Mazur's activities, as described herein, exceeded that of any "money finder" and thus required broker-dealer registration. Mazur was involved in the offerings for China Yingxia and Company 2 without his employer broker-dealer's knowledge or opportunity to supervise.

Violations

19. As a result of the conduct described above, Mazur willfully violated Section 15(a) of the Exchange Act, which makes it unlawful for any broker or dealer to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security, unless such broker or dealer is registered or associated with a registered broker-dealer.

IV.

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

Accordingly, pursuant to Sections 15(b) and 21C of the Exchange Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that**:**

A. Respondent Mazur cease and desist from committing or causing any violations and any future violations of Section 15(a) of the Exchange Act.

B. Respondent Mazur 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;
>
> prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter; and
>
> 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,
>
> with the right to apply for reentry after two (2) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

C. 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.

D. Respondent shall, within 30 days of the entry of this Order, pay disgorgement of $126,800, prejudgment interest of $25,550.01 and civil penalties of $25,000 to the Securities and Exchange Commission. If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600 or pursuant to 31 U.S.C. § 3717. Payment must be made in one of the following ways:

> (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
> (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Stephen Mazuchowski a/k/a Steve Mazur as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Andrew M. Calamari, Acting Regional Director, Division of Enforcement, Securities and Exchange Commission, 3 World Financial Center, Suite 400, New York, NY 10281.

E. Such civil money penalty may be distributed pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended ("Fair Fund distribution"). Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Elizabeth M. Murphy
Secretary