

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SECURITIES EXCHANGE ACT OF 1934  
Release No. 67458/July 18, 2012

ADMINISTRATIVE PROCEEDING  
File No. 3-14896

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In the Matter of	:	
	:	ORDER MAKING FINDINGS AND
MARC CHRISTOPHER HARMON	:	IMPOSING SANCTION BY DEFAULT

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**SUMMARY**

This Order bars Marc Christopher Harmon (Harmon) from association with any broker or dealer. Harmon was previously enjoined from violating the antifraud and registration provisions of the securities laws.

**I. BACKGROUND**

The Securities and Exchange Commission (Commission) instituted this proceeding with an Order Instituting Proceedings (OIP), pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act), on May 29, 2012. The OIP alleges that Harmon was enjoined in 2012 from violating the antifraud and registration provisions of the federal securities laws, based on his involvement in a scheme that raised approximately \$3.2 million from approximately sixteen investors through fraudulent, unregistered sales of securities. Harmon was served with the OIP on June 2, 2012. Thereafter, Harmon submitted documents stating “I DO NOT CONSENT TO THESE PROCEEDINGS” that included a copy of the OIP on which “I DO NOT CONSENT TO THESE PROCEEDINGS” is stamped on every page. The Division of Enforcement (Division) filed a Motion for Relief by Default on July 6, 2012. Harmon did not respond. Accordingly, he has failed to respond to a dispositive motion within the time provided and has affirmatively declined to defend the proceeding; thus, he is in default, and the undersigned finds that the following allegations in the OIP are true. See 17 C.F.R. §§ 201.154(b), .155(a), .220(f).

**II. FINDINGS OF FACT**

Harmon is permanently enjoined from violating the antifraud and registration provisions of the federal securities laws, specifically, from violating Sections 5 and 17(a) of the Securities Act of 1933 and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder.<sup>1</sup> SEC v.

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<sup>1</sup> Official notice, pursuant to 17 C.F.R. § 201.323, is taken of the fact that Harmon was also ordered to pay a civil penalty of \$130,000 and, jointly and severally with others, to disgorge \$3,200,000 plus prejudgment interest of \$194,426. SEC v. Rivera, No. 11-cv-04741 (N.D. Cal. May 16, 2012).

Rivera, No. 11-cv-04741 (N.D. Cal. May 16, 2012). The wrongdoing that underlies the injunction occurred from October 2008 through May 2009 when Harmon participated in a scheme that raised approximately \$3.2 million from approximately sixteen investors through fraudulent, unregistered sales of securities. Harmon attracted investors with false representations that their money would be profitably invested in collateralized mortgage trading programs and other trading programs, when, in fact, a co-defendant of Harmon spent the money on improvements to his home, luxury vehicles, travel and other personal expenses, and to compensate Harmon. Additionally, Harmon sold securities for compensation to at least twelve investors without being registered with the Commission as a broker or associated with a registered broker.

### III. CONCLUSIONS OF LAW

Harmon is permanently enjoined “from engaging in or continuing any conduct or practice in connection . . . with the purchase or sale of any security” within the meaning of Sections 15(b)(4)(C) and 15(b)(6)(A)(iii) of the Exchange Act.

### IV. SANCTION

Harmon will be barred from association with any broker or dealer.<sup>2, 3</sup> This sanction will serve the public interest and the protection of investors, pursuant to Section 15(b) of the Exchange Act. It accords with Commission precedent and the sanction considerations set forth in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979), aff’d on other grounds, 450 U.S. 91 (1981). Harmon’s unlawful conduct was egregious, over a period of seven months. There are no mitigating circumstances.

### V. ORDER

IT IS ORDERED that, pursuant to Section 15(b) of the Securities Exchange Act of 1934, MARC CHRISTOPHER HARMON IS BARRED from association with any broker or dealer.

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Carol Fox Foelak  
Administrative Law Judge

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<sup>2</sup> Although not associated with a registered broker-dealer, Harmon is subject to a bar from association with a broker or dealer pursuant to Section 15(b) of the Exchange Act. See Vladislav Steven Zubkis, Exchange Act Release No. 52876 (Dec. 2, 2005), 86 SEC Docket 2618, 2627, recon. denied, Exchange Act Release No. 53651 (Apr. 13, 2006), 87 SEC Docket 2584 (unregistered associated person of an unregistered broker-dealer barred from association with a broker or dealer).

<sup>3</sup> The Division’s request for sanctions also includes a collateral bar pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). However, Harmon’s misconduct antedates the July 22, 2010, effective date of the Dodd-Frank Act. Neither the Commission nor the courts have approved such retroactive application of its provisions in any litigated case, and the undersigned declines to impose the new sanction retroactively. See Koch v. SEC, 177 F.3d 784 (9th Cir. 1999); see also Sacks v. SEC, 648 F.3d 945 (9th Cir. 2011).