

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 61801 / March 30, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13838

In the Matter of

JOHN FARAHI,

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 John Farahi (“Farahi” 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 Section III.2 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. Farahi, age 52, resides in Beverly Hills, California and Las Vegas, Nevada. Farahi was the co-owner, president, secretary and treasurer of NewPoint Financial Services, Inc. and has been associated with NewPoint Securities, LLC, a broker-dealer registered with the Commission, since September 1999. From at least May 2003 through approximately April 2009, Farahi and NewPoint Financial Services, Inc. sold more than \$20 million in securities issued by NewPoint Financial Services, Inc.

2. On March 9, 2010, a judgment was entered by consent against Farahi, permanently enjoining him from future violations of Sections 5 and 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. NewPoint Financial Services, Inc., et al., Civil Action Number 10-0124 DDP (JEMx), in the United States District Court for the Central District of California.

3. The Commission's complaint alleged that, in connection with the offer and sale of securities of NewPoint Financial Services, Inc., Farahi falsely represented to investors that the investments were low risk and that the funds raised would be used to invest in FDIC insured certificates of deposit, government bonds, and/or corporate bonds issued by companies backed by funds from the Troubled Asset Relief Program. The Commission's complaint further alleged that Farahi used the money raised to, among other things, fund the construction of his personal residence in Beverly Hills, California and trade in risky stock options futures.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Farahi be, and hereby is barred from association with any broker or dealer;

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.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary