

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3478 / September 27, 2012**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15053**

**In the Matter of**

**ZEVI WOLMARK,**  
**aka Stewart Wolmark,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 203(f) OF THE**  
**INVESTMENT ADVISERS ACT OF 1940,**  
**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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Zevi Wolmark, also known as Stewart Wolmark (“Wolmark” 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, Respondent consents to the Commission’s jurisdiction over him and the subject matter of these proceedings and to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, 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. Wolmark, from 1986 through 2010, was the chief financial officer and a managing director of Rubin/Chambers Dunhill Insurance Services, Inc., dba CDR Financial Products, Inc. (“CDR”), a registered investment adviser with the Commission from 2001 until

February 14, 2011. CDR marketed financial products and services, including services as a bidding agent to various municipalities throughout the United States. More specifically, public entities hired CDR, among other things, to act as their agent for the purpose of conducting what was supposed to be a competitive bidding process for contracts for the investment of the proceeds from the sales of municipal bonds. CDR is a California corporation with its then principal place of business in Beverly Hills, California. Wolmark, age 56, is a resident of Los Angeles, California.

2. On January 9, 2012, Wolmark pled guilty to two counts of conspiracy in violation of 15 U.S.C. § 1 and 18 U.S.C. § 371, respectively, and to one count of wire fraud and honest services fraud in violation of 18 U.S.C. §§ 1343 and 1346 before the United States District Court for the Southern District of New York, in United States v. Rubin/Chambers, Dunhill Insurance Services, Inc., et al., Criminal No. 09-cr-1058 (VM). Wolmark's sentencing is currently scheduled for December 14, 2012.

3. The superseding indictment to which Wolmark pled guilty charged, among other things, that Wolmark engaged in fraudulent misconduct in connection with the competitive bidding process for the selection of the firms to provide instruments in which municipal issuers, in accordance with federal tax laws and regulations, temporarily invested the proceeds of tax-exempt municipal bonds. More specifically, the superseding indictment charged that, from at least as early as 1998 until at least November 2006, Wolmark and his co-conspirators conspired to allocate and rig bids for investment agreements or other municipal finance contracts, in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1. According to the superseding indictment, Wolmark and his co-conspirators, among other things, designated in advance of the submission of bids to CDR which provider among the co-conspirator providers would be the winning bidder for a certain investment agreement and submitted or caused to be submitted to CDR intentionally losing bids. Certain co-conspirator providers paid kickbacks to CDR in the form of fees that were inflated, relative to services performed, or unearned in exchange for assistance from Wolmark and other CDR co-conspirators in controlling the bidding process and ensuring that certain co-conspirator providers won the bids they were allocated. The superseding indictment further charged that, from at least as early as August 2001 until at least November 2006, Wolmark, in violation of 18 U.S.C. § 371, conspired to defraud the United States and an agency thereof, the Internal Revenue Service of the United States Department of Treasury ("IRS"), by impeding, impairing, obstructing, and defeating the lawful government functions of the IRS in the ascertainment, computation, assessment, and collection of revenue due and owing from municipal issuers and in the exercise of its responsibilities to monitor compliance with Treasury regulations related to tax-exempt municipal bonds. In addition, the superseding indictment charged that Wolmark and other persons known and unknown devised a scheme and artifice to defraud municipal issuers and to obtain money and property from these municipal issuers by means of false and fraudulent pretenses, representations, and promises, namely a scheme to deceive municipal issuers by manipulating the bidding process for multiple investment agreements, and further to deprive municipal issuers of the intangible right to the honest and faithful services of CDR, Wolmark, and others through kickbacks and the concealment of material information, and for the purposes of executing such scheme and artifice, in violation of 18 U.S.C. §§ 1343 and 1346, caused to be transmitted on or about May 31, 2006, via interstate wire transfer from New York, New York to Missouri, an interest payment of

approximately \$442,341.39 to a state health and educational facilities authority, which payment was artificially suppressed because at the time that the marketer for the winning provider determined the price of the winning bid, he was asked to pay and agreed to pay a kickback to CDR that amounted to \$475,000.

#### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent Wolmark 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.

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