

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 Rule 102(e) of the Commission's Rules of Practice, 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. Czarnik, age 43, is an attorney licensed to practice in New York.
2. On July 12, 2012, a final judgment was entered against Czarnik in the civil action entitled SEC v. Stephen J. Czarnik (Civil Action No. 10-CV-745) in the United States District Court for the Southern District of New York, permanently enjoining Czarnik, by consent, from future violations of Section 5 of the Securities Act of 1933 ("Securities Act"). In addition, Czarnik was enjoined from participating in an offering of penny stock for a period of five years, and was permanently barred from providing professional legal opinions in connection with the offer or sale of securities claiming an exemption under Regulation D of the Securities Act.
3. The Commission's third amended complaint alleged, among other things, that Czarnik, a securities lawyer, was a necessary and substantial participant in the unregistered distributions of several penny stocks in violation of Section 5 of the Securities Act. Czarnik drafted opinion letters for these offerings stating that they were exempt from registration pursuant to Rule 504(b)(1)(iii) of Regulation D. The Commission alleged that the offerings did not comply with that rule because the offerings were not limited to *bonafide* accredited investors.

IV.

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

Accordingly, it is hereby ORDERED, effective immediately, that Czarnik is suspended from appearing or practicing before the Commission as an attorney. After three years from the date of this Order, Czarnik may request that the Commission consider his reinstatement by submitting an application (attention: Office of General Counsel) to resume appearing or practicing before the Commission as an attorney. The Commission will consider an application by Respondent to resume appearing or practicing before the Commission provided that Czarnik is not subject to any suspension or disbarment of an attorney by any court of the United States or of any state, territory, district, commonwealth, or possession, and that he has not been convicted of a felony or misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice.

By the Commission.

Elizabeth M. Murphy
Secretary