UNITED STATES OF AMERICA before the SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934 Release No. 66181 / January 18, 2012

INVESTMENT ADVISERS ACT OF 1940 Release No. 3357 / January 18, 2012

ADMINISTRATIVE PROCEEDING File No. 3-14700

GREGORY BARTKO, ESQ.,

:

ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS PURSUANT TO SECTION

In the Matter of : 15(b) OF THE SECURITIES EXCHANGE : ACT OF 1934 AND SECTION 203(f) OF THE

INVESTMENT ADVISERS ACT OF 1940

AND NOTICE OF HEARING

Respondent.

:

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") and Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") against Gregory Bartko, Esq. ("Respondent" or "Bartko").

II.

After an investigation, the Division of Enforcement alleges that:

A. <u>RESPONDENT</u>

1. Bartko, age 58, was an attorney licensed to practice law in Georgia, Michigan, and North Carolina and has represented clients before the Commission. From 1999 through the date of his conviction, Bartko was also the president and chief executive officer of Capstone Partners, LC ("Capstone"), a broker-dealer registered with the Commission. During the relevant time, Capstone was also registered as an investment adviser with the states of Georgia and North Carolina but has since failed to renew its registration with these states.

B. <u>ENTRY OF THE RESPONDENT'S CRIMINAL CONVICTION</u>

- 2. On November 18, 2010, a judgment of conviction was entered against Bartko in *United States v. Gregory Bartko*, No. 5:09-CR-321, in the United States District Court for the Eastern District of North Carolina (Western Division), finding him guilty of one count of conspiracy in violation of 18 U.S.C. § 371, four counts of mail fraud in violation of 18 U.S.C. §§ 1341 and 1342, and one count of the sale of unregistered securities in violation of 15 U.S.C. §§ 77e and 77x and 18 U.S.C. § 2.
- 3. The counts of the criminal indictment for which Bartko was convicted alleged, <u>inter alia</u>, that Bartko, along with others, collected hundreds of thousands of dollars in proceeds obtained through the fraudulent sales of investments, transferred these funds to bank accounts he and others controlled in Georgia, California, and North Carolina, and then converted a significant portion of these funds to his and others' personal use.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

- A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;
- B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and
- C. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by

Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice, 17 C.F.R. § 201.360.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Elizabeth M. Murphy Secretary