

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 66516 / March 6, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14785

In the Matter of

JAMES CLEMENTS,

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 James Clements (“Clements” 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. From 2005 until the summer of 2007, Clements jointly controlled MRT, LLC; MRT Holdings, LTD; and Maximum Return Transaction, LLC (collectively "MRT"), with his partner. Clements solicited investors to purchase MRT's securities, handled investor funds, received and facilitated the payment of transaction-based compensation to MRT's account managers, and met with MRT's account managers to instruct them on MRT's changing investment strategy. He also offered and sold MRT's securities to investors. Clements was neither registered as a broker or dealer with the Commission nor associated with a registered broker or dealer.

2. On February 7, 2012, a judgment was entered by consent against Clements, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, and Sections 15(a) and 10(b) of the Exchange Act and Exchange Act Rule 10b-5, in the civil action entitled Securities and Exchange Commission v. James Clements & Zeina Smidi, Civil Action Number 0:11-60673-CIV-WPD, in the United States District Court for the Southern District of Florida.

3. The Commission's complaint alleges that, from 2005 until the end of 2007, Clements and his partner operated a Ponzi scheme that offered investors guaranteed monthly returns. Clements falsely told investors MRT used investor proceeds to trade foreign currencies and guaranteed monthly returns of up to 11%. In June 2007, Clements told account managers MRT would no longer trade foreign currencies; instead, Clements falsely claimed that MRT was working with the best Swiss banks and advisors, allowing investors to roll over their existing investment and make future ones into high-yield, fixed-rate savings accounts. Clements and his partner, however, actually operated a Ponzi scheme with investors' money. Clements and his partner siphoned approximately \$3 million of MRT investor money to their personal bank accounts, and paid out approximately \$3 million for travel, expenses, and luxury items.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Clements be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent.

Respondent be, and hereby is, barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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