



## **A. Respondents**

1. Park, a Winter Park, Florida broker-dealer, has been registered with the Commission since 1992 and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”), formerly the NASD.

2. Cantley, 44, resides in Winter Park, Florida. Cantley was president and owner of Park during the relevant time period as described below. He was also Park’s financial operations principal and oversaw the firm’s trading department and the compliance officer responsible for filing Suspicious Activity Reports.

## **B. Other Relevant Entities and Individual**

3. Spear & Jackson, Inc. is a Nevada corporation incorporated in 1998. It is the surviving entity of a September 2002 reverse merger between Spear & Jackson and Megapro Tools, Inc. (“Megapro”), a Canadian-based tool company. Spear & Jackson is in the business of manufacturing and distributing a variety of garden and household tools. Spear & Jackson’s common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act. From February 2002 to July 2003 (“relevant time period”), Spear & Jackson was quoted on the OTC Bulletin Board, and its principal offices were located in Boca Raton, Florida.

4. Dennis P. Crowley, 42, resides in Highland Beach, Florida. During the relevant time period, Crowley was Spear & Jackson’s CEO, chairman of its board of directors, and owner of more than 50% of its outstanding common stock. Crowley, a former registered representative, was permanently barred from association with any NASD member in 1991.

5. International Media Solutions, LLC (“IMS”), now defunct, was formerly a privately held Florida limited liability company with its headquarters in Longwood, Florida. IMS was an investor relations firm and promoted Spear & Jackson securities during the relevant time period.

6. Spear & Jackson, Crowley, and IMS were all previously enjoined by consent from future violations of the federal securities laws by the United States District Court for the Southern District of Florida stemming from their roles in Crowley’s fraud.

## **C. Background**

7. Beginning about January of 2002, Crowley engaged in a pump-and-dump scheme involving the securities of Spear & Jackson. Initially, Crowley secretly acquired approximately 800,000 shares of Megapro securities through the filing of a false Form S-8 and other fraudulent transfers. In September 2002, Crowley orchestrated and self-funded Megapro’s acquisition of Spear & Jackson through a reverse merger in which Spear & Jackson emerged as the surviving entity. After the merger, Crowley became Spear & Jackson’s president and chief executive officer and his secretly acquired Megapro shares became Spear & Jackson shares.

8. In February 2002, Crowley retained IMS to promote the stock of first Megapro and later Spear & Jackson to brokers and traders through the dissemination of false and misleading information intended to inflate artificially share prices. Crowley compensated IMS with large blocks of Spear & Jackson stock which he transferred from accounts at Park he controlled to an IMS brokerage account at Park. This promotion continued through July 2003. As discussed in more detail below, Crowley sold large amounts of his fraudulently obtained stock, reaping approximately \$3 million in personal profits.

#### **D. The Conduct of Park and Cantley**

9. Around the same time Crowley began acquiring Megapro shares, three companies located in the British Virgin Islands (“BVI Companies”) opened brokerage accounts at Park. Although individuals other than Crowley opened the accounts and had trading authority, the BVI Companies were, in fact, nominees clandestinely controlled by Crowley.

10. The BVI Companies’ accounts were unusual for Park and Cantley in that Park rarely serviced foreign-based accounts. In addition, the accounts were opened over the telephone and by mail, and neither Cantley nor anyone else at Park met the directors who allegedly controlled the accounts.

11. Also around this time, Crowley opened several corporate brokerage accounts at Park with Cantley. Previously, IMS had opened an account at Park, and IMS referred the BVI Companies to Park. At all relevant times, Cantley was the registered representative on the accounts of the BVI Companies, Crowley, and IMS.

12. In early 2002, Park began making a market in Megapro securities. Cantley oversaw Park’s market making in Megapro, and subsequently Spear & Jackson, during the relevant time period. Cantley conducted and updated due diligence on Megapro and Spear & Jackson, including collecting their filings with the Commission and staying up to date with earnings releases and management issues. During the time Park acted as a market maker for Megapro and Spear & Jackson, the share price increased from \$2 to \$16 on volume often exceeding 100,000 shares per day.

13. During the relevant time period, the BVI Companies engaged in more than 200 transactions in Spear & Jackson stock in their accounts at Park, for an aggregate total sale of almost one million shares. Spear & Jackson was the only stock in which the BVI Companies traded during the relevant time period.

14. During this same time, the BVI Companies transferred shares of Spear & Jackson to IMS’ account. IMS was promoting Spear & Jackson stock and was typically compensated for its services with stock.

15. During the relevant time period, Crowley called Cantley on a few occasions and gave him sell orders for Spear & Jackson stock in at least one of the BVI Companies’ accounts, which Cantley filled.

16. Cantley and Park executed Crowley's trade orders despite knowing: Crowley was not an authorized signatory on the BVI Companies' accounts; Park's written supervisory procedures required written authorization from any customer who grants third-party trading authority over the account; Crowley was CEO of Spear & Jackson; and Crowley ordered Spear & Jackson trades only in the BVI Companies' accounts, and not for any of the corporate accounts for which he was the listed owner.

17. While neither Park nor Cantley are alleged to have knowingly participated in Crowley's fraudulent scheme, Park and Cantley continued to effect transactions in the securities of Spear & Jackson for the BVI Companies' accounts during the relevant time period despite the obvious risks set forth above and the suspicious nature of the transactions by Crowley in the BVI Companies' accounts. As a result of these transactions, Park received \$29,775.24 in the form of mark-ups and Cantley received \$8,263.70 in commissions.

#### **E. Failure to File Suspicious Activity Reports (SARs)**

18. In April 2002, Congress passed the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001. The Patriot Act amended provisions of the Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the "Bank Secrecy Act") and substantially expanded a broker-dealer's obligations to detect and prevent money laundering. The regulations implementing the Bank Secrecy Act mandate that, effective December 31, 2002, broker-dealers report suspicious transactions by filing a Suspicious Activity Report ("SAR") with the Financial Crimes Enforcement Network ("FinCEN") to report a transaction (or a pattern of transactions of which the transaction is a part) involving or aggregating to at least \$5,000 that it "knows, suspects, or has reason to suspect:" (1) involves funds derived from illegal activity or is conducted to disguise funds derived from illegal activities; (2) is designed to evade any requirements of the Bank Secrecy Act; (3) has no business or apparent lawful purpose and the broker-dealer knows of no reasonable explanation for the transaction after examining the available facts; or (4) involves use of the broker-dealer to facilitate criminal activity. 31 C.F.R. § 103.19(a)(2).

19. The failure to file a SAR as required by 31 C.F.R. § 103.19 is a violation of Section 17(a) of the Exchange Act and Rule 17a-8 thereunder.

20. From December 31, 2002 through July 2003, the three BVI Companies' brokerage accounts made approximately 98 transactions in Spear & Jackson securities that each totaled more than \$5,000.

21. The information available to Park and Cantley, in particular the red flags described in Paragraphs 9-17 above, should have suggested that the transactions in Spear & Jackson stock occurring through the BVI Companies' brokerage accounts involved the type of conduct that required the firm to generate and file SARs. However, from December 31, 2002 through July 2003, Park and Cantley failed to file SARs with FinCEN for the relevant transactions.

## **F. Violations**

22. Based on the conduct described above, Cantley and Park willfully aided and abetted and caused Crowley's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Additionally, Park violated, and Cantley aided and abetted and caused Park's violations of, Section 17(a) of the Exchange Act and Rule 17a-8 thereunder.

## **IV.**

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

Accordingly, pursuant to Sections 15(b) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Cantley and Park cease and desist from committing or causing any violations and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder;

B. Park cease and desist from committing or causing and Cantley cease and desist from causing any violations and any future violations of Section 17(a) of the Exchange Act and Rule 17a-8 thereunder;

C. Cantley is hereby barred from association with any broker or dealer with the right to reapply for association after two (2) years to the appropriate self-regulatory organization, or if there is none, to the Commission. Any reapplication for association by Cantley will be subject to the applicable law 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 Cantley, 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;

D. Park is hereby censured;

E. Cantley shall pay, within 10 days of the entry of this Order, disgorgement of \$8,263.70 and prejudgment interest of \$166.01, for a total amount of \$8,429.71, to the United States Treasury. Such payment shall be: (A) made by United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (D) submitted under cover letter that identifies Cantley as a Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Robert K. Levenson, Regional Trial Counsel, Division of Enforcement, Securities and Exchange Commission, Miami Regional Office, 801 Brickell Avenue, Suite 1800, Miami, Florida, 33131;

F. Park shall pay, within 10 days of the entry of this Order, disgorgement of \$29,775.24 and prejudgment interest of \$598.15, for a total amount of \$30,373.39, to the United States Treasury. Such payment shall be: (A) made by United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (D) submitted under cover letter that identifies Park as a Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Robert K. Levenson, Regional Trial Counsel, Division of Enforcement, Securities and Exchange Commission, Miami Regional Office, 801 Brickell Avenue, Suite 1800, Miami, Florida, 33131;

G. Cantley shall pay, within 10 days of the entry of this Order, a civil money penalty of \$25,000 to the United States Treasury. Such payment shall be: (A) made by United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (D) submitted under cover letter that identifies Cantley as a Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Robert K. Levenson, Regional Trial Counsel, Division of Enforcement, Securities and Exchange Commission, Miami Regional Office, 801 Brickell Avenue, Suite 1800, Miami, Florida, 33131; and

H. Park shall pay, within 10 days of the entry of this Order, a civil money penalty of \$50,000 to the United States Treasury. Such payment shall be: (A) made by United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (D) submitted under cover letter that identifies Park as a Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Robert K. Levenson, Regional Trial Counsel, Division of Enforcement, Securities and Exchange Commission, Miami Regional Office, 801 Brickell Avenue, Suite 1800, Miami, Florida, 33131.

By the Commission.

Nancy M. Morris  
Secretary