

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 56248/ August 14, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12670

In the Matter of	:	
	:	
GARY J. SPIRK	:	ORDER MAKING FINDINGS AND IMPOSING SANCTION BY DEFAULT
	:	
	:	

The Securities and Exchange Commission (Commission) issued an Order Instituting Proceedings (OIP) pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act) on June 26, 2007. The OIP required that Gary J. Spirk (Spirk) file an Answer to the allegations in the OIP within twenty days of service of the OIP. OIP at 2. Service occurred on July 2, 2007, so Spirk's Answer was due by July 23, 2007. A hearing is scheduled to begin on Wednesday, August 15, 2007.

I issued an Order Postponing Hearing on July 19, 2007, stating that I would default Spirk if he failed to file an Answer contesting the allegations in the OIP. Spirk has not filed an Answer and the Division of Enforcement (Division) has informed my Office that Spirk has not contacted the Division since the OIP was issued. Accordingly, I find Spirk in default and that the following allegations in the OIP are true. 17 C.F.R. §§ 201.155(a), .220(f).

A. RESPONDENT

Spirk is 53 years old and resides in Washington Borough, Pennsylvania. He has never been registered with the Commission in any capacity. Spirk was involved in a nine-month promissory note offering of Security Asset Capital Corp. (Security Asset) and a similar offering by Apacor Financial, Inc. (Apacor). Spirk was the sole principal of Secure Investments, which sold the unregistered notes from each offering through a network of independent insurance agents in Pennsylvania whom he had recruited. Spirk had been involved with other unregistered promissory note offerings in the past.

B. ENTRY OF THE INJUNCTION

On June 12, 2007, the United States District Court for the Eastern District of Pennsylvania entered a final judgment on default against Spirk, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (Securities Act),

Sections 10(b) and 15(a)(1) of the Exchange Act and Exchange Act Rule 10b-5, in SEC v. Security Asset Capital Corp., Civil Action Number 04-CV-0683.

The complaint in SEC v. Security Asset Capital Corp. alleges that defendants, including Spirk, made material misrepresentations and omissions in the offering of nine-month promissory notes, whereby investors were promised secure investments with twelve percent or more annual returns. In fact, investors lost their investments. The alleged misrepresentations and omissions related to, among other things, the use of the offering proceeds and the risks associated with the investment. Specifically, the complaint alleges that contrary to defendants' representations, at the time of the offerings, each of these issuers was in dire financial circumstances, and that offering proceeds were used, not for the purchase of productive assets as promised, but, largely, to pay commissions, officers' salaries and personal expenses, and to pay interest to prior investors. The complaint further alleges that, from these offerings of promissory notes, Security Asset raised approximately \$7 million and Apacor raised approximately \$1.5 million. Finally, the complaint alleges that no registration statement was in effect as to these promissory notes; nor were they exempt from registration, and that Spirk acted as an unregistered broker-dealer in connection with the charged conduct.

CONCLUSIONS OF LAW

Section 15(b) of the Exchange Act authorizes the Commission to bar from association with a broker or dealer a person who has been enjoined from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act, Sections 10(b) and 15(a)(1) of the Exchange Act and Exchange Act Rule 10b-5, where it is in the public interest to do so.

Application of established public interest criteria shows that it is in the public interest to bar Spirk from association with a broker or dealer. His conduct was egregious in that it violated the antifraud and registration provisions of the securities statutes and an Exchange Act regulation and it caused investors to lose their investments. Spirk has neither provided any assurance against future violations nor recognized the wrongful nature of his conduct. Finally, the factors mentioned previously and Spirk's failure to contest the allegations of wrongdoing in both the underlying civil action and this administrative proceeding indicate that Spirk's continued participation in the securities industry would likely result in future violations. Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979), aff'd on other grounds, 450 U.S. 91 (1981); Orlando Joseph Jett, 82 SEC Docket 1211, 1260-61 (Mar. 5, 2004).

ORDER

It is ORDERED that pursuant to Section 15(b) of the Securities Exchange Act of 1934, Gary J. Spirk is barred from association with any broker or dealer.

It is FURTHER ORDERED that the hearing scheduled for August 15, 2007 is canceled.

Brenda P. Murray
Chief Administrative Law Judge