

SECURITIES EXCHANGE ACT OF 1934
Release No. 54623 / October 18, 2006

Administrative Proceeding
File No. 3-12458

In the Matter of Marcos Martinez and James Frace

The Securities and Exchange Commission (“Commission”) announced today that it issued an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Order”) against Marcos Martinez (“Martinez”) and James Frace (“Frace”), former registered representatives of Platinum Investment Corporation (“Platinum”). In the Order, the Division of Enforcement alleges that: (1) on July 31, 2002, the Commission filed a civil action entitled *Securities and Exchange Commission v. Platinum Investment Corporation, et al.*, 02 civ. 6093 (JSR), in the Southern District of New York against Platinum, Martinez, Frace, and others alleging, among other things, that from approximately August 2001 through July 2002, Platinum, Martinez, Frace, and others raised over \$1.5 million through two fraudulent unregistered stock offerings; (2) the Commission’s complaint charges Martinez and Frace with violations of Sections 5 and 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), and Exchange Act Rule 10b-5; (3) on September 25, 2006, a final judgment was entered against Frace permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Exchange Act Rule 10b-5; and (4) on September 27, 2006, a final judgment was entered against Martinez permanently enjoining him from future violations of Sections 5 and 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Exchange Act Rule 10b-5.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide Martinez and Frace an opportunity to dispute these allegations, and to determine what, if any, remedial sanctions against Martinez and Frace are appropriate and in the public interest pursuant to Section 15(b) of the Exchange Act.

The Commission directed that an Administrative Law Judge shall issue an initial decision in this matter within 210 days from the date of service of the Order.