

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SECURITIES EXCHANGE ACT OF 1934  
Release No. 55090/ January 11, 2007

ADMINISTRATIVE PROCEEDING  
File No. 3-12488

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In the Matter of	:	
	:	ORDER MAKING FINDINGS AND
VINCENT NAPOLITANO	:	IMPOSING SANCTION BY DEFAULT
	:	
	:	

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The Securities and Exchange Commission (Commission) issued an Order Instituting Proceedings (OIP) on November 29, 2006, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act). The OIP required that Vincent Napolitano (Napolitano) file an Answer within twenty days after service of the OIP. An Order issued December 20, 2006, found that Napolitano was served with the OIP on December 12, 2006. The December 20, 2006, Order also gave notice that Napolitano would be found in default if he did not file an Answer and did not participate in the telephonic prehearing conference held on January 11, 2007.

Napolitano has not filed an Answer and did not participate in the prehearing conference held today. Accordingly, I find Napolitano to be in default and deem the following allegations in the OIP to be true. See 17 C.F.R. §§ 201.155(a), .220(f), .221(f).

**FINDINGS**

**A. RESPONDENT**

Napolitano is a forty-four-year-old resident of Melville, New York, who participated in offerings of the common stock of Detour Magazine, Inc., Tri-Com Technology Group, Inc., Wineco Productions, Inc., and Fidelity Capital Group Holdings, Inc., all of which were penny stocks.

## **B. ENTRY OF THE INJUNCTION**

On November 13, 2006, a final judgment was entered against Napolitano, permanently enjoining him from future violations of Sections 17(a) and (b) of the Securities Act of 1933 (Securities Act), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Rule 102 of Regulation M, in the civil action entitled SEC v. Vincent Napolitano, et al., Civil Action Number 9:99-CV-04807, in the United States District Court for the Eastern District of New York. Napolitano was ordered to disgorge \$4,709,828.04 together with prejudgment interest in the amount \$1,833,847.78 and to pay a civil penalty of \$100,000 pursuant to Section 20(d) of the Securities Act and Section 21(d) of the Exchange Act.

The Commission's complaint in the civil action alleged that from 1997 through 1999, Napolitano profited from the sale of large blocks of microcap stock in a pump-and-dump scheme. Napolitano received large blocks of microcap stock from issuers as compensation for promoting those stocks in an Internet based newsletter. Napolitano sold the stocks he promoted while recommending newsletter subscribers purchase the stock.<sup>1</sup> The complaint alleged that through this conduct Napolitano violated the antifraud provisions of the Securities Act and the Exchange Act and violated Rule 102 of Regulation M.

## **SANCTIONS**

Section 15(b) of the Exchange Act authorizes the Commission to bar a person from participating in an offering of penny stock where the person has been enjoined from violating provisions of the securities statutes and, at the time of the misconduct, was participating in an offering of penny stock, if it is in the public interest. Based on Napolitano's illegal conduct and the damage that it caused investors, it is in the public interest to bar him from participating in an offering of penny stock.

## **ORDER**

I ORDER, pursuant to Section 15(b) of the Securities Exchange Act of 1934, that Vincent Napolitano is barred from participating in an offering of 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. I also ORDER that the hearing scheduled for January 18, 2005, is canceled.

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Brenda P. Murray  
Chief Administrative Law Judge

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<sup>1</sup> The Division informed me at the prehearing conference in response to my question that Napolitano was the subject of criminal proceedings for the same conduct and that he pleaded guilty and served a three-year sentence.