ADMINISTRATIVE PROCEEDING FILE NO. 3-11367

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UNITED STATES OF AMERICA Before the SECURITIES AND EXCHANGE COMMISSION April 8, 2004

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In the Matter of

ORDER

EDWARD BECKER

On March 31, 2004, the Division of Enforcement (Division) filed a Motion for Summary Disposition (Motion). Respondent Edward Becker (Becker) has not yet filed his Opposition. I have conducted a preliminary review of the Division's Motion, and I find that two issues require clarification. Because the case must be resolved within a 210-day time frame, I address these issues now.

First, Exhibit B to the Division's Motion is a criminal indictment against Becker and others, dated February 26, 2001. Exhibit C to the Division's Motion is the transcript of a May 1, 2002, hearing at which Becker entered a guilty plea. Page 2 of Exhibit C makes clear that Becker pled guilty to Superseding Indictment #3. The Division should explain if there are any differences between the original indictment and the superseding indictment involved in the guilty plea.

Second, Paragraph II.D of the Order Instituting Proceedings (OIP) alleges that, at the relevant times, Becker offered and sold the stock of Compare Generiks, Inc. (Compare Generiks), which was a "penny stock" within the meaning of Section 3(a)(51) of the Securities Exchange Act of 1934 (Exchange Act) and Exchange Act Rule 3a51-1. One of the sanctions that the Division seeks is to bar Becker from future participation in offerings of penny stock. Paragraphs 34 and 37 of the original indictment (Exhibit B to the Division's Motion) discuss the price of Compare Generiks "units," and Paragraph 34 states that each Compare Generiks unit consisted of two shares of common stock and one warrant.

The Division's Motion does not explain how Compare Generiks units, at the times that Becker sold them, met the definition of "penny stock" in Exchange Act Rule 3a51-1(d). Moreover, Investors Associates, Inc., did not employ Becker after September 1996 (Exhibit A to the Division's Motion) and the Division does not allege that Becker sold Compare Generiks after he left that firm. Thus, the fact that Compare Generiks may

have been a penny stock during October and November 1996 is not relevant to Becker's sales. Finally, it is unclear if paragraphs 34 and 37 of the original indictment are identical to the corresponding paragraphs of the superseding indictment. The Division must now identify all the evidence upon which it relies to prove the OIP's assertion that Compare Generiks stock was a "penny stock" at the times that Becker sold it. If there is no such evidence, the Division must clarify if it still seeks a penny stock bar against Becker and, if so, on what basis.

On or before April 15, 2004, the Division shall file and serve a supplemental statement addressing the matters discussed above. Depending on the content of the Division's supplemental statement, I will then issue a further order with respect to the deadline for Becker's Opposition.

SO ORDERED.

James T. Kelly

Administrative Law Judge