

ADMINISTRATIVE PROCEEDING  
FILE NO. 3-10624

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
November 25, 2003

SECURITIES & EXCHANGE COMMISSION  
MAILED FOR SERVICE

NOV 26 2003

FIRST CLASS


In the Matter of :  
:  
HUNTER ADAMS, et al. : ORDER

The Securities and Exchange Commission commenced this proceeding with an Order Instituting Proceedings (OIP) on October 18, 2001. The proceeding was stayed, on motion of the United States Attorney for the Eastern District of New York, pending the prosecution of a parallel criminal proceeding, United States v. Winston, 00 CR 1248 (NGG) (E.D.N.Y.). Hunter Adams, 76 SEC Docket 1084 (A.L.J. Nov. 27, 2001) (Stay Order).

The OIP authorizes these sanctions: remedial sanctions pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 (remedial sanctions), cease-and-desist orders, disgorgement, and civil penalties. On November 19, 2003, the Division of Enforcement (Division) filed its "Motion to Continue Stay in Part and Lift Stay in Part" and "Motion for Leave to File for Partial Summary Disposition." Essentially, the Division asks that this proceeding go forward against Respondents as to the remedial sanctions and cease-and-desist orders, but be stayed as to disgorgement and civil penalties against the same Respondents. (The Division indicates that it may forego requesting disgorgement and civil penalties because restitution may be ordered in the criminal proceeding.) This approach is inconsistent with judicial economy and will be rejected. See 17 C.F.R. § 201.103(a). Thus, a continued stay of this administrative proceeding is appropriate for the reasons set forth in the Stay Order. When the stay is lifted, a date will be set for those Respondents who have been served with the OIP to file answers. Thereafter, the Division may file motions for summary disposition, pursuant to 17 C.F.R. § 201.250, or for default, pursuant to 17 C.F.R. § 201.155, as appropriate, seeking to completely resolve the proceeding against each Respondent against whom it files such motions.

The Division indicates that some Respondents have been convicted in the criminal proceeding while others await sentencing following pleas of guilty. The Division will file a report on the status of each Respondent by January 16, 2004. The prehearing conference scheduled for December 2, 2003, will be postponed to April 2, 2004, pursuant to 17 C.F.R. § 201.161.

IT IS SO ORDERED.



Carol Fox Foelak  
Administrative Law Judge