

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 54132/July 12, 2006

INVESTMENT ADVISERS ACT OF 1940  
Release No. 2534/July 12, 2006

ADMINISTRATIVE PROCEEDING  
File No. 3-12327

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In the Matter of	:	
	:	ORDER MAKING FINDINGS
ROBERT E. SHANNON	:	AND IMPOSING REMEDIAL
	:	SANCTIONS BY DEFAULT
	:	

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The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings (OIP) on June 8, 2006, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act) and Section 203(f) of the Investment Advisers Act of 1940. Evidence in the record (Postal Service Form 3811) demonstrates that Respondent Robert E. Shannon (Shannon) received the OIP on June 15, 2006. Shannon filed his Answer to the OIP on June 28, 2006, in which he did not contest the factual allegations in the OIP and consented to a final order barring him from association with a broker, dealer, and/or investment adviser. Shannon's Answer also states that he is no longer registered in any capacity with a broker, dealer, or investment adviser, and has no intention of seeking future registration.

In a letter dated July 7, 2006, the Division of Enforcement requested that a default order be entered barring Shannon from being associated with a broker, dealer, or investment adviser, as Shannon is not going to defend himself in the proceeding.

I find that Shannon is in default. Pursuant to Rule 155(a) of the Commission's Rules of Practice, I find the following allegations in the OIP to be true:

Shannon, age 54, is a resident of Annapolis, Maryland. From September 1996 until at least July 2003, Shannon was employed by Prudential Securities, Inc. (PSI), a broker, dealer, and investment adviser. Shannon was the branch manager of PSI's Boston, Massachusetts, branch office from approximately late 2001 until at least July 2003.

During the relevant time period, PSI, headquartered in Newark, New Jersey, was registered with the Commission as a broker, dealer, and investment adviser. Shannon was associated with PSI from in or about September 1996 until at least July 2003.

On March 29, 2006, the United States Attorney for the District of Massachusetts filed a criminal Information against Shannon concerning his aiding and abetting of others' use of deceptive trading practices to trade in shares of a mutual fund on June 26, 2003. The Information charged Shannon with one count of aiding and abetting a violation of Section 10(b) of the Exchange Act. The case was filed in the United States District Court for the District of Massachusetts and is entitled United States v. Shannon (Criminal No. 06-cr-10083-RWZ).

On May 3, 2006, Shannon pleaded guilty to the one count alleged in the Information, aiding and abetting others' violations of Section 10(b) of the Exchange Act. The misconduct underlying the criminal Information occurred during the period in which Shannon was associated with PSI.

In view of the above, it is necessary and appropriate in the public interest to bar Shannon from associating with any broker, dealer, or investment adviser.

IT IS ORDERED THAT, pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Robert E. Shannon is barred from associating with any broker, dealer, or investment adviser.

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James T. Kelly  
Administrative Law Judge