

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 54263 / August 2, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12309

In the Matter of

JOHN FLANAGAN,

Respondent.

**ORDER MAKING FINDINGS AND IMPOSING
REMEDIAL SANCTIONS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE ACT OF
1934**

I.

On May 30, 2006, the Securities and Exchange Commission (“Commission”) instituted public administrative proceedings pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against John Flanagan (“Flanagan” or “Respondent”).

II.

Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Flanagan, 40 years old, resides in Medford, New York. From approximately October 2000 until approximately August 2002, Flanagan was a registered representative associated with Donald & Co. Securities, Inc. ("Donald & Co."), a broker-dealer registered with the Commission until November 2002.

2. On September 1, 2005, Flanagan pled guilty to charges of, among other things, conspiracy to commit securities fraud in violation of Title 18 United States Code, Section 371, and securities fraud in violation of Title 15 United States Code, Section 78j(b) before the United States District Court for the Eastern District of New York, in United States v. John Flanagan, 04-CR-00455 (ADS).

3. The counts of the criminal indictment to which Flanagan pled guilty alleged, among other things, that while at Donald & Co. Flanagan willfully and knowingly defrauded investors by means of materially false and misleading statements and omissions, and that he used the United States mails to make materially false and misleading statements and omissions.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Flanagan's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Flanagan be, and hereby is barred from association with any broker or dealer;

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a

customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.

Nancy M. Morris
Secretary