

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
February 22, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-12966

In the Matter of

**EXECUTIVE REGISTRAR &
TRANSFER, INC. and JOHN
J. DONNELLY,**

Respondents.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS
PURSUANT TO SECTIONS 17A(c)(3),
17A(c)(4), AND 21C OF THE SECURITIES
EXCHANGE ACT OF 1934**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 17A(c)(3) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Respondent Executive Registrar & Transfer, Inc. (“Executive”) and that public administrative proceedings be, and hereby are, instituted pursuant to Section 17A(c)(4) of the Exchange Act against Respondent John J. Donnelly (“Donnelly”) (collectively with Executive, “Respondents”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. **Executive Registrar & Transfer, Inc.** is a Colorado corporation with its principal place of business in Englewood, Colorado. Executive has been registered with the Commission as a transfer agent since March 22, 1982, pursuant to Section 17A(c)(2) of the Exchange Act. Executive is wholly-owned by Donnelly.

2. **John J. (a/k/a Jack) Donnelly**, a 73 year-old resident of Highlands Ranch, Colorado, has been president of Executive and United Stock Transfer, Inc. (“United”) at all times relevant to these proceedings. In 2001 the Commission, by consent, authorized the issuance of an administrative and cease-and-desist order against Donnelly based on his aiding and abetting and

causing of violations of Exchange Act provisions pertaining to transfer agents by United. See In the Matter of United Stock Transfer, Inc. and John J. Donnelly, File No. 3-10378 (Securities Exchange Act Rel. No. 44380, June 1, 2001) (the “June 2001 C&D Order”).

B. RELATED PARTY

United Stock Transfer, Inc. was a registered transfer agent owned by Donnelly that was merged into Executive in the Fall of 2003. United subsequently withdrew its registration as a transfer agent and dissolved. United was a subject of the June 2001 C&D Order.

C. UNITED’S, EXECUTIVE’S, AND DONNELLY’S FAILURE TO COMPLY WITH EXCHANGE ACT PROVISIONS CONCERNING TRANSFER AGENTS AND VIOLATIONS OF PRIOR COMMISSION ORDER

1. At all times relevant to these proceedings, Donnelly was president of United and Executive and the individual responsible for United’s and Executive’s compliance with the Exchange Act provisions applicable to them.

2. Following the issuance of the June 2001 C&D Order, United and Executive accumulated numerous separate violations of the transfer agent rules and repeatedly violated several of these rules. Many of these violations also constitute violations of the June 2001 C&D Order.

3. Specifically, the violations are as follows:

a. Exchange Act Section 17A(d)(1) and Rule 17Ad-2(e)(1) thereunder require registered transfer agents to give continuous and diligent attention to all non-routine items presented for transfer and to turnaround such items as soon as possible. In May 2006, an issuer for which Executive was engaged as the transfer agent (“Issuer A”) consummated a merger with another issuer (“Issuer B”) whereby the shareholders of Issuer B were to receive restricted stock of Issuer A in exchange for their Issuer B shares (the “merger shares”). Six months later, in December 2006, Issuer A terminated Executive as its transfer agent. During Executive’s engagement for Issuer A and up to the date of its termination, Executive, through Donnelly, failed to transfer a substantial number of the merger shares owed to Issuer B’s shareholders, which did not satisfy the requirements of the Rule.

b. Exchange Act Section 17A(d)(1) and Exchange Act Rule 17Ad-13(a) require every registered transfer agent to file annually with the Commission a report prepared by an independent accountant concerning the transfer agent’s system of internal accounting control and related procedures for the transfer of record ownership and the safeguarding of related securities and funds. Donnelly has failed to make this filing for Executive for the years 2004, 2005, and 2006.

c. If any of the information reported by a transfer agent on transfer agent registration Form TA-1 becomes inaccurate, misleading or complete, Exchange Act Section 17A(d)(1) and Exchange Act Rule 17Ac2-1(c) require the transfer agent to correct the information by filing an

amendment within sixty days following the date on which the information became inaccurate, misleading, or complete. Donnelly failed to timely file amendments to United's Form TA-1 to reflect the June 2001 C&D Order sanctioning United and Donnelly and a cease-and-desist order entered against United in 1999 by the Commission. Donnelly also failed to timely file amendments to Executive's Form TA-1 to reflect the June 2001 C&D Order. Donnelly further failed to timely file an amended Form TA-1 to reflect the affiliation between United and Executive after Executive was acquired by Donnelly in the Fall of 2003. Finally, Donnelly did not timely file an amended Form TA-1 to reflect the resignation of a director in February 2006.

d. Exchange Act Section 17A(d)(1) and Exchange Act Rule 17Ac2-2(a) require every transfer agent registered on December 31 to file a report covering the reporting period on Form TA-2 by March 31 following the end of the reporting period. Donnelly has failed to make this filing for Executive for the year ended December 31, 2006, as required. Donnelly also did not timely file Executive's Form TA-2 for the year ended December 31, 2005.

e. Exchange Act Section 17A(d)(1) and Exchange Act Rule 17Ad-10(a), (b), and (e) require every registered recordkeeping transfer agent to maintain and keep current an accurate master securityholder file, subsidiary files, and control book for each issue of securities. On or before November 2003, control books for three issuers maintained by Executive, through Donnelly, were out of balance with the master securityholder files and subsidiary files for such issuers.

f. Exchange Act Section 17A(d)(1) and Exchange Act Rule 17Ad-15(c) require every registered transfer agent to establish written standards and procedures for the acceptance of signature guarantees. On or before November 2003, Executive, through Donnelly, did not have a set of written standards and procedures for signature guarantees.

g. Exchange Act Section 17A(d)(1) and Exchange Act Rule 17Ad-16(a) require a registered transfer agent that ceases to perform transfer agent services to send written notice of such termination to the appropriate qualified registered securities depository on or before the later of ten calendar days prior to the effective date of termination or the date the transfer agent is notified of the effective date of such termination. On or before November 2003, Donnelly did not inform the appropriate registered securities depository that United had been terminated as the transfer agent for two issuers. In addition, Donnelly did not timely send written notice to the appropriate registered securities depository that Executive had been terminated as the transfer agent for an issuer in December 2006.

h. Exchange Act Section 17A(d)(1) and Exchange Act Rule 17Ad-17(c) require registered recordkeeping transfer agents to maintain written procedures which describe the transfer agent's methodology for complying with Rule 17Ad-17. On or before July 2002, United, through Donnelly, failed to establish an adequate procedure for searching for lost securities holders because there was no documentation of a procedure to conduct two database searches as required by Rule 17Ad-17(a)(1). On or before November 2003, Executive, through Donnelly, did not maintain the required written procedures under Rule 17Ad-17(c).

i. Exchange Act Sections 17(a)(3) and 17A(d)(1) and Exchange Act Rule 17Ad-6 require registered transfer agents to make and keep the business records specified in the Rule. On or before November 2003, United, through Donnelly, failed to maintain complete records of written requests sent to United regarding items and did not maintain complete records regarding terminations letters sent to United as required by Rule 17Ad-6(a)(6) and (8). Also, on or before November 2003, Executive, through Donnelly, failed to maintain complete records of written requests sent to Executive regarding items and did not maintain letters of appointment for several issues it handled as required by Rule 17Ad-6(a)(6) and (8).

j. Exchange Act Sections 17(a)(3) and 17A(d)(1) and Exchange Act Rule 17Ad-7 require registered transfer agents to follow specified record retention requirements. On or before July 2002, United, through Donnelly, failed to retain documentation of searches for lost securities holders under Exchange Act Rule 17Ad-17(c) or the results of the searches as required by Rule 17Ad-7(i). On or before November 2003, United, through Donnelly, failed to retain certain correspondence from issuers as required by Exchange Act Rule 17Ad-6(a)(6) and (8) in violation of Rule 17Ad-7(a) and (c). Similarly, on or before November 2003, Executive, through Donnelly, failed to retain certain correspondence from issuers as required by Exchange Act Rule 17Ad-6(a)(6) and (8) in violation of Rule 17Ad-7(a) and (c).

k. Exchange Act Section 17A(d)(1) and Exchange Act Rule 17Ad-19(b) require registered transfer agents involved in the handling, processing, or storage of securities certificates to establish and implement written procedures for the cancellation, storage, transportation, destruction, or other disposition of securities certificates. On or before May 2006, Executive, through Donnelly, failed to establish such written procedures insofar as the procedures did not provide that the physical transportation of cancelled certificates be made in a secure manner and that Executive maintain separately a record of the CUSIP number and certificate number of each certificate in transit.

l. Exchange Act Section 17(f)(2) and Exchange Act Rule 17f-2(a) require registered transfer agents to fingerprint employees and maintain those fingerprints. On or before November 2006, Donnelly failed to fingerprint three Executive employees as required.

D. VIOLATIONS

1. As a result of the conduct described above, United willfully violated Sections 17(a)(3) and 17A(d)(1) of the Exchange Act and Rules 17Ac2-1, 17Ad-6, 17Ad-7, 17Ad-16, and 17Ad-17 thereunder.

2. As a result of the conduct described above, Executive willfully violated Sections 17(a)(3), 17(f)(2), and 17A(d)(1) of the Exchange Act and Rules 17Ac2-1, 17Ac2-2, 17Ad-2, 17Ad-6, 17Ad-7, 17Ad-10, 17Ad-13, 17Ad-15, 17Ad-16, 17Ad-17, 17Ad-19, and 17f-2 thereunder.

3. As a result of the conduct described above, Donnelly willfully aided and abetted United's and Executive's violations of Sections 17(a)(3), 17(f)(2), and 17A(d)(1) of the Exchange Act and Rules 17Ac2-1, 17Ac2-2, 17Ad-2, 17Ad-6, 17Ad-7, 17Ad-10, 17Ad-13, 17Ad-15, 17Ad-16, 17Ad-17, 17Ad-19, and 17f-2 thereunder.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Executive pursuant to Section 17A(c)(3) of the Exchange Act including, but not limited to, civil penalties pursuant to Section 21B of the Exchange Act;

C. What, if any, remedial action is appropriate in the public interest against Donnelly pursuant to Section 17A(c)(4) of the Exchange Act including, but not limited to, civil penalties pursuant to Section 21B of the Exchange Act;

D. Whether, pursuant to Section 21C of the Exchange Act, Executive should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 17(a)(3), 17(f)(2), and 17A(d)(1) of the Exchange Act and Rules 17Ac2-1, 17Ac2-2, 17Ad-2, 17Ad-6, 17Ad-7, 17Ad-10, 17Ad-13, 17Ad-15, 17Ad-17, 17Ad-19, and 17f-2 thereunder.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondents personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Nancy M. Morris
Secretary