

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
November 22, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12485

In the Matter of

SCOTT W. BROCKOP,

Respondent.

ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS PURSUANT TO SECTION 15(b) OF THE SECURITIES EXCHANGE ACT OF 1934 AND NOTICE OF HEARING

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Scott W. Brockop (“Respondent” or “Brockop”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Brockop, age 41, is a resident of Edison, New Jersey. From approximately December 1999 through June 2000, Brockop acted as an unregistered broker. Specifically, Brockop served as Vice President of Sales and Marketing for iShopNoMarkup.com, Inc. (“iShop”), a start-up Nevada corporation. Brockop’s primary responsibility was to direct iShop’s efforts to solicit investors to purchase stock in iShop’s private placements. Brockop was not registered as a broker while he worked at iShop, and he was not associated with a registered broker or dealer.

B. ENTRY OF THE INJUNCTION

2. On October 26, 2006, a final judgment by default was entered against Brockop permanently enjoining him from future violations of Sections 5 and 17(a) of the

Securities Act of 1933 (“Securities Act”), Sections 10(b) and 15(a) of the Exchange Act, and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. iShopNoMarkup.com, Inc., et al., Civil Action Number 04-CV-4057, in the United States District Court for the Eastern District of New York. In addition, the final judgment found Brockop liable for disgorgement of \$41,634.10 plus prejudgment interest of \$17,427.81, and directed him to pay a civil penalty of \$41,634.10.

3. The Commission’s complaint alleged the following:

From the Fall of 1999 to the Summer of 2000, iShop, a start-up Internet company, defrauded investors by misrepresenting material information about the company’s operations and capital raising plans. iShop claimed it was developing a shopping mall on the Internet to sell products directly from manufacturers to consumers at no markup. To raise capital, iShop conducted a series of purported private placement offerings and distributed confidential offering memoranda (“COMs”) to investors. The COMs misrepresented, and failed to disclose, material information. Brockop, iShop’s Vice-President of Sales and Marketing, also made oral misrepresentations to individuals to persuade them to buy iShop stock. iShop also ran a “boiler room” operation, where permanent and temporary employees cold-called potential investors. Brockop directed the daily operations of this “boiler room.” At Brockop’s direction, iShop employees used Dunn & Bradstreet lead cards and telephone book listings to identify potential investors, and they also obtained leads from other investors and iShop employees. iShop’s salespeople, including Brockop, then actively solicited these investors to purchase iShop stock. Brockop and the salespeople he supervised told investors that iShop was a good investment, and they also made material misrepresentations to investors to induce them to purchase iShop stock. For instance, Brockop told an investor that iShop would conduct an IPO within 18-36 months at \$10-\$18 per share. Brockop, however, had no reasonable basis to make this claim. Brockop was compensated at iShop based on his success in selling iShop stock to investors. Through the purported private placement offerings, iShop sold approximately 6,748,600 shares of unregistered stock to more than 350 investors and obtained proceeds of approximately \$2.3 million.

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 proceedings be instituted to determine:

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

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

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 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 Respondent 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 Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him 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 Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 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.

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

Nancy M. Morris
Secretary