

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 54996 / December 21, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12516

In the Matter of

JOHN C. FLANDERS, JR.,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS AND A CEASE-
AND-DESIST ORDER PURSUANT TO
SECTIONS 15(b)(6) 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 15(b)(6) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against John C. Flanders, Jr. (“Respondent” or “Flanders”).

II.

In anticipation of the institution of these proceedings, 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, which are admitted, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Sections 15(b)(6) and 21C 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 finds¹ that:

1. Flanders, age 37, resides in Glendale, Arizona. He holds Series 7 and 24 securities licenses. Flanders was not a registered broker-dealer, but from at least late 2001 through September 30, 2003, he was associated with a registered broker-dealer. He is not currently associated with a registered broker-dealer.

2. From at least late 2002 through September 30, 2003, Flanders introduced companies to Telvest Communications, Inc. ("Telvest"), which then arranged for the sale of the companies' shares to overseas investors, pursuant to Regulation S, a section of the federal securities laws that permits companies to sell unregistered shares to overseas investors.

3. Pursuant to an agreement with Telvest, Flanders was entitled to receive transaction-based compensation in the form of commissions from Telvest equal to three percent of the proceeds of the Regulation S sales. Based on this agreement, Flanders received approximately \$165,000 in transaction-based compensation from Telvest.

4. Flanders' conduct was outside the scope of his association with the broker-dealer. By virtue of his acts and omissions as described above, Flanders was engaged in the business of effecting transactions in securities for the accounts of others. Consequently, Flanders was acting as a "broker" within the meaning of Section 3(a)(4) of the Exchange Act.

5. As a result of the conduct described above, Flanders willfully violated Section 15(a) of the Exchange Act, in that he, directly and indirectly, by the use of mails or the means and instrumentalities of interstate commerce, attempted to induce the purchase or sale of securities (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills), without having registered as a broker in accordance with Section 15(b) of the Exchange Act.

IV.

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

Accordingly, pursuant to Sections 15(b)(6) and 21C of the Exchange Act, it is hereby ORDERED that:

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

A. Respondent Flanders cease and desist from committing or causing any violations and any future violations of Section 15(a) of the Exchange Act;

B. Respondent Flanders be, and hereby is, barred from association with any broker or dealer with the right to reapply for association after three (3) years to the appropriate self-regulatory organization, or if there is none, to the Commission;

C. 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;

D. Respondent shall, within 10 days of the entry of this Order, pay \$165,000 in disgorgement and \$17,245 in prejudgment interest to the United States Treasury and that Respondent shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of \$25,000 to the United States Treasury. Such payments shall be: (A) made by United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (D) submitted under cover letter that identifies Flanders as a Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Charles Stodghill, Division of Enforcement, Securities and Exchange Commission, 100 F Street, NE, Mail Stop 4010-A, Washington, D.C. 20549; and

E. Such civil money penalty may be distributed pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 ("Fair Fund distribution"). Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that he shall not, after offset or reduction in any Related Investor Action based on Respondent's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by offset or reduction of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against

Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Nancy M. Morris
Secretary