

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 53179 / January 25, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12162

In the Matter of Daniel Calugar,

Respondent.

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

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that a public administrative proceeding be, and hereby is, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Daniel Calugar (“Calugar” or “Respondent”).

II.

In anticipation of the institution of this proceeding, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of this proceeding 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 this proceeding, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceeding Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

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

1. Calugar was the President and 100% owner of Security Brokerage, Inc. ("SBI"), a broker-dealer registered with the Commission from September 1998, to November 18, 2003. Calugar is a resident of Ponte Vedra Beach, Florida.

2. On January 17, 2006, a final judgment was entered by consent against Calugar, who neither admitted nor denied the allegations in the Complaint, permanently enjoining him from future violations of the antifraud provisions of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Daniel Calugar and Security Brokerage, Inc., Case No. CV-S-03-1600-RCJ-RJJ, in the United States District Court for the District of Nevada.

3. The Commission's Complaint alleged that, from at least 2001 to September 2003, Calugar, trading through SBI, engaged in market timing and late trading shares of certain mutual funds. The Complaint alleged that late trading is a practice whereby orders are placed to buy or sell mutual fund shares after the close of the market but at the mutual fund's Net Asset Value ("NAV"), or price, determined as of the market close. The Complaint alleged that late trading enables the trader to profit from market events that occur after the market close and are not reflected in that day's NAV. The Complaint alleged that because of SBI's status as a broker-dealer, it was permitted to and did submit trades for Calugar's own accounts to the National Securities Clearing Corporation ("NSCC") after the market close at 4:00 p.m. Eastern Time. The Complaint also alleged that Calugar engaged in market timing by engaging in short term buying and selling of mutual fund shares in two mutual fund families, one of which had a prospectus disclosure discouraging market timing and the other of which had a prospectus disclosure prohibiting market timing.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act that Respondent Calugar 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.

By the Commission.

Nancy M. Morris
Secretary