

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 55298/February 15, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12485

In the Matter of :
: ORDER MAKING FINDINGS AND
SCOTT W. BROCKOP : IMPOSING REMEDIAL SANCTION
: BY DEFAULT
:

The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings (OIP) on November 22, 2006, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act). The Office of the Secretary has provided evidence to demonstrate that Respondent Scott W. Brockop (Brockop) received the OIP on December 11, 2006 (Postal Service Form 3811). Brockop's Answer was due within twenty days after he received the OIP. OIP at 3; 17 C.F.R. § 201.220(b). No Answer has been filed, and the time for filing an Answer has now expired.

On January 26, 2007, I ordered Brockop to show cause, on or before February 12, 2007, why he should not be held in default and have the proceeding resolved against him. To date, Brockop has not responded to the Show Cause Order.

Brockop is in default for failing to file an Answer, or otherwise to defend the proceeding. 17 C.F.R. §§ 201.155, .220(f). As authorized by Rule 155(a) of the Commission's Rules of Practice, I find the following allegations in the OIP to be true.

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.

On October 26, 2006, a final judgment by default was entered against Brockop enjoining him from future violations of Sections 5 and 17(a) of the Securities Act of 1933, Sections 10(b) and 15(a) of the Exchange Act, and Rule 10b-5 thereunder, in the civil action titled SEC v. iShopNoMarkup.com, Inc., Civ. Action No. 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.

The Commission's complaint alleged that 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.

In view of the foregoing, I conclude that barring Brockop from association with any broker or dealer is in the public interest.

ORDER

IT IS ORDERED, pursuant to Section 15 (b) of the Securities Exchange Act of 1934, Scott W. Brockop is barred from association with any broker or dealer.

James T. Kelly
Administrative Law Judge