

ACT

ADMINISTRATIVE PROCEEDING  
FILE NO. 3-11179

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
October 22, 2003

SECURITIES & EXCHANGE COMMISSION  
MAILED FOR SERVICE

OCT 22 2003

FIRST CLASS

In the Matter of :  
:  
IFG NETWORK SECURITIES, INC., et al. : PREHEARING ORDER

The hearing in this matter is scheduled to commence on October 27, 2003, in Baltimore, Maryland. A prehearing conference was held today. All parties appeared. The Office of General Counsel of the Securities and Exchange Commission (Commission) also appeared.

The Motion of the Division of Enforcement (Division) for Leave to Take Video Deposition of Joan Carlson was denied. Ms. Carlson will testify by telephone. Two additional witnesses who are unable to attend the hearing will also testify by telephone.

Motions relating to the parties' proposed expert witnesses were addressed. Expert witnesses are expected to testify at hearing sessions in Washington, D.C., during the weeks of November 17 and December 1. The Division has filed reports of its proposed expert witnesses. Respondents have filed information specified in 17 C.F.R. § 201.222(b). Respondents will supplement this by filing expert reports as soon as possible, and, in any event, before the Washington, D.C., hearing sessions. The subpoenas issued at the request of the Division for documents regarding expert witnesses were quashed. Subpoenas seeking similar material from the Division's experts will not be issued.

The subpoena directed to Paul Roye, Director of the Commission's Division of Investment Management (IM), was modified, pursuant to 17 C.F.R. § 201.232(b). Mr. Roye will not be ordered to testify. Production of documents sought will be limited to unpublished correspondence between IM staff and any person outside the Commission.

The Division's Motion to Compel Immediate Production of More Definite Witness Lists was not addressed. It is, however, moot in light of Respondents' amended witness lists.

IT IS SO ORDERED.



Carol Fox Foelak  
Administrative Law Judge