**UNITED STATES OF AMERICA**
**Before the**
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**
**Release No. 66249 / January 26, 2012**

**ADMINISTRATIVE PROCEEDING**
**File No. 3-14720**

**In the Matter of**

**Alchemy Ventures, Inc., KM Capital Management, LLC, Zanshin Enterprises, LLC, Mark H. Rogers, Steven D. Hotovec, Joshua A. Klein, Yisroel M. Wachs, Frank K. McDonald, and Douglas G. Frederick,**

**Respondents.**

**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 15(b)(4), 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)(4), 15(b)(6) and 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Alchemy Ventures, Inc. ("Alchemy"), KM Capital Management, LLC ("KM"), Zanshin Enterprises, LLC ("Zanshin"), Mark H. Rogers ("Rogers"), Steven D. Hotovec ("Hotovec"), Joshua A. Klein ("Klein"), Yisroel M. Wachs ("Wachs"), Frank K. McDonald ("McDonald"), and Douglas G. Frederick ("Frederick") (collectively "Respondents").

**II.**

After an investigation, the Division of Enforcement alleges that:

**Summary**

1. These proceedings arise from trading access that Alchemy, KM, Zanshin, and Mercury Capital ("Mercury"), each an unregistered firm, extended to an individual who subsequently used that trading access to profit from an account intrusion and market manipulation scheme. On a total of 134 occasions from September 2009 to August 2010 (the "relevant period"), the individual made profitable trades through Alchemy, KM, Zanshin, or Mercury contemporaneous with unauthorized trading in the same securities in hijacked online brokerage accounts of innocent and unknowing account holders at multiple U.S. broker-dealers. The individual generated ill-gotten gains totaling $760,051 from the scheme through Alchemy, KM, Zanshin, and Mercury.

2. By effecting securities transactions for the individual, Alchemy, KM, Zanshin, and Mercury acted as unregistered brokers in willful violation of Section 15(a) of the Exchange Act. Rogers, Hotovec, Klein, Wachs, McDonald, and Frederick, each acting directly and through the unregistered firm that he controlled and operated, acted as unregistered brokers in willful violation of Section 15(a) of the Exchange Act by effecting securities transactions for the individual. Rogers, Hotovec, Klein, Wachs, McDonald, and Frederick also willfully aided and abetted and caused an unregistered firm's failure to register as a broker in violation of Section 15(a).

3. Registered broker-dealers are required to comply with regulations that are intended to promote confidence in the securities markets by ensuring that persons who effect transactions for the accounts of others can be relied upon to understand and faithfully execute their obligations to customers and the markets. Regulatory obligations that are incumbent on a registered broker-dealer include membership in a self-regulatory organization and in the Securities Investor Protection Corporation; know-your-customer and anti-money laundering obligations; recordkeeping and supervision requirements; and capital and margin requirements. In addition, registered broker-dealers are subject to statutory disqualification standards and the Commission's disciplinary authority, which are designed to prevent persons with adverse disciplinary histories from becoming, or becoming associated with, registered broker-dealers.

## Respondents

4. Alchemy Ventures, Inc. is a California corporation with its principal place of business in San Mateo, California. Alchemy has never been registered with the Commission in any capacity. Alchemy's wholly-owned subsidiary Alchemy Alternatives, Inc. is a registered broker-dealer. During the relevant period, approximately 250 individuals traded as many as 300 million shares per month on U.S. exchanges in an omnibus account held in Alchemy's name at a registered broker-dealer.

5. During the relevant period, Mark H. Rogers was President of, and associated with, Alchemy. In that capacity, Rogers caused Alchemy to extend market access to traders through Alchemy. Also during the relevant period, Rogers was President of Alchemy Alternatives, Inc. and held Series 7, 24 and 63 licenses. Rogers, age 51, is a resident of San Carlos, California.

6. During the relevant period, Steven D. Hotovec was Vice President of, and associated with, Alchemy. In that capacity, Hotovec caused Alchemy to extend market access to traders through Alchemy. Also during the relevant period, Hotovec was an officer of Alchemy Alternatives, Inc. and held Series 7, 24 and 63 licenses. Hotovec, age 45, is a resident of Redwood City, California.

7. KM Capital Management, LLC is a Pennsylvania limited liability company with its principal place of business in Philadelphia, Pennsylvania. KM has never been registered with the Commission in any capacity. During the relevant period, approximately 10 individuals traded as many as two million shares per month on U.S. exchanges in omnibus accounts held in KM's name at a registered broker-dealer.

8. During the relevant period, Joshua A. Klein was a principal of, and associated with, KM. In that capacity, Klein caused KM to extend market access to traders through KM. Klein has never held securities licenses or been registered with the Commission in any capacity. Klein, age 28, is a resident of Philadelphia, Pennsylvania.

9. During the relevant period, Yisroel M. Wachs was a principal of, and associated with, KM. In that capacity, Wachs caused KM to extend market access to traders through KM. Wachs has never held securities licenses or been registered with the Commission in any capacity. Wachs, age 28, is a resident of Philadelphia, Pennsylvania and Jerusalem, Israel.

10. Zanshin Enterprises, LLC is a Texas limited liability company that had its principal place of business in Boise, Idaho until it ceased operations in February 2010. Zanshin has never been registered with the Commission in any capacity. During the relevant period, until Zanshin ceased operations, approximately 125 individuals traded as many as four million shares per month on U.S. exchanges in omnibus accounts held in Zanshin's name at a registered broker-dealer.

11. During the relevant period, Frank K. McDonald was Managing Member of, and associated with, Zanshin. In that capacity, McDonald caused Zanshin to extend market access to traders through Zanshin. McDonald did not hold any securities licenses and was not registered with the Commission in any capacity during the relevant period. McDonald, age 55, is a resident of Boise, Idaho.

12. During the relevant period, Douglas G. Frederick provided management services to, and was associated with, Mercury Capital. In that capacity, Frederick caused Mercury to extend market access to traders through Mercury. Frederick previously held Series 6, 7, 55 and 63 licenses but was barred in 2008 from association with a broker or dealer. *See In re Frederick*, Admin. Proc. File No. 3-13004, Initial Decision (Sept. 9, 2008) and Notice that Initial Decision Has Become Final (Oct. 8, 2008). Frederick, age 41, is a resident of Brighton, Michigan.

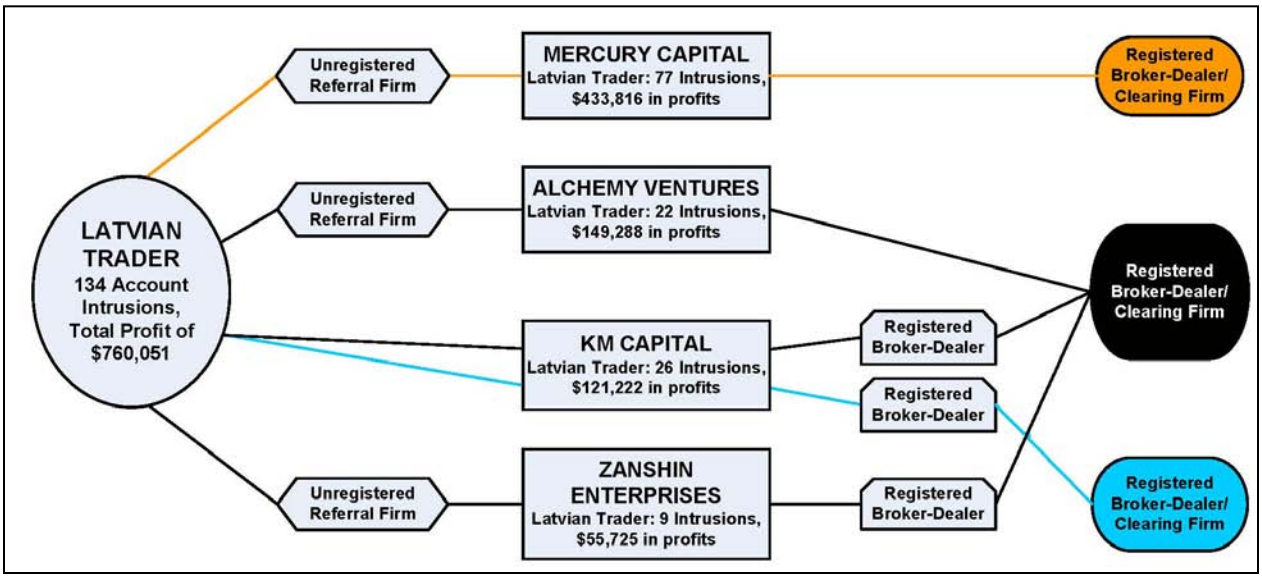
## Other Relevant Entity

13. Mercury Capital is a Nevada corporation that had its principal place of business in La Jolla, California during the relevant period. Mercury has never been registered with the Commission in any capacity. During the relevant period, approximately 600 individuals traded as many as 800 million shares per month on U.S. exchanges in an omnibus account held in Mercury's name at a registered broker-dealer.[1]

## Sponsored Market Access

14. The following chart illustrates the relationships through which the unregistered firms received market access from registered broker-dealers and extended the market access to an individual identified as a citizen of Latvia ("the Latvian trader") who conducted an account intrusion and market manipulation scheme. In the case of Alchemy, Zanshin, and Mercury, the firms extended market access through arrangements with unregistered referral firms.

[1] Simultaneous with the institution of these administrative and cease-and-desist proceedings, the Commission is issuing an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 15(b)(4), 15(b)(6) and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and Cease-and-Desist Orders as to Mercury Capital and Lisa R. Hyatt. Exchange Act Rel. No. 34-_____ (_____ ___, 2012).

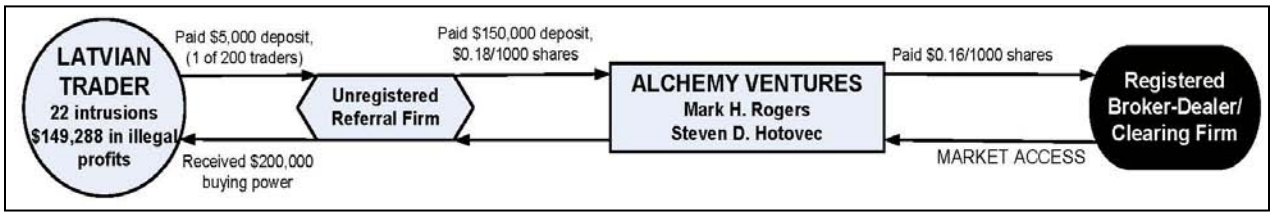



15. Sponsored market access is a form of trading access whereby a broker-dealer permits customers to enter orders into the public market without the orders first passing through the broker-dealer's trading systems.

16. During the relevant period, Alchemy, KM, Zanshin and Mercury each received sponsored market access from a registered broker-dealer and passed the sponsored market access on to the Latvian trader, who subsequently used that trading access to profit from an account intrusion and market manipulation scheme.

**Alchemy Ventures, Inc.**

17. The following chart illustrates the relationships through which Alchemy, Rogers, and Hotovec extended market access to the Latvian trader who conducted an account intrusion and market manipulation scheme.




18. During the relevant period, Alchemy, and Rogers and Hotovec, through Alchemy, received sponsored market access from a registered broker-dealer and passed the sponsored market access on to traders through a Canadian entity that solicited traders through its website and referred them to Alchemy.

19. In connection with extending sponsored market access to traders through the Canadian entity, Alchemy, Rogers, and Hotovec participated in the order-taking and order-routing process, extended credit to the traders in connection with securities transactions, and handled customer funds and securities.

20. During the relevant period, Alchemy, at the direction of Rogers and Hotovec, maintained an agreement with the Canadian entity. Under the agreement, approximately 200

traders who had been referred by the Canadian entity were trading through Alchemy's omnibus account via sponsored market access during the relevant period.

21. Under the agreement, Alchemy charged the Canadian entity a commission of $0.18 per thousand shares traded, which exceeded the commission of $0.16 per thousand shares traded that Alchemy paid its registered broker-dealer. Rogers and Hotovec were responsible for setting the commission rate and directed Alchemy to charge transaction-based compensation for extending the market access.

22. Under the agreement, Alchemy and the Canadian entity divided the trading profits generated by traders referred by the Canadian entity.

23. Rogers and Hotovec initially required the Canadian entity to maintain a risk deposit of $150,000 with Alchemy. Under the agreement, the Canadian entity was responsible for 100% of any trading losses that its traders incurred through Alchemy's account.

24. During the relevant period, Rogers and Hotovec directed Alchemy to maintain documentation tracking the Canadian entity's deposit balance against all commissions, fees, and profits or losses for all trading activity through Alchemy's account by traders referred by the Canadian entity.

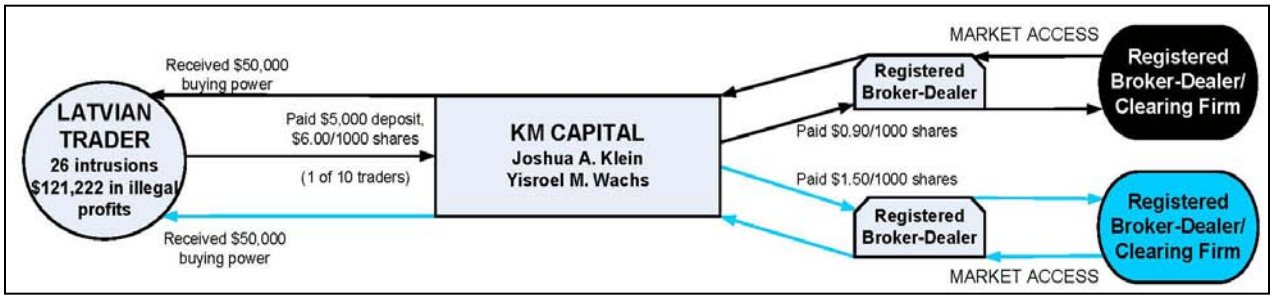
25. In September 2009, the Canadian entity notified Alchemy that the Latvian trader had requested market access. Alchemy provided the Latvian trader with sponsored access trading software and instructed the software provider to assign the Latvian trader a user ID and password so that he could use the software to trade online through Alchemy's account. In so doing, Alchemy, at the direction of Rogers and Hotovec, provided order-taking and order-routing services and controlled an electronic trading system for the Latvian trader to trade in the public market.

26. Rogers and Hotovec were ultimately responsible for authorizing traders referred by the Canadian entity to trade through Alchemy's account, for determining whether to terminate a trader's access, and for controlling the trading parameters in the trading software, including the amount of margin each trader received.

27. The Latvian trader wired $5,000 of his own money to the Canadian entity as a risk deposit. Alchemy then used the trading software to extend the Latvian trader $200,000 in "buying power" through Alchemy's account, which was a portion of the trading margin that Alchemy received from its registered broker-dealer. Although Alchemy extended credit to the Latvian trader to purchase securities, Alchemy's capital was not ultimately at risk because it was entitled to recoup losses from the Canadian entity and the trading software allowed Alchemy to see the Latvian trader's trading in real time and automatically cut off his trading access if he or other traders referred by the Canadian entity incurred losses greater than the Canadian entity's deposit balance.

## KM Capital Management, LLC

28. The following chart illustrates the relationships through which KM, Klein, and Wachs extended market access to the Latvian trader who conducted an account intrusion and market manipulation scheme.




29. During the relevant period, KM, and Klein and Wachs, through KM, received sponsored market access from registered broker-dealers and passed the sponsored market access on to KM's traders.

30. In connection with extending sponsored market access to traders, KM, Klein, and Wachs participated in the order-taking and order-routing process, extended credit to the traders in connection with securities transactions, and handled customer funds and securities.

31. During the relevant period, KM, at the direction of Klein and Wachs, maintained a website and made postings on internet message boards soliciting traders to trade through KM. Approximately 10 traders were trading through KM's omnibus accounts via sponsored market access during the relevant period.

32. In November 2009, the Latvian trader requested to receive market access through KM. KM, at the direction of Klein and Wachs, entered into an independent contractor agreement with the Latvian trader.

33. The independent contractor agreement stated that the Latvian trader was responsible for 100% of any trading losses that he incurred through KM's account and required the Latvian trader to contribute $5,000 of his own money as a risk deposit.

34. Pursuant to the independent contractor agreement, KM, at the direction of Klein and Wachs, provided the Latvian trader with sponsored access trading software and instructed the software provider to assign the Latvian trader a user ID and password so that he could use the software to trade online through KM's account. In so doing, KM, at the direction of Klein and Wachs, provided order-taking and order-routing services and controlled an electronic trading system for the Latvian trader to trade in the public market.

35. Klein and Wachs were ultimately responsible for authorizing traders to trade through KM's account, for determining whether to terminate a trader's access, and for controlling the trading parameters in the trading software, including the amount of margin each trader received.

36. KM used the trading software to extend the trader $50,000 in "buying power" through KM's account, which was a portion of the trading margin that KM received from its registered broker-dealer. Although KM extended credit to the Latvian trader to purchase securities, KM's capital was not ultimately at risk because it was entitled to recoup losses from the Latvian trader and the trading software allowed KM's principals to review his trading in real time and would automatically cut off his trading access if trading losses caused his deposit balance to fall below $1,000, effectively allowing KM to ensure that he would never lose money in excess of his deposit balance.

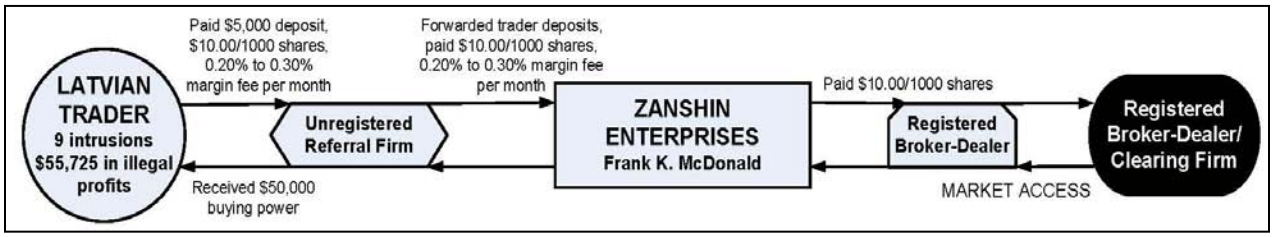
37. In March 2010, KM opened an omnibus account with a different registered broker-dealer and provided the Latvian trader with sponsored access trading software and a user ID and password so that he also could trade online through the new KM account. KM extended the Latvian trader the same level of buying power in the new KM account.

38. KM charged the Latvian trader a commission of $6.00 per thousand shares traded, which exceeded the commissions ranging from $0.90 to $1.50 per thousand shares traded that KM paid its registered broker-dealers. Klein and Wachs were responsible for setting the commission rate and directed KM to charge transaction-based compensation for extending the market access.

39. During the relevant period, Klein and Wachs directed KM to maintain documentation tracking the Latvian trader's deposit balance against all commissions, fees, and profits or losses from his trading activity through KM's accounts.

## Zanshin Enterprises, LLC

40. The following chart illustrates the relationships through which Zanshin and McDonald extended market access to the Latvian trader who conducted an account intrusion and market manipulation scheme.




41. During the relevant period, Zanshin, and McDonald, through Zanshin, received sponsored market access from a registered broker-dealer and passed the sponsored market access on to traders through a referral firm that solicited traders through its website and referred them to Zanshin.

42. In connection with extending sponsored market access to traders through the referral firm, Zanshin and McDonald participated in the order-taking and order-routing process, extended credit to the traders in connection with securities transactions, and handled customer funds and securities.

43. During the relevant period, McDonald arranged for traders solicited by the referral firm to receive market access through Zanshin. At McDonald's direction, approximately 20 traders who had been solicited by the referral firm were trading through Zanshin's omnibus account via sponsored market access during the relevant period.

44. In September 2009, the referral firm notified Zanshin that the Latvian trader had requested market access. Zanshin provided the Latvian trader with sponsored access trading software and instructed the software provider to assign the Latvian trader a user ID and password so that he could use the software to trade online through Zanshin's account. In so doing, Zanshin, at McDonald's direction, provided order-taking and order-routing services and controlled an electronic trading system for the Latvian trader to trade in the public market.

45. McDonald was ultimately responsible for authorizing traders referred by the referral firm to trade through Zanshin's account, for determining whether to terminate a trader's access, and for controlling the trading parameters in the trading software, including the amount of margin each trader received.

46. The Latvian trader wired $5,000 of his own money to the referral firm as a risk deposit, which the referral firm forwarded to Zanshin. The referral firm arranged for the Latvian trader to sign a "trader agreement" stating that the Latvian trader was responsible for 100% of any trading losses that he incurred through Zanshin's account.

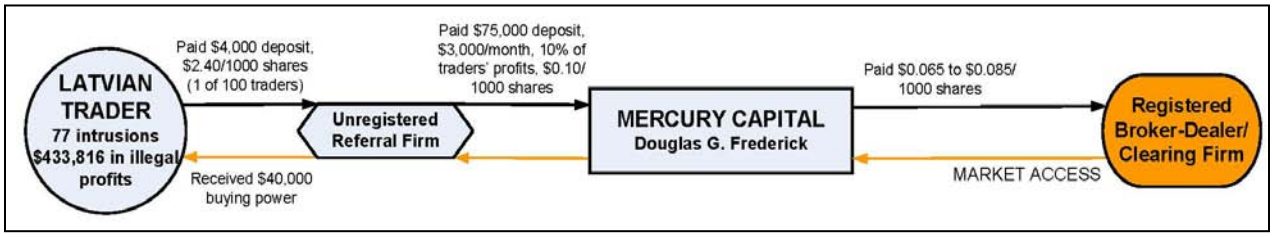
47. Zanshin then used the trading software to extend the Latvian trader $50,000 in "buying power" through Zanshin's account, which was a portion of the trading margin that Zanshin received from its registered broker-dealer. Although Zanshin extended credit to the Latvian trader to purchase securities, Zanshin's capital was not ultimately at risk because it was entitled to recoup losses from the Latvian trader and the trading software allowed Zanshin to see the Latvian trader's trading in real time and would automatically cut off his trading access if his deposit balance fell below $2,000, effectively allowing Zanshin to ensure that the Latvian trader would never lose money in excess of his deposit balance.

48. Instead of charging commissions, Zanshin received remuneration by charging the Latvian trader and other traders referred by the referral firm a monthly fee that ranged from 0.20 to 0.30 percent of every dollar of margin above their deposit balance that they were authorized to trade through Zanshin. McDonald was responsible for setting the amount of the margin fees and directed Zanshin to collect these margin fees for extending the market access.

49. During the relevant period, McDonald directed Zanshin or its registered broker-dealer to track the Latvian trader's deposit balance, adding the trading profits that he generated through Zanshin's account and subtracting the margin fees charged by Zanshin and the trading commissions charged by Zanshin's registered broker-dealer.

## Mercury Capital

50. The following chart illustrates the relationships through which Mercury and Frederick extended market access to the Latvian trader who conducted an account intrusion and market manipulation scheme.




51. During the relevant period, Mercury, and Frederick, through Mercury, received sponsored market access from a registered broker-dealer and passed the sponsored market access on to traders through a Canadian entity that solicited traders through its website and referred them to Mercury.

52. In connection with extending sponsored market access to traders through the Canadian entity, Mercury and Frederick participated in the order-taking and order-routing

process, extended credit to the traders in connection with securities transactions, and handled customer funds and securities.

53. During the relevant period, Mercury, at Frederick's direction, maintained an independent contractor agreement with the Canadian entity. Approximately 100 traders who had been referred by the Canadian entity were trading through Mercury's omnibus account via sponsored market access during the relevant period.

54. Under the independent contractor agreement, Mercury charged the Canadian entity a monthly fee of $3,000 plus a "clearing fee" of $0.10 per thousand shares traded, which exceeded the commission of $0.065 to $0.085 that Mercury paid its registered broker-dealer. Frederick was one of the individuals responsible for setting the fee and commission rate and directing Mercury to charge transaction-based compensation for extending the market access.

55. Mercury, at Frederick's direction, required the Canadian entity to make an initial risk deposit of $75,000 and made the Canadian entity responsible for 100% of any trading losses that its traders incurred through Mercury's account.

56. During the relevant period, Frederick directed Mercury to maintain documentation tracking the Canadian entity's deposit balance against all commissions, fees, and profits or losses for all trading activity through Mercury's account by traders referred by the Canadian entity.

57. In April 2010, the Canadian entity notified Mercury that the Latvian trader had requested market access. Mercury provided the Latvian trader with sponsored access trading software and instructed the software provider to assign the Latvian trader a user ID and password so that he could use the software to trade online through Mercury's account. In so doing, Mercury, at Frederick's direction, provided order-taking and order-routing services and controlled an electronic trading system for the Latvian trader to trade in the public market. The Canadian entity agreed that Mercury could retain 10% of any trading profits generated by the Latvian trader through Mercury's account.

58. Frederick was one of the individuals responsible for authorizing traders referred by the Canadian entity to trade through Mercury's account, for determining whether to terminate a trader's access, and for controlling the trading parameters in the trading software, including the amount of margin each trader received.

59. The Latvian trader wired $4,000 of his own money to the Canadian entity as a risk deposit. Mercury then used the trading software to extend the Latvian trader $40,000 in "buying power" through Mercury's account, which was a portion of the trading margin that Mercury received from its registered broker-dealer. Although Mercury extended credit to the Latvian trader to purchase securities, Mercury's capital was not ultimately at risk because it was entitled to recoup losses from the Canadian entity and the trading software allowed Mercury to see the Latvian trader's trading in real time and automatically cut off his trading access if he or other traders referred by the Canadian entity incurred losses greater than the Canadian entity's deposit balance.

## Account Intrusions

60. On 134 occasions between September 2009 and August 2010, the Latvian trader made profitable trades through an omnibus account of Alchemy, KM, Zanshin, or Mercury contemporaneous with unauthorized trading in the same securities in hijacked online brokerage accounts at multiple U.S. broker-dealers.

61. On each occasion, the Latvian trader first established a long or short position in a security through Alchemy, KM, Zanshin, or Mercury. Then the Latvian trader surreptitiously gained access to an online brokerage account and made large unauthorized trades in the same security to manipulate the stock price in his favor. Finally, during or shortly after the manipulative trading in the intruded account, the Latvian trader closed out his position through Alchemy, KM, Zanshin, or Mercury at the artificial market price to generate a profit.

62. The Latvian trader generated ill-gotten gains of $760,051 from the scheme through the electronic trading systems provided by Alchemy, KM, Zanshin, and Mercury.

63. As a result of providing electronic order-taking and order-routing services that the Latvian trader used to conduct an illegal market manipulation scheme, Alchemy received $149,288 in illegal trading profits and also received trading commissions and fees.

64. As a result of providing electronic order-taking and order-routing services that the Latvian trader used to conduct an illegal market manipulation scheme, KM received $121,222 in illegal trading profits and also received trading commissions and fees.

65. As a result of providing electronic order-taking and order-routing services that the Latvian trader used to conduct an illegal market manipulation scheme, Zanshin received $55,725 in illegal trading profits and also received margin fees.

66. As a result of providing electronic order-taking and order-routing services that the Latvian trader used to conduct an illegal market manipulation scheme, Mercury received $433,816 in illegal trading profits and also received trading commissions and fees.

67. By extending market access to traders either directly or through the referral firms in the manner described above, including through participating in the order-taking and order-routing process, extending credit in connection with securities transactions, handling customer funds and securities, and allocating trades conducted by the traders against deposits provided by the traders or their referral firm, Alchemy, KM, Zanshin, Mercury, Rogers, Hotovec, Klein, Wachs, McDonald, and Frederick engaged in the business of effecting transactions in securities for the account of others.

68. As described above, Rogers, Hotovec, Klein, Wachs, McDonald, and Frederick each was aware of his role in furthering improper or illegal activity by one of the firms and provided substantial assistance to one of the firms in connection with conduct that constituted a violation of the federal securities laws.

## Violations

69. As a result of the conduct described above, Alchemy, KM, Zanshin, Mercury, Rogers, Hotovec, Klein, Wachs, McDonald, and Frederick each willfully violated Section 15(a) of

the Exchange Act, which prohibits certain persons and entities, while acting as brokers, from effecting transactions in securities when such person or entity is not registered with the Commission as a broker.

70. As a result of the conduct described above, Rogers, Hotovec, Klein, Wachs, McDonald, and Frederick each willfully aided and abetted and caused a violation by an unregistered firm of Section 15(a) of the Exchange Act, which prohibits certain persons and entities, while acting as brokers, from effecting transactions in securities when such person or entity is not registered with the Commission as a broker.

**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 and cease-and-desist proceedings be instituted to determine:

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

B. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Sections 15(b)(4) or 15(b)(6) of the Exchange Act including, but not limited to, disgorgement and civil penalties pursuant to Section 21B of the Exchange Act; and

C. Whether, pursuant to Section 21C of the Exchange Act, Respondents should be ordered to cease and desist from committing or causing violations of and any future violations of Section 15(a) 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 not earlier than 30 days and not later than 60 days from service of this Order 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 Respondents each 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 any of the Respondents fails to file the directed answer, or fails to appear at a hearing after being duly notified, that Respondent may be deemed in default and the proceedings may be determined against that Respondent 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 Respondents personally, by certified mail, or as otherwise provided by Rule 141 of the Commission's Rules of Practice, 17 C.F.R. § 201.141.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice, 17 C.F.R. § 201.360(a)(2).

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.

By the Commission.

Elizabeth M. Murphy
Secretary