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ADMINISTRATIVE PROCEEDING
FILE NO. 3-10886

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
October 17, 2002

SECURITIES & EXCHANGE COMMISSION
MAILED FOR SERVICE

OCT 17 2002

In the Matter of :
: ORDER
R&RX GROUP, INC., :
: formerly know as :
NEOTERIC GROUP, INC. :
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CTFD. NO. 1ST class only

The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings (OIP) on September 6, 2002. On September 11, 2002, the Chief Administrative Law Judge assigned the matter to my docket.

The OIP alleges that R&RX Group, Inc. (R&RX), is a Nevada corporation with its headquarters in Las Vegas, Nevada; that R&RX's common stock is quoted on the over-the-counter bulletin board; that R&RX's common stock is registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 (Exchange Act); and that R&RX has filed four materially false and misleading reports with the Commission. The OIP directs me to determine whether these allegations are true and, if so, whether the registration of R&RX's securities should be suspended or revoked, pursuant to Section 12(j) of the Exchange Act.

By Order of September 30, 2002, I requested the Division of Enforcement (Division) to clarify the legal status of the corporate Respondent. The Division made the requested filing on October 10, 2002. The facts below are drawn from the Division's October 10 submission, as well as from a Form 8-K that Neoteric Group, Inc. (Neoteric), filed with the Commission on September 18, 2002 (official notice).

First, the allegedly false and misleading reports identified in the OIP were not filed with the Commission by R&RX. Rather, Voyager Group, Inc. (Voyager), filed three of the reports and Neoteric filed the fourth. The OIP portrays R&RX as the successor corporation to Neoteric, and Neoteric as the successor corporation to Voyager.

Second, there is no Nevada corporation by the name of R&RX, and there was no such corporation on September 6, 2002, when the Commission issued the OIP. Marlen V. Johnson (Johnson), whom the OIP identifies as the president, secretary, and director of R&RX, attempted to create a corporation by the name of R&RX, but he failed. On August 9, 2002, Johnson filed a

certificate purporting to amend Neoteric's articles of incorporation with the Secretary of State for the State of Nevada. However, Johnson bounced the \$150 check for payment of the filing fee. As a result, the Secretary of State for the State of Nevada rescinded the amended certificate of incorporation on August 29, 2002—eight days before the Commission issued the OIP.

Third, on August 12, 2002, Johnson requested the National Association of Securities Dealers (NASD) to change Neoteric's trading symbol from NTCG to RRXG. NASD changed the symbol to RRXG and the securities in question are currently listed under this symbol on the over-the-counter bulletin board. There is no evidence that Johnson, Neoteric, the Division, or anyone else has ever informed the NASD that R&RX has lacked a legal existence since August 29, 2002.

Fourth, control of Neoteric passed from Johnson to Neoteric's current management in June 2002. That fact was unknown to the Commission at the time the OIP was issued, because Neoteric did not file a Form 8-K announcing the change in control until September 18, 2002. The actions of August 9 and 12, 2002, described above, represented an unsuccessful effort by Johnson to take back control of Neoteric from its current management.

Fifth, on August 21, 2002, the management of Neoteric brought a civil action against Johnson in the Nevada state courts, alleging breach of contract, fraud, and wrongful conversion. As relief, Neoteric sought declaratory and injunctive relief, and actual and punitive damages. On September 11, 2002, the District Court for Clark County, Nevada, entered an Order of Preliminary Injunction against Johnson and others. Johnson has now answered the Nevada complaint and he has also filed a counterclaim. The state court litigation is pending. Without going into too many details, it is clear that the interests of Johnson are at odds with those of the current management of Neoteric.

Sixth, in its submission of October 10, 2002, the Division asked me to amend the OIP to tidy up all these loose ends. The Division acknowledges there is no issuer lawfully named R&RX, but it maintains that the intent of the Commission in authorizing the OIP was to revoke the registration of some issuer's securities, whether that issuer is named Neoteric or R&RX. The Division does not propose specific amending language. In addition, the Division sidesteps the question of whether such an amendment would be "within the scope" of the original OIP, and thus within the jurisdiction of the presiding Administrative Law Judge, or beyond the scope of the original OIP, and thus reserved to the Commission. See Rule 200(d) of the Commission's Rules of Practice and Comment (d) thereto.

Against this colorful background, I held a telephonic prehearing conference on October 15, 2002. Harold R. Loftin, Jr., represented the Fort Worth District Office of the Division. Pursuant to Rule 210(e) of the Commission's Rules of Practice, I granted Shawn Christopher, a Las Vegas, Nevada, attorney who represents the management of Neoteric in the state court action, and Johnson, the putative founder of the non-existent R&RX, permission to state their views. Because R&RX lacks a legal existence, the OIP has never been properly served, and no answer to the OIP is on file.

Mr. Christopher advised that Neoteric filed a Form 15 with the Commission on October 14, 2002, in an effort to withdraw its securities from registration. Mr. Loftin expressed the tentative view that such a filing might moot the case. However, he requested time to review the Form 15 before committing to a position. After further discussion, we agreed to hold another telephonic prehearing conference on Friday, October 25, 2002, at 4 p.m. Eastern time.

At the next prehearing conference, the agenda will include discussion of the following issues:


First, under the terms of Exchange Act Rule 12g-4, 17 C.F.R. § 240.12g-4, the termination of an issuer's registration pursuant to Form 15 ordinarily takes effect ninety days after filing. A Form 15 may also be withdrawn. Although Exchange Act Rule 12g-4 provides that the termination of registration may take effect in "such shorter period as the Commission may determine," there is no evidence that Neoteric seeks, or that the Commission will grant, an expedited effective date. The Division should be prepared to discuss how (or whether) the public interest would be served by waiting for that ninety-day period to run in this instance.

Second, it is not immediately apparent that the eventual termination of the registration of Neoteric's securities pursuant to the Form 15 would have any impact on RRXG's listing on the over-the-counter bulletin board. Johnson's August 12, 2002, communication with the NASD purported to change the corporation's transfer agent, CUSIP number, and the number of shares outstanding. The Division is requested to confer with the appropriate NASD officials before the prehearing conference, and to determine what course of action, if any, may be appropriate to terminate the R&RX's bulletin board listing.

Third, if the Division wishes to amend the OIP, it should file a motion to amend, with the specific case caption and the specific language it believes appropriate. The Division should also state its position as to whether its proposed amendment is or is not "within the scope" of the original OIP. The Division advises that it is continuing to review and verify the information contained in the Form 8-K that Neoteric filed on September 18, 2002. The Division believes that the filing may have been untimely and that required Form 13D disclosures may not have been made. My preliminary view is that the amendments at issue here would be well beyond the scope of the original OIP. However, I will await the Division's motion before issuing a ruling.

To expedite the resolution of these matters, the Division should file its motion to amend the OIP on or before October 24, 2002. It should provide copies to Mr. Johnson and Mr. Christopher.

SO ORDERED.



James T. Kelly
Administrative Law Judge