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ADMINISTRATIVE PROCEEDING
FILE NO. 3-12614

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
June 29, 2007

SECURITIES & EXCHANGE COMMISSION
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In the Matter of	:	
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PARK FINANCIAL GROUP, INC.,	:	ORDER DENYING MOTION FOR A
and GORDON C. CANTLEY	:	MORE DEFINITE STATEMENT AND
	:	MOTION TO STRIKE
	:	

The Securities and Exchange Commission (Commission) issued an Order Instituting Proceedings (OIP) on April 11, 2007. The OIP charges that Park Financial Group, Inc. (Park), and Gordon C. Cantley (Cantley) willfully aided and abetted and caused violations of Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder by Dennis P. Crowley (Crowley) who, during the relevant period, was the Chief Executive Officer and chairman of Spear & Jackson, Inc. (Spear & Jackson), a Nevada corporation. Cantley is also charged with aiding and abetting violations of Section 17(a) of the Exchange Act and Rule 17a-8 thereunder by Park. Respondents Park and Cantley each filed Answers to the OIP on May 30, 2007. A hearing is set for October 22, 2007, in Orlando, Florida.

Under consideration are Cantley's Motion for a More Definite Statement and Motion to Strike (Motions), the Division of Enforcement's (Division) opposition to the Motions, and Cantley's Reply. The Motion for a More Definite Statement alleges that the OIP lacks the requisite specificity to adequately respond and defend the allegations in the OIP because it fails to: (1) adequately allege any primary violation to support either aiding and abetting or causing liability; (2) list, with specificity, the transactions it alleges were suspicious; and (3) allege the basis for and amount sought in disgorgement from Cantley.¹

The Motion to Strike alleges that paragraphs eight and nine of the OIP are spurious, irrelevant, and immaterial to this proceeding and should be stricken.

¹ In his Reply, Cantley withdrew his request for additional information about disgorgement based on the Division's representation that "if Cantley received no other money [other than commissions] in connection with the events the OIP sets forth, there could be no other basis for disgorgement. And, in fact, that is the basis of the Division's right to disgorgement." (Reply at 11.)

Motion for a More Definite Statement

Rule 200(b) of the Commission's Rules of Practice states that an OIP shall:

(1) state the nature of any hearing; (2) state the legal authority and jurisdiction under which the hearing is to be held; (3) contain a short and plain statement of the matters of fact and law to be considered and determined, unless the order directs an answer pursuant to Rule 220 in which case the order shall set forth the factual and legal basis alleged therefor in such detail as will permit a specific response thereto; and (4) state the nature of any relief or action sought or taken.

17 C.F.R. § 201.200(b). An OIP gives appropriate notice when the respondent is sufficiently informed of the nature of the charges so he may adequately prepare his defense. However, the OIP need not reveal the evidence on which the Division will rely. Rita J. McConville, 85 SEC Docket 3127, 3149 (June 30, 2005). The Division has provided Respondents with its investigative file that consists of over 57,000 documents, 21 CDs, and over 28 investigative transcripts. (Reply at 1.)

Cantley contends that the OIP lacks the requisite specificity in two areas. First, Cantley alleges that the OIP fails to adequately allege any primary violation to support either an aiding and abetting or causing liability. Cantley argues that the Commission has failed to set forth details of Crowley's "pump and dump" scheme to allow Cantley to adequately respond and defend himself. Cantley's argument is unpersuasive. Several paragraphs of the OIP discuss in detail the alleged underlying primary violation; no fewer than six paragraphs discuss Crowley's involvement in the primary violation involving a "pump and dump" scheme with Spear & Jackson securities. Rule 200(b) of the Commission's Rules of Practice requires only that the OIP contain sufficient detail to permit a specific response thereto, it does not require the Division to lay out its strategy or evidence of the case.

Cantley's second argument is that the OIP fails to describe the allegedly suspicious transactions in sufficient detail to allow Cantley to respond and defend. Pages four and five of the OIP allege that:

[f]rom December 31, 2002 through July 2003, the three BVI Companies' brokerage accounts made approximately 98 transactions in Spear & Jackson securities that each totaled more than \$5,000. This included 9 share transfers to IMS, a stock promoter that Park knew was actively promoting Spear & Jackson. These nine transfers involved more than 240,000 shares of Spear & Jackson stock worth in excess of \$1.2 million.

This paragraph describes the relevant time period and accounts in which the transactions occurred, and that each trade totaled more than \$5,000. The OIP further lists at least six reasons why the 98 trades were suspicious. (OIP at 5.) Therefore, the OIP sufficiently describes the suspicious transactions at issue. I find that the OIP meets the requirements of Rule 200(b) and the Cantley's request for a more definite statement is hereby denied.

Motion to Strike Paragraphs Eight and Nine of the OIP

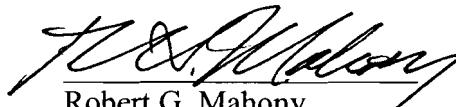
Paragraphs eight and nine describe district court action against Crowley and others, but not Respondents. Paragraph nine states, in part, that “in February and September 2005, the court entered final judgments by consent against all of the defendants, and entered permanent injunctions against each. The defendants consented to the relief without admitting or denying the Commission’s allegations.”

Cantley argues that because neither Park nor Cantley were defendants in the district court action against Crowley, paragraphs eight and nine are spurious, immaterial, and irrelevant. The Division, in its response, represents that the “existence of the lawsuit and its result is useful background for the Law Judge, acting as finder of fact, to understand the genesis of the instant proceedings.” I agree with Cantley that paragraphs eight and nine do not pertain to the charges against him in this proceeding. I will, however, deny Cantley’s Motion to Strike these paragraphs from the OIP and allow them to remain only for background purposes.

ORDER

IT IS ORDERED THAT Respondent Gordon C. Cantley’s Motion for a More Definite Statement is denied; and

IT IS FURTHER ORDERED THAT Respondent Gordon C. Cantley’s Motion to Strike is denied.


Robert G. Mahony
Administrative Law Judge