

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 51509 / April 8, 2005**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-11889**

**In the Matter of**  
  
**JAMES E. IVERSON,**  
  
**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS,**  
**MAKING FINDINGS, AND IMPOSING**  
**REMEDIAL SANCTIONS PURSUANT TO**  
**SECTIONS 15(b) and 15B(c)(4) 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 proceedings be, and hereby are, instituted pursuant to Sections 15(b) and 15B(c)(4) of the Securities Exchange Act of 1934 ("Exchange Act") against James E. Iverson ("Respondent").

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings, Making Findings, and Imposing Remedial Sanctions Pursuant to Sections 15(b) and 15B(c)(4) of the Securities Exchange Act of 1934 ("Order"), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Iverson was head of Miller & Schroeder Financial Inc's ("Miller & Schroeder") Solana Beach, California office, a registered broker-dealer, specializing in underwriting and dealing in municipal securities, and the underwriter for twelve public offerings of municipal bonds for various affiliates of Heritage Housing Development, Inc. ("Heritage"). Iverson directly supervised the individuals working in the public finance underwriting area. Iverson started with Miller & Schroeder in its southern California office in 1971, and later became half-owner of the firm, executive vice president, and chairman of its board of directors. Iverson was a registered general securities principal with Miller & Schroeder until November 2001, when his registration was transferred to MM&S Financial, Inc. Iverson currently is a general securities principal and a municipal securities principal. Iverson, 68, lives in Agoura, California.

2. On March 11, 2005, a final judgment was entered by consent against Iverson, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Robert A. Kasirer, et al., Civil Action Number 04-CV-04340, in the United States District Court for the Northern District of Illinois, and ordering him to pay disgorgement in the amount of \$109,000, plus prejudgment interest in the amount of \$41,941.09, and well as a civil penalty in the amount of \$75,000 pursuant to Section 20(b) of the Securities Act and Section 21(d)(1) of the Exchange Act. The Court ordered further that Iverson's disgorgement and prejudgment interest obligation had been satisfied by payments Iverson previously had made to settle Related Investor Actions.

3. The Commission's complaint alleged that Iverson knew that Heritage was making material misstatements in connection with the bond offerings underwritten by Miller & Schroeder, in that he knew that Robert A. Kasirer (Chief Executive Officer of Health Care Holdings L.P., which provided management services to the Heritage health care facilities) actually controlled Heritage and that the Heritage offering materials did not disclose this fact, and was aware that Heritage was misappropriating investor funds, but did nothing other than ask Heritage personnel to stop the siphoning of investor funds, all of which operated as a fraud and deceit on investors.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions specified in Respondent's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Sections 15(b)(6) and 15B(c)(4) of the Exchange Act, that Respondent be, and hereby is barred from association with any broker or dealer or any municipal securities dealer with the right to re-apply for association after five years;

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.

Jonathan G. Katz  
Secretary