

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

Securities Exchange Act of 1934
Release No. 53726 / April 26, 2006

Administrative Proceeding
File No. 3-12279

In the Matter of

PAUL BORNSTEIN,

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

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 Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") against Paul Bornstein ("Bornstein" or "Respondent").

II.

In anticipation of the institution of these proceedings, Bornstein 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.3 below, which are admitted, Bornstein consents to the entry of this Order Instituting Public Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

III.

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

1. Bornstein is a resident of West Hartford, Connecticut. From at least December 1999 through May 2000, Bornstein was both a research analyst at a registered broker-dealer, Connecticut Capital Markets, LLC ("Connecticut Capital"), and a salaried employee at a public relations firm, Sterns & Company, hired by CyberCare, Inc. ("CyberCare").

2. On July 16, 2004, the Commission filed a complaint in the United States District Court for the Southern District of Florida captioned SEC v. Michael Morrell, et al., Civil Action No. 04-80664-CIV-MARRA/SELTZER, alleging, among other things, violations of the antifraud provisions of the federal securities laws by Bornstein in connection with his research report. The Complaint further alleges that while he was employed by both companies, Bornstein created a research report on CyberCare that rated CyberCare a “strong buy.” The research report, issued by Connecticut Capital in January 2000, failed to disclose Bornstein’s conflict of interest and contained, among other things, information released by CyberCare which was materially false. Although Bornstein was not directly compensated by CyberCare for preparation of the research report, the research report failed to fully disclose Sterns & Company’s compensation for public relations services Sterns & Company and Bornstein were providing to CyberCare.

3. On March 16, 2006, a Final Judgment was entered by consent against Bornstein. The Judgment permanently enjoined Bornstein from future violations of Sections 17(a) and 17(b) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Exchange Act, and Rule 10b-5, thereunder. Bornstein consented to the entry of the Judgment without admitting or denying the allegations contained in the Commission’s Complaint.

IV.

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

Accordingly, it is hereby **ORDERED**:

Pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Bornstein be, and hereby is barred from association with any broker or dealer with the right to reapply for association after two (2) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

Any reapplication for association by Bornstein 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 Bornstein, 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.

By the Commission.

Nancy M. Morris
Secretary