

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9170 / January 6, 2011

SECURITIES EXCHANGE ACT OF 1934
Release No. 63661 / January 6, 2011

INVESTMENT COMPANY ACT OF 1940
Release No. 29548 / January 6, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-13869

In the Matter of

Paul George Chironis,

Respondent.

**ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS AND A
CEASE-AND-DESIST ORDER PURSUANT
TO SECTION 8A OF THE SECURITIES ACT
OF 1933, SECTIONS 15(b) AND 21C OF THE
SECURITIES EXCHANGE ACT OF 1934,
AND SECTION 9(b) OF THE INVESTMENT
COMPANY ACT OF 1940**

I.

On April 23, 2010, the Securities and Exchange Commission (“Commission”) instituted public administrative and cease-and-desist proceedings pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), Sections 15(b)(6) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”), and Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”) against Paul George Chironis (“Chironis” or “Respondent”).

II.

In response to these proceedings, Respondent has submitted an Offer of Settlement (“Offer”) which the Commission has determined to accept. Solely for 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, which are admitted, Respondent consents to the entry of this Order Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933, Sections 15(b) and 21C of the Securities Exchange Act of 1934, and Section 9(b) of the Investment Company Act of 1940 as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

Summary

1. While a registered representative at Capital Growth Financial, Inc. ("Capital Growth"), a now-defunct broker-dealer, Respondent Paul Chironis defrauded the Sisters of Charity of New York ("Sisters of Charity" or "Congregation") through abusive trading in their accounts. The Sisters of Charity maintained two accounts at Capital Growth (the "Accounts"), both of which contained predominantly mortgage-backed securities, including securities issued or guaranteed by the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae), the Government National Mortgage Association (Ginnie Mae), and the Federal Housing Administration ("FHA") (collectively, "MBS"). Chironis was the registered representative on both Accounts.

2. During the period January 1, 2007 through January 31, 2008 (the "Relevant Period"), Chironis engaged in a pattern of abusive trading and charged undisclosed excessive markups and markdowns. In addition, Chironis churned the Accounts by virtue of his de facto control, excessive trading, and reckless disregard for the customer's interests. Specifically, during the Relevant Period, Chironis purchased 46 bonds for the Accounts, predominantly long-term MBS. Of the 46 bonds purchased, he sold 38 within the same period. The average holding period for bonds acquired and sold during the Relevant Period was only 4.3 months. Chironis frequently sold one bond and replaced it with a bond issued by a similar issuer and offering a similar yield over a similar duration. Similarly, Chironis made 35 purchases of closed-end bond funds, selling 12 of these positions during the Relevant Period. The average holding period for the closed-end bond funds purchased and sold during the Relevant Period was 4.8 months. The impact of Chironis' frequent trading of securities in the Accounts was exacerbated by the excessive transaction fees – in the form of markups and markdowns – that Chironis charged.

3. Chironis' trading had a devastating impact on the Accounts, while enriching Chironis. In 2007, the Accounts had an average combined balance of approximately \$8.3 million. During the Relevant Period, the Accounts purchased approximately \$20.1 million and sold \$18 million worth of securities. The trades cost the Accounts \$959,027, over 10.8% of their value in 13 months.

4. Although Chironis did not have discretionary authority, Chironis exercised *de facto* control over the Accounts. Chironis recommended transactions to the Chief Financial Officer of the Sisters of Charity (the "CFO"), who, based on their long-standing relationship, relied on Chironis and followed his recommendations. The CFO trusted Chironis to make recommendations that were in the best interest of the Congregation.

¹ The findings herein are made pursuant to Respondent's Offer and are not binding on any other person or entity in this or any other proceeding.

Respondent

5. Paul George Chironis, age 58, is a resident of Melville, New York. Chironis has worked in the securities industry since 1981 and maintained Series 7 and 63 licenses since 1983. Prior to his association with Capital Growth, Chironis received seven customer complaints filed with the NASD/FINRA, including complaints for churning and unsuitability. As a result of customer complaints, in January 2006, the Michigan Securities Division required that Chironis be placed on heightened supervision, and in March 2006 the Vermont Securities Division prohibited Chironis from soliciting investors in Vermont. Chironis was associated with Capital Growth from November 2005 until February 2008, when Capital Growth ceased business operations. Since March 2009, Chironis has been associated with another registered broker-dealer located in New York, New York.

Other Relevant Entities

6. Capital Growth, a former Florida corporation that had offices in Boca Raton, Florida and New York, New York, was a registered broker-dealer until February 2008, when it ceased operations due to its failure to meet net capital requirements. On February 11, 2008, Capital Growth filed with the Commission a Form BDW, which became effective on April 11, 2008.

7. The Sisters of Charity is a congregation of mostly elderly nuns residing in the Bronx, New York. During the relevant period, the Sisters of Charity maintained two accounts at Capital Growth: a General Account ("General Account") used for operational purposes, including paying for the care of members of the Congregation living in assisted living facilities, and a Charitable Trust Account ("Charitable Trust"), used to support the Congregation's charitable endeavors.

Background

8. Beginning in January 2007, Chironis engaged in an abusive trading pattern that featured excessive trading and charging excessive markups and markdowns on riskless principal bond trades. The Accounts were charged an average markup of 3.68% on the 46 bond purchases, and 3.03% on the 33 closed-end fund purchases. On the 67 bond sales, Capital Growth charged an average markdown of approximately 1.92%. For the 15 closed-end bond fund sales, Capital Growth charged an average markdown of approximately 1.86%. The markups and markdowns contained two components: (1) the amount charged by Chironis, which constituted the bulk of the markup and markdown, and (2) the additional markup/markdown charged by the trading desk.

9. Attached as Appendix A is a chart listing the bond transactions Chironis made on behalf of the Sisters of Charity during the Relevant Period.

10. Attached as Appendix B is a chart listing the closed-end bond fund transactions that Chironis made on behalf of the Sisters of Charity during the Relevant Period.

11. The combined markups and markdowns charged to the Accounts during the Relevant Period totaled \$959,027, which was approximately 10.8% of the combined average value of the Accounts.

Churning

12. During the Relevant Period, Chironis purchased 46 bonds for the Accounts – 39 MBS and seven corporate bonds – worth approximately \$12.2 million. Of those 46 securities, he sold 38 – worth approximately \$9.6 million – within the same period. The average holding period for the 38 securities bought *and* sold during the Relevant Period was 4.3 months.

13. Chironis frequently replaced one bond with a bond or bonds of similar duration and yield. For example, on July 24, 2007, Chironis sold a Ginnie Mae bond with a 6% coupon rate, a maturity date of 2033 and a principal amount of \$258,504.43. The very next day, Chironis purchased a Ginnie Mae bond with the same 6% coupon rate, the same 2033 maturity date and a principal amount of \$201,636.05, along with a second Ginnie Mae bond with a 6% coupon rate, a 2032 maturity date and principal amount of \$199,956.51. Capital Growth, through Chironis, charged the Accounts approximately \$18,352 in transaction fees – in the form of markups and markdowns – on these three transactions. On September 26, 2007, Chironis sold one of the two bonds he purchased two months earlier, and on October 24, 2007, he sold the second.

14. In addition to these bond transactions, Chironis purchased 33 closed-end bond funds – worth approximately \$6.5 million – for the Accounts. Chironis sold 12 of these positions, – worth approximately \$4.3 million – during the same time. The average holding period for these 12 positions was 4.8 months.

15. Given the low-yielding nature of the securities, the transaction costs involved, and the Congregation's investment objectives, Chironis' trading in the Accounts during the Relevant Period was excessive and designed to generate income in the form of transaction fees for Chironis. During the Relevant Period, the Accounts had a combined turnover ratio of approximately 2.2 and an annualized cost-to-equity ratio of approximately 10.51%. For securities that Chironis bought and sold within the Relevant Period, the Accounts experienced a *realized loss* of approximately \$639,000. The combined unrealized and realized loss for the Accounts as of December 31, 2007 was \$1,170,000, most of which is attributable to transaction fees.

16. Chironis' frequent trading of fixed income securities with reckless disregard for the customer's interests constituted churning. Given the relatively low yield of the securities that Chironis purchased and sold for the Accounts, the abusive trading caused the Accounts to lose money. In his conversations with the CFO in which he recommended that the Congregation purchase or sell a particular security, Chironis did not disclose the transaction costs and the impact those costs would have on the Accounts; nor did Chironis identify how short a time the fixed income securities he recommended selling had been held. Chironis omitted to disclose that, in light of the transaction costs, the transactions were not in the best interest of the Congregation.

Excessive Markups and Markdowns

17. The impact of Chironis's frequent trading was exacerbated by the excessive amount of the markups and markdowns the Accounts were charged.

18. Capital Growth charged the Accounts on a per-transaction basis by marking down bond sales and marking up bond purchases in "riskless principal" transactions. A "riskless principal" transaction is the economic equivalent of an agency trade. A broker-dealer engaging in such trades has no market making function, buys only to fill orders already in hand, and immediately "books" the shares it buys to its customers. Essentially, the firm serves as an intermediary for others who have assumed the market risk. In other words, the customer purchaser is already lined up before the broker-dealer buys the bond. On such transactions, if a customer wishes to purchase a bond, a broker-dealer locates the bond, purchases it on the open market, and then resells it to its customer at a markup. The reverse is true when a customer sells a bond.

19. Although the markups and markdowns charged on closed-end bond funds were reflected in account statements sent to the Sisters of Charity, the markups and markdowns for bond purchases and sales were not reflected in account statements or otherwise disclosed to the Congregation. As a result, the Congregation was unaware that it was paying approximately 10.8% of the value of the Accounts in transaction fees over 13 months.

20. When Chironis wanted to purchase a bond for the Accounts, he called the Capital Growth trading desk and told the trader the type of bond he wanted to buy. The trader would then bid on offers from the market and reported to Chironis with specific prices. Chironis then confirmed whether he wanted to proceed with the transaction and provided the trader with the amount of markup to charge. In addition to the markups charged by Chironis, which generally ranged from 2.75-3.0%, the Capital Growth trading desk would typically add a percentage markup or markdown of between 0.25-0.75% to compensate the trading desk. Chironis and the trading desk followed a similar procedure for markdowns on bond sales, though the markdowns were generally lower than the markups. Chironis was aware that the trading desk was adding to the markup and markdowns that he instructed the trading desk to charge.

21. Neither Chironis nor the trading desk did significant work in purchasing or selling bonds and MBS for the Accounts. The market for these securities that Chironis purchased and sold for the Accounts was highly liquid. Chironis did little or no research for the transactions. He simply instructed the trading desk as to the type of security he was looking to purchase or which security he wanted to sell. Although the trading desk did some work, including locating bids and offers and negotiating with counterparties, because the market was highly liquid, the work performed by the trading desk was minimal.

22. The undisclosed markups and markdowns charged to the Accounts were excessive given the highly liquid nature of the securities and the little work performed by Capital Growth.

Violations

23. As a result of the conduct described above, Respondent willfully violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in the offer and sale of securities and in connection with the purchase or sale of securities.

IV.

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

Accordingly, pursuant to Section 8A of the Securities Act, Sections 15(b) and 21C of the Exchange Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Respondent Chironis shall cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Respondent Chironis shall be, and hereby is, barred from association with any broker, dealer, investment adviser, municipal securities dealer, transfer agent, municipal advisor, or nationally recognized statistical ratings organization, and is prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter.

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 the following: (a) the civil penalty ordered against Respondent; (b) the disgorgement and prejudgment interest ordered against Respondent; (c) any self-regulatory organization 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.

C. Respondent shall, within 10 days of the entry of this Order, pay disgorgement of \$250,000 and a civil money penalty of \$100,000. Respondent shall satisfy this obligation by disbursing the foregoing disgorgement and civil penalty pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002 as follows: Respondent shall pay \$350,000 by wire transfer, United States postal money order, certified check, bank cashier's check or bank money order to the Sisters of Charity or such other appropriate party or parties as the Commission staff may identify in consultation with Respondent prior to payment. If timely payment is not made, the Securities and Exchange Commission shall enforce this Order and additional interest shall accrue pursuant to Commission Rule of Practice 600 and 31 U.S.C. 3717. Payment shall be submitted under cover letter that identifies Paul George Chironis as a Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or

check shall be sent to Gerald Gross, Division of Enforcement, Securities and Exchange Commission, 3 World Financial Center, Room 400, New York, New York, 10281.

D. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a Fair Fund is created for the disgorgement, interest and penalties referenced in paragraph C above. Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that he shall not, after offset or reduction in any Related Investor Action based on Respondent's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by offset or reduction of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Elizabeth M. Murphy
Secretary

Appendix A
Bond Transactions in The Accounts: January 2007-January 2008

Date	Account	Buy Sell	Type of Security	Issuer	Interest Rate	Price	Amount	Markup/ Mark- down
01.04.07	Charitable Trust	Buy	Bond	Wachovia	5.5%	103.58	\$274,487.00	3.45%
01.08.07	Charitable Trust	Buy	MBS	Freddie Mac	6%	105.125	\$201,588.13	3.44%
01.24.07	General Account	Buy	MBS	Freddie Mac	5.5%	103.625	\$169,905.95	3.5%
01.24.07	Charitable Trust	Buy	MBS	Freddie Mac	6%	105	\$263,398.46	3.45%
02.02.07	Charitable Trust	Buy	MBS	Fannie Mae	5.5%	103.75	\$243,743.66	3.43%
02.13.07	Charitable Trust	Buy	MBS	Fannie Mae	5.5%	102.375	\$162,287.34	3.41%
02.22.07	Charitable Trust	Buy	MBS	Ginnie Mae	6%	105	\$250,817.47	3.32%
02.27.07	General Account	Sell	MBS	Ginnie Mae	6%	99.25	(\$337,414.39)	(1.85%)
03.05.07	General Account	Buy	Bond	Bear Stearns		101.991	\$356,968.50	2.26%
03.05.07	General Account	Buy	Bond	Bear Stearns		102.704	\$369,749.35	Footnote ²
03.05.07	General Account	Sell	MBS	Wells Fargo	6%	98	(\$343,000.00)	(0.81%)
03.19.07	Charitable Trust	Sell	MBS	Ginnie Mae	6.5%	101	(\$208,117.49)	(1.34%)
03.26.07	General Account	Buy	MBS	Ginnie Mae	6.5%	105.5	\$100,433.30	4.46% ³
03.26.07	Charitable Trust	Buy	MBS	Ginnie Mae	6.5%	105.5	\$101,423.76	4.46%
03.26.07	General Account	Buy	MBS	Ginnie Mae	6%	104.35	\$85,898.01	4.51%
03.26.07	Charitable Trust	Buy	MBS	Ginnie Mae	6.5%	105.75	\$251,951.78	4.44%
03.27.07	General Account	Sell	MBS	Fannie Mae	5.5%	93	(\$162,500.00)	(1.98%)
03.27.07	Charitable Trust	Sell	MBS	Wells Fargo	6%	97.5	(\$170,625.00)	(1.17)
03.28.07	Charitable Trust	Sell	MBS	Countrywide	6%		(\$154,800.00)	(1.43%)
03.28.07	Charitable Trust	Buy	MBS	Fannie Mae	5.5%	104.31	\$391,420.74	3.34%
04.10.07	General Account	Buy	MBS	Freddie Mac	5.5%	104	\$246,478.40	3.35%
04.10.07	General Account	Sell	Treasury Bill	United States	0%	46.4	(\$232,000.00)	(3.33%)
04.19.09	General Account	Sell	MBS	Ginnie Mae	6%	99.25	(\$249,148.19)	(1.98%)
04.25.07	General Account	Sell	Bond	Bank of America	5.5%	89.25	(\$148,155.00)	(2.19%)
04.25.07	General Account	Buy	MBS	Fannie Mae	6%	101.75	\$96,662.50	5.44%
04.25.07	General Account	Buy	MBS	Ginnie Mae	6%	104.25	\$113,729.55	5.3%
04.25.07	General Account	Buy	MBS	Ginnie Mae	6.5%	105.25	\$8,600.51	5.25%
04.25.07	General Account	Buy	MBS	Ginnie Mae	6%	104.75	\$34,117.37	5.28%
05.09.07	Charitable Trust	Buy	MBS	Fannie Mae	5.5%	102.875	\$198,829.58	3.39%
05.23.07	Charitable Trust	Buy	MBS	Fannie Mae	5.5%	101.94	\$318,988.78	3.49%
06.25.07	General Account	Buy	MBS	Fannie Mae	5.5%	100.35	\$101,567.05	3.45%
06.25.07	Charitable Trust	Buy	MBS	Fannie Mae	5.5%	100.35	\$65,392.48	3.45%
06.27.07	General Account	Sell	Bond	Bear Stearns		97.204	(\$690,148.40)	(1.52%)

² Because Capital Growth's clearing firm was unable to produce data regarding this trade, the Division of Enforcement was unable to determine the markup charged.

³ As shown in this Appendix, with respect to the 8 trades on March 26 and April 25, 2007 where markups between 4.44-5.44% were charged, MBS were purchased by Capital Growth out of an account unrelated to the Sisters of Charity for which Chironis was the registered representative, and were then resold to the Sisters of Charity. The identified markups are calculated by using the price at which the unrelated account sold, and the price the Sisters of Charity's accounts paid.

06.27.07	General Account	Buy	MBS	Ginnie Mae	6%	103.75	\$688,175.23	3.39%
06.28.07	Charitable Trust	Sell	MBS	Ginnie Mae	6%	97	(\$213,793.11)	(2.11%)
07.24.07	General Account	Sell	MBS	Ginnie Mae	6%	97.5	(\$257,375.49)	(1.86%)
07.24.07	Charitable Trust	Sell	Bond	Wachovia	5.49%	98	(\$259,700.00)	(1.74%)
07.25.07	General Account	Buy	MBS	Ginnie Mae	6%	103.33	\$200,682.39	3.49%
07.25.07	General Account	Buy	MBS	Ginnie Mae	6%	103.33	\$199,010.97	3.49%
07.25.07	Charitable Trust	Buy	MBS	Ginnie Mae	6%	103.62	\$404,035.49	3.49%
07.26.07	General Account	Sell	MBS	Ginnie Mae	7%	100.75	(\$30,223.76)	(1.95%)
07.26.07	General Account	Sell	MBS	Ginnie Mae	6.5%	99.25	(\$45,436.66)	(1.98%)
07.26.07	General Account	Sell	MBS	Ginnie Mae	6%	97.5625	(\$101,139.51)	(2.01%)
07.26.07	General Account	Sell	MBS	Ginnie Mae	6%	97.5625	(\$74,455.94)	(2.01%)
07.31.07	Charitable Trust	Sell	MBS	Freddie Mac	6%	98	(\$224,430.92)	(2.37%)
08.09.07	General Account	Sell	MBS	Ginnie Mae	6.5%	99.75	(\$86,724.15)	(2.15%)
08.09.07	General Account	Buy	Bond	General Motors	8.375%	88.23	\$105,876.00	3.5%
08.15.07	Charitable Trust	Buy	MBS	Ginnie Mae	5.5%	101.35	\$105,525.26	3.48%
08.15.07	Charitable Trust	Buy	MBS	Ginnie Mae	6.5%	106	\$99,864.44	3.48%
08.15.07	Charitable Trust	Sell	Bond	Wachovia	4.99%	97.25	(\$145,875.00)	(1.57%)
08.24.07	General Account	Sell	MBS	Ginnie Mae	6%	98.36	(\$385,906.39)	(1.99%)
08.28.07	Charitable Trust	Sell	MBS	Fannie Mae	5.5%	97.625	(\$208,877.03)	(1.98%)
08.30.07	Charitable Trust	Sell	MBS	Ginnie Mae	6.5%	100.03125	(\$213,386.65)	(1.96%)
09.05.07	General Account	Sell	MBS	Ginnie Mae	6%	98.6875	(\$253,051.95)	(1.99%)
09.11.07	General Account	Sell	MBS	Freddie Mac	5.5%	98.1875	(\$120,478.83)	(2%)
09.11.07	General Account	Sell	MBS	Fannie Mae	6%	96.3125	(\$91,496.88)	(2.03%)
09.11.07	General Account	Buy	MBS	Fannie Mae	6%	104.8	\$436,010.34	3.47%
09.11.07	General Account	Sell	MBS	Fannie Mae	5.5%	98.1875	\$205,568.15	2%
09.17.07	Charitable Trust	Buy	MBS	Fannie Mae	6%	105.14	\$200,175.53	3.46%
09.17.07	Charitable Trust	Sell	MBS	Fannie Mae	5.5%	96.03125	(\$60,920.28)	(2.04%)
09.17.07	Charitable Trust	Sell	MBS	Fannie Mae	6.214%	96.15625	(\$62,782.35)	(2.04%)
09.17.07	Charitable Trust	Sell	MBS	Ginnie Mae	6.5%	99.65625	(\$87,137.92)	(1.97%)
09.26.07	Charitable Trust	Sell	MBS	Freddie Mac	6%	97.75	(\$168,433.06)	(2.01%)
09.26.07	Charitable Trust	Sell	MBS	Fannie Mae	5.5%	97.46875	(\$319,916.99)	(2.01%)
09.26.07	Charitable Trust	Sell	MBS	Ginnie Mae	5.5%	96.15625	(\$113,269.27)	(2.04%)
09.26.07	General Account	Sell	MBS	Ginnie Mae	6%	98.359375	(\$181,820.69)	(1.99%)
09.26.07	General Account	Buy	MBS	Ginnie Mae	5.5%	102.46	\$497,110.75	3.49%
09.26.07	Charitable Trust	Buy	MBS	Ginnie Mae	5.5%	102.46	\$510,919.39	3.49%
09.26.07	General Account	Sell	MBS	Ginnie Mae	6.5%	99.53125	(\$49,132.97)	(1.97%)
09.26.07	General Account	Sell	MBS	Ginnie Mae	6%	98.375	(\$252,476.81)	(1.99%)
10.03.07	General Account	Buy	MBS	Ginnie Mae	5.5%	102.98	\$801,400.06	3.5%
10.03.07	General Account	Sell	MBS	Ginnie Mae	6.5%	99.6875	(\$38,659.28)	(1.97%)
10.03.07	General Account	Sell	MBS	Ginnie Mae	6.5%	99.75	(\$48,459.69)	(1.97%)
10.03.07	General Account	Sell	MBS	Ginnie Mae	6%	98.5	(\$28,646.30)	(1.99%)
10.03.07	General Account	Sell	MBS	Ginnie Mae	7%	100.5	(\$22,528.03)	(1.95%)
10.03.07	General Account	Sell	MBS	Ginnie Mae	7%	101.28125	(\$27,839.17)	(1.94%)
10.03.07	General Account	Sell	MBS	Ginnie Mae	6%	98.90625	(\$633,798.44)	(1.98%)
10.09.07	General Account	Sell	MBS	Fannie Mae	5.5%	95.6875	(\$94,106.15)	(2.05%)
10.09.07	General Account	Sell	MBS	Fannie Mae	5%	87.25	(\$61,075.00)	(2.24%)
10.09.07	General Account	Buy	MBS	Ginnie Mae	5.5%	102.85	\$250,868.00	3.5%
10.09.07	General Account	Sell	MBS	Ginnie Mae	6.5%	99.6875	(\$28,758.15)	(1.97%)
10.09.07	General Account	Sell	MBS	Ginnie Mae	7%	101.0625	(\$26,463.14)	(1.94%)
10.12.07	General Account	Sell	Bond	GM	8.375%	90.125	(\$108,150.00)	(2.17%)
10.15.07	General Account	Buy	Bond	Ford Motors	7.45%	86.4	\$129,600.00	3.47%
10.24.07	General Account	Sell	MBS	Ginnie Mae	6%	99.3125	(\$191,936.45)	(1.97%)
10.24.07	General Account	Buy	MBS	Ginnie Mae	5.5%	103.875	\$820,430.19	3.49%

10.25.07	Charitable Trust	Buy	MBS	Ginnie Mae	5.5%	104	\$816,585.60	3.48%
10.25.07	Charitable Trust	Sell	MBS	Ginnie Mae	6%	99.484375	(\$379,466.14)	(1.97%)
10.25.07	Charitable Trust	Sell	Bond	GE	3.238%	95	(\$95,000.00)	(2.06%)
10.25.07	Charitable Trust	Sell	Bond	GE	5.954%	96.3	(\$96,300.00)	(2.03%)
10.25.07	Charitable Trust	Sell	Bond	Morgan Stanley	4.93%	96.05	(\$96,050.00)	(2.04%)
10.25.07	Charitable Trust	Sell	Bond	PB Nova Scotia	0%	95.875	(\$143,812.50)	(2.04%)
10.29.07	General Account	Buy	MBS	Ginnie Mae	5.5%	103.79	\$650,162.82	3.5%
11.07.07	Charitable Trust	Sell	MBS	Fannie Mae	5.281%	94.90625	(\$29,143.96)	(1.46%)
11.07.09	Charitable Trust	Sell	MBS	Freddie Mac	5.5%	90.625	(\$235,625.00)	(2.16%)
11.07.07	Charitable Trust	Sell	MBS	Ginnie Mae	5.5%	97.28125	(\$100,763.57)	(2.01%)
11.07.07	Charitable Trust	Sell	MBS	Ginnie Mae	6.5%	100.125	(\$93,929.50)	(1.96%)
11.07.07	Charitable Trust	Buy	MBS	Ginnie Mae	5.5%	103.35	\$501,281.65	3.45%
11.19.07	Charitable Trust	Sell	MBS	CitiMortgage	6%	87.125	(\$152,468.75)	(2.24%)
11.28.07	Charitable Trust	Buy	MBS	Ginnie Mae	5%	102.9	\$497,543.80	3.48%
11.28.07	Charitable Trust	Buy	Bond	JP Morgan	6.625	109	\$54,500.00	3.39%
11.28.07	General Account	Buy	Bond	Wells Fargo	5.25%	105	\$52,500.00	3.45%
11.29.07	General Account	Sell	MBS	Freddie Mac	5%	84.25	(\$151,650.00)	(2.32)
11.29.07	General Account	Buy	MBS	Ginnie Mae	5%	103.2	\$498,994.37	3.47%
12.03.07	General Account	Buy	MBS	Ginnie Mae	5.5%	105.375	\$303,072.80	3.5%
12.11.07	Charitable Trust	Sell	MBS	Fannie Mae	5.5%	97.40625	(\$532,058.51)	(2.01%)
12.18.07	General Account	Sell	MBS	Fannie Mae	6%	99.671875	(\$401,251.47)	(1.48%)
12.26.07	General Account	Sell	MBS	Ginnie Mae	5.5%	98.625	(\$1,740,585.31)	(1.25%)
01.03.08	Charitable Trust	Buy	MBS	Ginnie Mae	5.5%	104.92	\$376,575.69	3.5%
01.17.08	Charitable Trust	Sell	MBS	Fannie Mae	6%	101	(\$59,975.37)	(1.46%)
01.17.08	General Account	Sell	MBS	Ginnie Mae	5.5%	100	(\$466,545.29)	(1.96%)
01.23.08	Charitable Trust	Sell	MBS	Ginnie Mae	5.5%	101.421875	(\$775,643.27)	(1.46%)
01.23.08	General Account	Sell	MBS	Wells Fargo	5.5%		(\$612,602.19)	(1.46%)
01.31.08	Charitable Trust	Sell	MBS	Ginnie Mae			(\$478,991.01)	(1.96%)

Appendix B
Closed-End Bond Fund Transactions in the Accounts: January 2007-January 2008⁴

Date	Account	Buy/Sell	Issuer	Amount	Markup/ Markdown
01.31.07	Charitable Trust	Buy	Nuveen	\$234,517.68	2.84%
02.01.07	General Account	Buy	Nuveen	\$99,918.78	2.91%
02.05.07	Charitable Trust	Buy	RMK	\$186,186.89	2.59%
02.05.07	Charitable Trust	Sell	Eaton Vance	(\$188,033.00)	(1.57%)
02.06.07	Charitable Trust	Buy	Nuveen	\$50,082.00	2.79%
02.09.07	Charitable Trust	Buy	Blackrock Income	\$200,114.50	2.95%
02.13.07	Charitable Trust	Sell	Eaton Vance	(\$162,723.20)	(0.52%)
03.19.07	Charitable Trust	Buy	Blackrock Core	\$202,466.00	3.05%
03.28.07	Charitable Trust	Sell	Blackrock Income	\$257,277.50	2.83%
04.12.07	Charitable Trust	Sell	Pimco	\$103,615.80	2.98%
04.19.07	General Account	Buy	Nuveen	\$296,998.00	3.13%
05.02.07	Charitable Trust	Buy	Pimco	\$83,886.40	3.26%
05.02.07	Charitable Trust	Sell	Eaton Vance	(\$39,072.18)	(1.15%)
05.10.07	Charitable Trust	Buy	First Trust	\$100,284.80	2.65%
05.21.07	General Account	Sell	Eaton Vance	(\$55,145.05)	(1.15)
05.23.07	Charitable Trust	Sell	Nuveen	(\$290,200.00)	(0.68%)
06.06.07	General Account	Buy	Pimco	\$134,960.00	3.37%
06.20.07	General Account	Buy	Eaton Vance Ltd.	\$94,932.90	2.74%
06.21.07	General Account	Buy	Pimco	\$101,811.20	2.99%
06.21.07	Charitable Trust	Buy	Pimco	\$57,923.54	2.98%
07.02.07	Charitable Trust	Buy	Pimco	\$192,110.00	2.67%
07.26.07	General Account	Buy	Blackrock Opportunity	\$219,815.00	2.81%
07.31.07	Charitable Trust	Buy	Blackrock Opportunity	\$220,000.00	2.35%
08.22.07	General Account	Buy	Pimco	\$151,875.00	3.4%
08.29.07	General Account	Buy	Pimco	\$305,687.93	3.43%
08.29.07	Charitable Trust	Buy	Pimco	\$249,595.50	3.42%
08.30.07	Charitable Trust	Buy	Nuveen	\$167,022.70	3.13%
09.05.07	General Account	Buy	Eaton Vance Ltd.	\$239,540.00	3.01%
09.28.07	Charitable Trust	Buy	Nuveen	\$143,550.00	3%
11.11.07	Charitable Trust	Sell	Blackrock Core	(\$141,897.60)	(1.66%)
11.11.07	Charitable Trust	Sell	Nuveen	(\$92,972.00)	(1.69%)
11.13.07	Charitable Trust	Sell	Pimco	(\$108,840.00)	(1.42%)

⁴ In this Appendix B, the following closed-end bond funds are referenced by shortened versions of their names, as follows: Nuveen Floating Rating Income Opportunity Fund (“Nuveen”), RMK High Income Fund (“RMK”), Eaton Vance Senior Floating Rate Trust (“Eaton Vance”), Eaton Vance Limited Duration Income Fund (“Eaton Vance Ltd.”), Blackrock Income Opportunity Trust (“Blackrock Income”), Blackrock Core Bond Trust (“Blackrock Core”), Blackrock PFD Opportunity Trust (“Blackrock Opportunity”), Pimco Corporate Opportunity Fund (“Pimco”), First Trust/Four Corners Senior Floating Rate Income Fund II (“First Trust”), Western Asset Worldwide Income Fund (“Western Asset”), Alpine Global Premier Properties Fund (“Alpine”), Alpine Total Dynamic Dividend Fund (“Alpine Dynamic”), Neuberger Berman Real Estate Securities Fund (“Neuberger Berman”), and Evergreen Global Dividend Opportunity Fund (“Evergreen”).

11.14.07	Charitable Trust	Buy	Blackrock Opportunity	\$204,150.00	2.75%
11.20.07	General Account	Sell	Nuveen	(\$133,920.00)	(2.62%)
11.28.07	Charitable Trust	Sell	Pimco	(\$306,481.90)	(2.91%)
11.30.07	General Account	Sell	Pimco	(\$331,775.00)	(2.93%)
12.04.07	General Account	Sell	Pimco	(\$207,150.00)	(2.81%)
12.05.07	General Account	Sell	Pimco	(\$68,117.00)	(2.1%)
12.07.09	General Account	Buy	Western Asset	\$106,720.00	3.98%
12.12.07	Charitable Trust	Buy	Western Asset	\$202,200.00	3.85%
12.27.07	General Account	Buy	Blackrock Opportunity	\$356,000.00	2.89%
01.02.08	General Account	Buy	Alpine	\$207,970.45	2.97%
01.03.08	General Account	Buy	Neuberger Berman	\$179,121.00	3%
01.07.08	General Account	Buy	Alpine Dynamic	\$215,640.00	2.86%
01.08.08	General Account	Buy	Evergreen	\$226,680.00	2.72%
01.14.08	General Account	Buy	Blackrock Opportunity	\$227,958.00	2.7%
01.23.08	General Account	Buy	Blackrock Opportunity	\$232,631.00	2.6%
01.24.08	Charitable Trust	Buy	Blackrock Opportunity	\$355,680.00	2.59%
01.29.08	Charitable Trust	Buy	Pimco	\$190,596.00	3.25%

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933, Sections 15(b) and 21C of the Securities Exchange Act of 1934, and Section 9(b) of the Investment Company Act ("Order") on Respondent Paul George Chironis and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Robert G. Mahony
Administrative Law Judge
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