

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SECURITIES EXCHANGE ACT OF 1934  
Release No. 60027/June 2, 2009

ADMINISTRATIVE PROCEEDING  
File No. 3-13433

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In the Matter of	:	
	:	ORDER MAKING FINDINGS AND
DOUGLAS F. SAMUELS	:	IMPOSING SANCTION BY DEFAULT

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**SUMMARY**

This Order bars Douglas F. Samuels (Samuels) from association with a broker or dealer. Samuels was previously convicted on one count of wire fraud in connection with the fraudulent offer and sale of securities.

**I. BACKGROUND**

The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings (OIP) against Samuels on April 8, 2009, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act). The OIP alleges that he was convicted of wire fraud, in violation of 18 U.S.C. §§ 1343, 1346. Samuels was served with the OIP on April 15, 2009, in accordance with 17 C.F.R. § 201.141(a)(2)(i). He failed to file an Answer, due twenty days after service of the OIP. See 17 C.F.R. § 201.220(b); OIP at 2. A respondent who fails to file an Answer to the OIP may be deemed to be in default, and the administrative law judge may determine the proceeding against him.<sup>1</sup> See 17 C.F.R. §§ 201.155(a), .220(f); OIP at 2. Thus, Samuels is in default, and the undersigned finds the following allegations in the OIP are true.

**II. FINDINGS OF FACT**

From 1979 to 1998, Samuels was employed at John Dawson & Associates, Inc., a broker-dealer registered with the Commission, beginning as an accountant and eventually becoming Chief Financial Officer. Samuels was convicted of wire fraud, in violation of 18 U.S.C. §§ 1343, 1346. United States v. Cho, No. 1:04-CR-166 (N.D. Ill. June 19, 2008). He was sentenced to a term of imprisonment of twelve months and one day, ordered to pay \$2,312,484 in restitution, and placed on three years probation following his release from prison.

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<sup>1</sup> Samuels was advised that, if he failed to file an Answer to the OIP within the time provided by law, the undersigned would enter an order barring him from association with a broker or dealer. See Douglas F. Samuels, Admin. Proc. No. 3-13159 (A.L.J. May 6, 2009) (unpublished).

The wrongdoing underlying Samuels's conviction related to trading in which, for the purpose of executing a scheme to defraud, he caused and directed fraudulent "trade allocations" by creating, assigning, and/or transferring profitable securities and options trades to certain firm, employee, and customer accounts, and losing trades to other accounts.

### **III. CONCLUSIONS OF LAW**

Samuels has been convicted, within ten years of the commencement of this proceeding, of a crime that "involves the purchase or sale of any security," "arises out of the conduct of the business of a broker [or] dealer," and "involves the violation of [18 U.S.C. §] 1343" within the meaning of Sections 15(b)(4)(B) and 15(b)(6)(A)(ii) of the Exchange Act.

### **IV. SANCTION**

Samuels will be barred from association with any broker or dealer. This sanction will serve the public interest and the protection of investors, pursuant to Section 15(b) of the Exchange Act. It accords with Commission precedent and the sanction considerations set forth in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979), aff'd on other grounds, 450 U.S. 91 (1981).

### **V. ORDER**

IT IS ORDERED that, pursuant to Section 15(b) of the Securities Exchange Act of 1934, DOUGLAS F. SAMUELS IS BARRED from association with a broker or dealer.

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Carol Fox Foelak  
Administrative Law Judge