

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

SECURITIES EXCHANGE ACT OF 1934  
Release No. 58481 / September 8, 2008

Administrative Proceeding File No. 3-13167

*In the Matter of Leslie A. James (a/k/a Les James and Daryl McKinney)*

The U.S. Securities and Exchange Commission (Commission) announced today that it issued an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, and Notice of Hearing (Order) against Leslie A. James (a/k/a Les James and Daryl McKinney) (James). In the Order, the Division of Enforcement alleges that James, using the alias Daryl McKinney, held himself out as a stock trader employed by unregistered broker-dealer Blue Square Management, Inc. (Blue Square) from approximately January 2001 through March 2004. From approximately December 2003 through at least November 2004, James also held himself out as an employee of Westwood Holdings, Inc. (Westwood), another unregistered broker-dealer based in New York City.

The Order alleges that, in a related criminal action, James pled guilty to one count of conspiracy to commit mail fraud and securities fraud before the United States District Court for the District of Connecticut in connection with his Blue Square activities. James was sentenced to probation for a total of five years and ordered to pay restitution in the amount of \$70,000.

The Order alleges that the counts of the criminal information to which James pled guilty alleged, among other things, that beginning in or about January 2001 and continuing until in or about March 2004, James and his co-defendants contacted potential investors across the country, represented that they worked for a New York City-based venture capital firm called Blue Square, and solicited investments in the securities of a purported ATM management company. In telephone conversations and subsequent documents sent to investors, they falsely and fraudulently represented that investors would make significant profits in the near future due to an expected initial public offering and/or buy-out of the company. In truth, the purported ATM management company was a fictitious entity with no actual operations, no profits, and no planned IPO or buy-out.

The Order also alleges that James pled guilty to grand larceny in the third degree before the Supreme Court of the State of New York, New York County, in connection with his Westwood activities. James was sentenced to five years of probation, to run concurrently with his federal sentence.

The Order alleges that the People's complaint alleged, among other things, that beginning in December 2003, James and others participated in a scheme under the name of

Westwood, which purported to sell legitimate stock opportunities to investors. From December 2003 through January 2005, approximately 90 people sent approximately \$1.2 million to Westwood to purchase what they thought were legitimate stocks but which were actually stocks in fictitious companies or fake stocks in real companies.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide the Respondent an opportunity to dispute these allegations, and to determine what, if any, remedial sanctions are appropriate and in the public interest. The Order requires the Administrative Law Judge to issue an initial decision no later than 210 days from the date of service of the Order Instituting Proceedings.