

SECURITIES ACT OF 1933  
Release No. 8778 / January 31, 2007

SECURITIES EXCHANGE ACT OF 1934  
Release No. 55208 / January 31, 2007

INVESTMENT ADVISERS ACT OF 1940  
Release No. 2587 / January 31, 2007

INVESTMENT COMPANY ACT OF 1940  
Release No. 27692 / January 31, 2007

ADMINISTRATIVE PROCEEDING  
File No. 3-12554

IN THE MATTER OF MICHAEL SASSANO, DOGAN BARUH, ROBERT OKIN,  
AND R. SCOTT ABRY

DIVISION OF ENFORCEMENT ALLEGES CIBC BROKERS PARTICIPATED IN  
SCHEME TO DECEIVE MUTUAL FUNDS

The United States Securities and Exchange Commission (Commission) announced the issuance of an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 15(b)(6) and 21C of the Securities Exchange Act of 1934, Section 203(f) of the Investment Advisers Act of 1940, and Sections 9(b) and 9(f) of the Investment Company Act of 1940 against Michael Sassano (Sassano), Dogan Baruh (Baruh), Robert Okin (Okin) and R. Scott Abry (Abry) (collectively the Respondents). Sassano and Baruh were previously brokers at CIBC World Markets Corp. (CIBC) and Fahnestock & Co., Inc. (Fahnestock). Okin was the Head of the Private Client Services division and Abry was a branch manager who supervised Sassano and Baruh.

In the Order, the Division of Enforcement alleges that Sassano and Baruh collaborated with numerous hedge fund customers to deceptively market time mutual funds. Mutual funds, for example, repeatedly detected Sassano's, Baruh's, and their hedge fund customers' market timing conduct from at least 1999 until September 2003, and sent World Markets and Fahnestock numerous letters and emails complaining about this abusive market timing. In response to the mutual funds' efforts to stop the market timing, Sassano and Baruh used numerous strategies to help their hedge fund customers deceive the mutual funds, including the use of: (a) multiple accounts, (b) multiple RR numbers; (c) different branch numbers; (d) trades in smaller dollar amounts; (e) accounts at Charles Schwab & Co., Inc. and FMR Corp. to continue market timing funds that had blocked their customers trading through World Markets; and (f) variable annuities. These were among Sassano's and Baruh's favorite tactics to enable market timing customers to deceive mutual funds and "stay under the radar" of the mutual funds' internal timing monitors. In addition, Baruh knowingly accepted numerous mutual fund

orders after 4:00 p.m. ET and processed those orders as though they had been placed prior to 4:00 p.m. ET so that they received the same day's net asset value. Okin and Abry supervised Sassano and Baruh and knew of, and assisted, Sassano and Baruh's deceptive market timing practices.

Based on the above, the Division of Enforcement alleges that 1) Sassano and Baruh, among other things, willfully violated the antifraud provisions -- Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5; 2) Baruh willfully aided and abetted and caused CIBC's violations of Rule 22c-1; and 3) Okin and Abry willfully aided and abetted and caused violations of the antifraud provisions (among other provisions) and failed reasonably to supervise Sassano and Baruh. The Division of Enforcement seeks cease-and-desist orders, disgorgement, civil penalties, prejudgment interest, and all other remedial sanctions that are appropriate and in the public interest.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide Respondents with an opportunity to dispute the allegations, and to determine what, if any, remedial sanctions and penalties are appropriate.