

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

April 11, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12614

In the Matter of

**PARK FINANCIAL GROUP,
INC. and GORDON C.
CANTLEY,**

Respondents.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTIONS 15(b) AND 21C OF THE
SECURITIES EXCHANGE ACT OF 1934**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Park Financial Group, Inc. (“Park”) and Gordon C. Cantley (collectively “Respondents”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. Park, a Winter Park, Florida broker-dealer, has been registered with the Commission since 1992 and is a member of the National Association of Securities Dealers (“NASD”). Over the course of the past 9 years, the NASD has brought numerous actions against Park for failing to comply with various broker-dealer regulations.

2. Cantley, 42, resides in Cocoa Beach, Florida. Cantley is president and owner of Park. He is also Park’s financial operations principal and oversees the firm’s trading department.

B. OTHER RELEVANT INDIVIDUAL AND ENTITIES

3. Spear & Jackson, Inc., is a Nevada corporation incorporated in 1998. It is the surviving entity of a September 2002 reverse merger between Spear & Jackson and Megapro Tools, Inc. (“Megapro”), a Canadian-based tool company. Spear & Jackson is in the business of manufacturing and distributing a variety of garden and household tools. Spear & Jackson’s common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act. From February 2002 to July 2003 (“relevant time period”), Spear & Jackson was quoted on the OTC Bulletin Board, and its principal offices were located in Boca Raton, Florida.

4. Dennis P. Crowley, 42, resides in Highland Beach, Florida. During the relevant time period, Crowley was Spear & Jackson’s CEO, chairman of its board of directors, and owner of more than 50% of its outstanding common stock. Crowley, a former registered representative, was permanently barred from association with any NASD member in 1991.

5. International Media Solutions, LLC (“IMS”), now defunct, was formerly a privately held Florida limited liability company incorporated in 2003 with its headquarters in Longwood, Florida. IMS purported to be an investor relations firm and promoted Spear & Jackson securities during the relevant time period. IMS was never registered with the Commission in any capacity.

C. BACKGROUND

6. Beginning about January of 2002, Crowley engaged in a pump-and-dump scheme involving the securities of Spear & Jackson. Initially, Crowley secretly acquired approximately 800,000 shares of Megapro securities through the filing of a false Form S-8 and other fraudulent transfers. In September 2002, Crowley orchestrated and self-funded Megapro’s acquisition of Spear & Jackson through a reverse merger in which Spear & Jackson emerged as the surviving entity. After the merger, Crowley became Spear & Jackson’s president and chief executive officer and his secretly acquired Megapro shares became Spear & Jackson shares.

7. In February 2002, Crowley retained IMS to promote the stock of first Megapro and later Spear & Jackson to brokers and traders through the dissemination of false and misleading information intended to inflate artificially share prices. Crowley compensated IMS with large blocks of Spear & Jackson stock which he transferred from accounts he controlled and that were maintained at Park to an IMS brokerage account at Park. This promotion continued through July 2003. As discussed in more detail below, Crowley sold large amounts of his fraudulently obtained stock, reaping approximately \$2.5 million in personal profits.

8. On April 15, 2004, the Commission filed an emergency civil action against Spear & Jackson, Crowley, IMS, and IMS’ principals, alleging violations of the antifraud, registration, reporting, and disclosure provisions of the federal securities laws. The District Court for the Southern District of Florida entered temporary restraining orders against all defendants, removed Crowley from his position as chief executive officer of Spear & Jackson, and appointed a corporate monitor to oversee and approve all corporate actions at the company.

9. In February and September of 2005, the court entered final judgments by consent against all of the defendants, and entered permanent injunctions against each. The defendants consented to the relief without admitting or denying the Commission's allegations. The court ordered Crowley to pay disgorgement and civil penalties in excess of \$6 million and imposed on Crowley an officer-and-director bar, a penny stock bar, and a Form S-8 stock bar that prohibits Crowley from owning or receiving S-8 issued securities. The Court also ordered IMS to pay disgorgement in excess of \$2 million, and each of its two principals to pay disgorgement and civil penalties in excess of \$420,000.

D. THE INVOLVEMENT OF PARK AND CANTLEY

10. Around the same time that Crowley began fraudulently acquiring Megapro shares, three companies located in the British Virgin Islands ("BVI Companies") opened brokerage accounts at Park. Although individuals other than Crowley opened the accounts and had trading authority, the BVI Companies were, in fact, nominees clandestinely controlled by Crowley.

11. The BVI Companies' accounts were unusual for Park and Cantley in several respects. First, Park rarely serviced foreign-based accounts. Second, the BVI Companies' accounts were opened over the telephone or by mail, and no one at Park, including Cantley, ever met any of the directors who allegedly controlled the accounts. Third, unlike most accounts maintained at Park, the BVI Companies' accounts required the written approval of at least two authorized individuals before any transaction could occur. Crowley was not one of those authorized people.

12. Also around this time, Crowley opened several corporate brokerage accounts at Park with Cantley. Previously, IMS had opened an account at Park, and IMS referred the BVI Companies to Park. At all relevant times, Cantley was the registered representative on the accounts of the BVI Companies, Crowley, and IMS.

13. In early 2002, Park began making a market in Megapro. Cantley oversaw Park's market making in Megapro, and subsequently Spear & Jackson. Cantley conducted and updated due diligence on Megapro and Spear & Jackson, including collecting all of their filings with the Commission and staying up-to-date with earnings releases and management issues. As a market maker, Park, through Cantley, closely monitored the share price of Megapro and Spear & Jackson and was aware of the sharp increase in price between January 2002 and July 2003, from approximately \$2 to almost \$16 per share on volume that often exceeded 100,000 shares per day.

14. Concurrent with the price and volume increase, the BVI Companies, through their Park accounts, began heavily trading in Spear & Jackson stock. During the relevant time period, the BVI Companies engaged in more than 200 transactions in Spear & Jackson stock, often selling shares on a daily basis, for an aggregate total sale of almost one million shares. Spear & Jackson was the only stock in which the BVI Companies traded during the relevant time period.

15. In the midst of this massive selling, Crowley called Park and Cantley on several occasions and gave him sell orders for the BVI Companies' accounts, which Park and Cantley

filled. One of the listed signatories on the BVI Companies' accounts purportedly told Cantley over the telephone that Crowley was authorized to trade in the accounts.

16. Cantley and Park executed Crowley's trade orders despite knowing that: the BVI Companies' account documents on file with Park required written approval from two authorized signatories to trade; Crowley was not an authorized signatory on any of the BVI Companies' accounts; Park's own written supervisory procedures required written authorization from any customer who grants third-party trading authority over the account; Crowley was the CEO of Spear & Jackson; Crowley only ordered trades in Spear & Jackson for the BVI Companies' accounts; and Crowley did not make a single trade in Spear & Jackson stock on any of the corporate accounts on which he was the listed owner, trader, or beneficiary, even though he was regularly calling Cantley for updates on Spear & Jackson's share price.

17. During this same time, Cantley and Park also knew that: the BVI Companies were transferring large amounts of Spear & Jackson stock to IMS' account; IMS was a stock promoter typically compensated for its services with stock; IMS was promoting Spear & Jackson; and Spear & Jackson's stock price was soaring.

18. In spite of these obvious red flags, Park and Cantley continued to effect transactions in the securities of Spear & Jackson for the BVI Companies' accounts.

D. FAILURE TO FILE SUSPICIOUS ACTIVITY REPORTS (SARs)

19. In April 2002, Congress passed the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001. The Patriot Act amended provisions of the Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the "Bank Secrecy Act") and substantially expanded a broker-dealer's obligations to detect and prevent money laundering. The regulations implementing the Bank Secrecy Act mandate that, effective December 31, 2002, broker-dealers report suspicious transactions by filing a Suspicious Activity Report ("SAR") with the Financial Crimes Enforcement Network ("FinCEN") to report any transaction (or a pattern of transactions of which the transaction is a part) involving or aggregating to at least \$5,000 that it "knows, suspects, or has reason to suspect:" (1) involves funds derived from illegal activity or is conducted to disguise funds derived from illegal activities; (2) is designed to evade any requirements of the Bank Secrecy Act; (3) has no business or apparent lawful purpose and the broker-dealer knows of no reasonable explanation for the transaction after examining the available facts; or (4) involves use of the broker-dealer to facilitate criminal activity. 31 C.F.R. § 103.19(a)(2).

20. The failure to file a SAR as required by 31 C.F.R. § 103.19 is a violation of Section 17(a) of the Exchange Act and Rule 17a-8 thereunder, and is enforceable by the Commission.

21. From December 31, 2002 through July 2003, the three BVI Companies' brokerage accounts made approximately 98 transactions in Spear & Jackson securities that each totaled more than \$5,000. This included 9 share transfers to IMS, a stock promoter that Park knew was actively

promoting Spear & Jackson. These nine transfers involved more than 240,000 shares of Spear & Jackson stock worth in excess of \$1.2 million.

22. These nine large share transfers, as well as the remaining eighty-nine BVI Companies' sales of Spear & Jackson stock, were suspicious in many respects. As previously discussed, the BVI Companies' accounts were among only a few foreign-based accounts that Park maintained. The BVI Companies traded only in Spear & Jackson stock, and Spear & Jackson's CEO directed some of the trading, even though the account documents did not authorize him to trade in the accounts, and Park's own supervisory procedures required written authorization from any customer who grants third-party trading authority over the account. The nine share transfers were to a known stock promoter, which Park knew was actively promoting Spear & Jackson. All ninety-eight of the transfers and sales took place concurrent with unexplained sharp increases in the price and volume of Spear & Jackson's stock. Based on the information available to Park, the firm had reason to suspect that the transactions in Spear & Jackson stock occurring through the three BVI Companies' brokerage accounts involved the type of conduct that required the firm to generate and file a SAR.

23. Even though the SAR requirement did not become effective until December 31, 2002, in the months prior to the effective date, Park's compliance officer generated multiple SARs relating to in-house transfers of shares from the BVI Companies to IMS. He provided those reports to Cantley, who did not file them with FinCEN. The fact that the compliance officer generated the reports provided yet another red flag Park and Cantley ignored, and should have prompted Park and Cantley to generate and file SARs for the identical transactions (i.e., the nine share transfers to IMS discussed above) that occurred after the filing of SARs became mandatory.

E. VIOLATIONS

24. As a result of the conduct described above, Park and Cantley willfully aided and abetted and caused Crowley's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Additionally, Park willfully violated, and Cantley willfully aided and abetted and caused violations of, Section 17(a) of the Exchange Act and Rule 17a-8 thereunder.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II. are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Park pursuant to Section 15(b)(4) of the Exchange Act and against Cantley pursuant to Section 15(b)(6) of the Exchange Act including, but not limited to, disgorgement and civil penalties pursuant to Section 21B of the Exchange Act; and

C. Whether, pursuant to Section 21C of the Exchange Act, Respondents should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 10(b) and 17(a) of the Exchange Act and Rules 10b-5 and 17a-8 thereunder and whether Respondents should be ordered to pay disgorgement pursuant to Section 21C(e) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III. hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file Answers to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondents fail to file the directed answers, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 221(f) and 201.310.

This Order shall be served forthwith upon Respondents personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Nancy M. Morris
Secretary