

SECURITIES EXCHANGE ACT OF 1934
Release No. 51376 / March 15, 2005

ADMINISTRATIVE PROCEEDING
File No. 3-11856

**SEC INSTUTES PUBLIC ADMINSTRATIVE PROCEEDINGS AGAINST
CHARLES CINI AND GORDON NOVAK**

On March 15, 2005, the Commission entered an Order Instituting Public Administrative Proceedings (the Order) Pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act) against Charles Cini, a resident of Toronto, Canada and Gordon Novak, a resident of Hamilton, Canada (collectively “the Respondents”), based on the entry of permanent injunctions against them in SEC v. Rhino Ecosystems, Inc. et al., Case No. 02-80768-Civ (S.D. Fla.), and criminal convictions against them in a related criminal proceeding. The Commission complaint in the civil action alleges that the underlying scheme that gave rise to both the criminal indictment and the civil action against the Respondents arose from a two year, undercover investigation code-named Bermuda Short, which was designed to expose and prosecute those who attempt to engage in the fraudulent purchase and sale of public companies’ stock. Specifically, the Commission’s complaint alleged that Respondents, among others, were to receive kickbacks based upon a proposed transaction with a fictitious offshore mutual fund manager. In fact, the mutual fund manager was an undercover FBI agent who was capturing the illegal conspiracy on tape.

On January 13, 2005, the District Court for the Southern District of Florida entered a judgment of permanent injunction against Cini, which enjoined him from violating Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder, and from aiding and abetting any violation of Section 13(a) of the Exchange Act and Rules 13a-1 and 12b-20 thereunder. On January 20, 2005, in the same matter, the District Court granted the Commission’s motion for summary judgment and entered a judgment of permanent injunction against Novak, which enjoined him from violating Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder.

On October 3, 2003, in a related criminal proceeding, Cini pled guilty to one count of conspiracy to commit wire fraud and securities fraud in United States v. Mark Wiertzema, et al., Case No. 02-20636-CR (S.D. Fla.). On December 16, 2003, Cini was sentenced to a term of thirty months imprisonment. On October 7, 2003, in the same related criminal proceeding, Novak plead guilty to one count of conspiracy to commit wire fraud and securities fraud. On December 17, 2003, Novak was sentenced to a term of twenty-one months imprisonment.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide Respondents an opportunity to establish any defenses to such allegations, and to determine whether it is appropriate and in the public interest to bar Respondents from participating in any offering of penny stock.

The Order requires that the administrative law judge shall issue an initial decision no later than 210 days from the date of service of the Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.