

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 68050 / October 12, 2012**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15064**

**In the Matter of**

**Derek F.C. Elliott,**

**Respondent.**

**ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO SECTION 15(b) OF THE  
SECURITIES EXCHANGE ACT OF 1934,  
MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Derek F.C. Elliott (“Elliott” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds that

1. Elliott, 41 was the President and CEO of numerous entities under the Elliott name. He was born in Ontario, Canada and is a Canadian citizen. Prior to developing real estate in the Dominican Republic ("DR"), Elliott managed an inn in the Toronto area. He has never been registered to sell securities under U.S. laws. Respondent participated in an offering of Net Worth securities, which is a penny stock.

2. On October 5, 2012, a final judgment was entered by consent against Elliott, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, and Section 15(a) of the Exchange Act, in the civil action entitled Securities and Exchange Commission v. James B. Catledge, et al., Civil Action Number 2:12-cv-00887-JCM-RJJ, in the United States District Court for the District of Nevada.

3. The Commission's complaint alleged that, from approximately the fall of 2004 until early 2009, Elliott solicited investments, through the marketing entity known as Net Worth Solutions, involving the offer and sale of over \$163 million of investment contracts in unregistered transactions to approximately 1,200 investors. It is alleged Elliott sold two types of securities, called "Residence" and Passport" investments, represented timeshare and ownership interests, respectively, in two resorts in the Dominican Republic. The Commission's complaint further alleged that Elliott developed and constructed the resorts, while Catledge was directing the sales force. It is further alleged that Elliott marketed and sold investments in these resorts in partnership with Net Worth Solutions, a multilevel marketing entity controlled by James B. Catledge. The complaint also alleged, among other things, that material misrepresentations were made to investors in order to induce them to purchase the Residence and Passport investments. It also alleged that Elliott acted as an unregistered broker-dealer.

### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Elliott's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Elliott be, and hereby is:

- (i) barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and
- (ii) barred from participating in any offering of penny stock, including; acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Elizabeth M. Murphy  
Secretary