

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

SECURITIES EXCHANGE ACT OF 1934  
Release No. 53157/January 20, 2006

ADMINISTRATIVE PROCEEDING  
File No. 3-12107

---

In the Matter of	:	
	:	
NEIL FORMISANO	:	ORDER MAKING FINDINGS AND IMPOSING SANCTION BY DEFAULT
	:	

---

The Securities and Exchange Commission (Commission) instituted this proceeding on November 23, 2005. The Commission sent the Order Instituting Proceedings (OIP) to Mr. Neil Formisano, Register #54876-054, Metropolitan Detention Center, Brooklyn, NY, 11232, (MDC), by certified letter on November 25, 2005. The Domestic Return Receipt returned to the Commission's Secretary on December 5, 2005, was signed but not dated by someone at MDC, where Neil Formisano (Formisano) resides. Based on this evidence, I found that Formisano was served with the OIP on December 5, 2005, and that Formisano's Answer was due within twenty days. See 17 C.F.R. § 201.220; OIP at 2. As of the date of this Order, Formisano had not filed an Answer. At a telephonic prehearing conference held on January 18, 2006, a case manager at MDC stated on the record that Formisano was aware of the prehearing conference but chose not to participate.

Formisano is in default under the Commission's Rules of Practice because he did not file an Answer to the allegations in the OIP; he failed to appear, in person or through a representative, at the prehearing conference on January 18, 2006, of which he had notice; and he failed to otherwise defend the proceeding. See 17 C.F.R. §§ 201.155(a), .220(f), .221(f). Based on the default, I find the following allegations in the OIP to be true.

Formisano is thirty-eight years of age. From March 1999 to October 29, 2002, Formisano was a registered representative and registered principal employed by eWealth Securities, Inc. (eWealth), a registered broker-dealer f/k/a F.L.P. Gilmour & Associates. eWealth Holdings, Inc. (Holdings), was incorporated in Delaware in November 1999 under the name eWealth.com Holdings, Inc., and changed its name to eWealth Holdings, Inc., on April 3, 2001. Holdings was created as a holding company for eWealth and to raise capital through an offering of Holdings stock and debt securities. Neither Holdings nor Holdings securities were registered with the Commission. Holdings has been inoperative since March 1, 2002.

On October 29, 2002, the Commission filed a civil action entitled SEC v. eWealth, No. 02 civ. 8626 (JES), in the United States District Court for the Southern District of New York. The Commission's complaint alleged, among other things, that from January 2000 through July 2002, Formisano participated in the fraudulent offer and sale of over seven million dollars in unregistered Holdings securities to approximately one hundred individuals. In connection with the offering, the complaint alleged that Formisano, either directly or indirectly, made material misrepresentations and omissions concerning, among other things, the likelihood of Holdings becoming a public company, price projections for Holdings securities once it became a public company, Holdings's business activities, the use of investor proceeds, the qualifications and credentials of Holdings's management, and the safety of the Holdings investment. The complaint also alleged that Formisano impeded the Commission's staff examination of eWealth.

In a final judgment entered on October 21, 2005, the court permanently enjoined Formisano from future violations of Sections 5 and 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder, and from aiding and abetting future violations of Sections 17(a) and 17(b) of the Exchange Act and Rule 17(a)(4)(j) thereunder. SEC v. eWealth, No. 02 civ. 8626 (JES) (S.D.N.Y. 2005). I take official notice of the Commission's Litigation Release No. 19524 (Release), issued on January 6, 2006. 17 C.F.R § 201.323. According to the Release, the district court also barred Formisano from participating in any future offerings of penny stock; required him to pay \$9,798,950 in disgorgement, plus \$3,907,300.62 in prejudgment interest; and ordered him to pay \$550,000 in civil penalties. The Release noted that Formisano pled guilty to securities fraud and conspiracy to commit securities fraud, mail fraud and wire fraud in a criminal proceeding based on the same facts alleged in the civil complaint. Formisano was sentenced on November 20, 2003, to seventy-eight months of incarceration, and ordered to pay restitution in the amount of \$9,798,950.

Section 15(b) of the Exchange Act authorizes the Commission to censure, place limitations on the activities or functions, suspend for a period not exceeding twelve months, or bar a person from association with a broker or dealer, if it is in the public interest to do so, where a person was enjoined for wrongful conduct committed while the person was associated with a broker dealer. The facts set forth above demonstrate that it is in the public interest to bar Formisano from association with any broker or dealer.

## **ORDER**

I ORDER, pursuant to Section 15(b) of the Securities Exchange Act of 1934, that Neil Formisano is hereby BARRED from association with any broker or dealer.

---

Brenda P. Murray  
Chief Administrative Law Judge