The Securities and Exchange Commission (Commission) instituted this proceeding on May 2, 2003, with an Order Instituting Proceedings (OIP), alleging that Respondents have been enjoined against, and convicted of, securities fraud. It seeks to bar them from association with a broker-dealer.

According to the U.S. Postal Service and the Federal Bureau of Prisons, the OIP directed to Respondent Pak was received at the Federal Correctional Institution in Fort Dix, New Jersey, on May 12 and delivered to him on May 14. By the terms of the OIP and 17 C.F.R. § 201.220(b), his Answer was due on or before June 3. Pak has not filed an Answer to the OIP but has filed a motion, received June 11, for discovery. Pursuant to 17 C.F.R. § 201.230, a Respondent in a Commission administrative proceeding is not entitled to discovery until after he files his Answer to the OIP. Therefore, Pak’s motion will be denied.

The OIP alleges that Pak was enjoined in 2002 from violating antifraud and other provisions of the federal securities laws and convicted in 2001 of securities fraud and conspiracy to commit securities fraud and wire fraud. Pak is reminded that the Commission does not permit criminal convictions or injunctions to be collaterally attacked in its administrative proceedings. That is, a Respondent is not permitted to relitigate the facts underlying the conviction or injunction. See Ira William Scott, 53 S.E.C. 862, 866 (1998); see also William F. Lincoln, 53 S.E.C. 452, 455-56 (1998); Robert Savegh, 69 SEC Docket 1307, 1312 (Mar. 30, 1999); John Francis D’Acquisto, 53 S.E.C. 440, 444 (1998).

IT IS SO ORDERED.

Carol Fox Foelak
Administrative Law Judge

As of June 6, the Commission had not received an Answer to the OIP from either Respondent, and the undersigned ordered each Respondent to show cause, by June 20, why he should not be held in default and barred from association with a broker-dealer.