

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SECURITIES EXCHANGE ACT OF 1934  
Release No. 54453/September 15, 2006

ADMINISTRATIVE PROCEEDING  
File No. 3-12228

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In the Matter of :  
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JAMES E. FRANKLIN : ORDER SETTING ASIDE DEFAULT  
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The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings (OIP) against James E. Franklin (Franklin) on March 6, 2006, pursuant to Section 15(b) of the Securities Exchange Act of 1934. The OIP alleged that he was permanently enjoined in 2005 from violating the antifraud and other provisions of the federal securities laws. The only sanction authorized by the OIP was a penny stock bar. Franklin failed to file an Answer to the OIP and was barred, by default, from participating in an offering of penny stock. James E. Franklin, Exchange Act Release No. 54069 (A.L.J. June 29, 2006).

Franklin moved to set aside the default, pursuant to 17 C.F.R. § 201.155(b), and the undersigned ruled that the default would be set aside if Franklin filed an Answer to the OIP by September 13, 2006. James E. Franklin, Admin. Proc. No. 3-12228 (A.L.J. Aug. 29, 2006) (unpublished). Franklin filed an Answer; accordingly, the default will be set aside.

A prehearing conference will be held by telephone September 26, 2006, at 2:00 p.m. EDT. The Division of Enforcement (Division) will arrange the call. Franklin will furnish Division counsel with a telephone number at which he can be reached for the conference call. The parties should be prepared to discuss resolution of this proceeding by summary disposition, pursuant to 17 C.F.R. § 201.250, as well as establishment of a hearing date, if necessary.

IT IS SO ORDERED.

  
Carol Fox Foelak  
Administrative Law Judge