

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

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 4031/August 1, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-16509

In the Matter of

EDWARD M. DASPIN, a/k/a “EDWARD (ED) MICHAEL”;
LUGI AGOSTINI; and
LAWRENCE R. LUX

ORDER ON TRANSCRIPT
CORRECTIONS

I held a telephonic prehearing conference in this matter on July 19, 2016. I ORDER that the following corrections be made to the transcript of the conference:

Page 108:

- Line 5: Change “are on a telephonic hearing conference in the Securities” *to* “are on a telephonic prehearing conference in Securities”
- Lines 9-10: Change “administrative law judge in this case. And I believe the Division reports are Mr. McGrath and Mr. Kolodny; is that” *to* “administrative law judge in this case. And I believe for the Division of Enforcement are Mr. McGrath and Mr. Kolodny. Is that”
- Lines 23-24: Change “Circuit stayed this case, part of it completed a pre-hearing briefing, and I believe I have ruled on all” *to* “Circuit stayed this case, the parties had completed pre-hearing briefing, and I believe I had ruled on all”

Page 110:

- Line 21: Change “So on the 11th of July, the Second Circuit had” *to* “So on the 11th of July, the Second Circuit issued”
- Lines 24-25: Change “Securities and Exchange Commission opinion against the policy is vacated.” *to* “Securities and Exchange Commission proceedings against Appellant is vacated.”

Page 111:

- Lines 3-5: Change “vacated it stay. I entered the order saying that we were going hold a hearing, so there is no order to stay in course.” *to* “vacated its stay. I entered the order saying that we were going to hold a hearing. So there is no order to stay this case.”
- Lines 6-8: Change “So to clarify, there is no longer a stay this proceeding force. So I don’t know what other -- how to clarify that. There is no reason to have a hearing at” *to* “So to clarify, there is no longer a stay in this proceeding in force. So I don’t know what other -- how to clarify that. There is no reason not to have a hearing at”

Page 112:

- Line 3: Change “was we moved forward with the hearing after him because” *to* “was we moved forward with the hearing as to him because”
- Line 5: Change “Mr. Daspin, and when Mr. Daspin has a Second Circuit stay” *to* “Mr. Daspin, and when Mr. Daspin asked the Second Circuit to stay the”
- Line 12: Change “4th. So there was nothing -- there was no merit as to” *to* “4th. So there was nothing -- there was no merits hearing as to”

Page 113:

- Line 6: Change “were found in view with each other.” *to* “were independent of each other.”
- Line 14: Change “understand you. All that we are discussing with respect” *to* “understand you. All that we were discussing with respect”
- Line 25: Change “I entered my -- I described that and there was one order.” *to* “I entered my -- I described that in a previous order.”

Page 114:

- Line 2: Change “you. I will enter whatever order is entered as to you is” *to* “you. I will enter whatever order is entered as to you”
- Line 10: Change “opportunity to consider all the evidence that has” *to* “opportunity to consider all the evidence that has been”

Page 118:

- Line 23: Change “Does that work for the Division reports, Mr.” *to* “Does that work for the Division of Enforcement, Mr.”

Page 120:

- Line 24: Change “JUDGE GRIMES: Okay. So this is last December” *to* “JUDGE GRIMES: Okay. So this was last December”

Page 121:

- Line 5: Change “scheduling order that I issued October 14th of 2015, that” *to* “scheduling order that I issued August 14th of 2015, that”
- Line 8: Change “information if you go to the website and toggle on where” *to* “information. If you go to the website and toggle on where”
- Line 13: Change “a link to the Rule of Practice which you can take a look” *to* “a link to the Rules of Practice which you can take a look”
- Lines 18-20: Change “something in the order to the proceedings doesn’t mean anything when we get into the hearing. I mean, I am not going to take if it is listed in the LIP as gospel or as” *to* “something in the order instituting proceedings doesn’t mean anything when we get into the hearing. I mean, I am not going to take what is listed in the OIP as gospel or as”

Page 122:

- Line 13: Change “And let me explain another thing. You probably” *to* “And let me explain another thing. You’ve probably”
- Line 24: Change “‘objection’ and state the reason why. And like on TV” *to* “‘objection’ and state the reason why. And unlike on TV”

Page 123:

- Line 9: Change “open testimony, since you’re not represented by counsel,” *to* “own testimony, since you’re not represented by counsel,”
- Line 16: Change “what we will call a narrative. So I will let you bring” *to* “what we call a narrative. So I will let you bring”

Page 124:

- Lines 13-18: Change “JUDGE GRIMES: Okay. So let me just make one other thing clear. Even the findings of Mr. Daspin’s actions, they might be entered in any order or already entered or any other order, still to be proven at your hearing, sir, to the extent it can be found adverse to you.” to “JUDGE GRIMES: Okay. So let me just make one other thing clear. Even the factual findings as to Mr. Daspin’s actions that might be entered in any order or have already been entered in any other order, must still to be proven at your hearing, sir, to the extent they can be found adverse to you.”
- Line 20: Change “have previously found as true based on what the LIP as” to “have previously found as true based on what the OIP says as to”

Page 125:

- Lines 16-18: Change “the defendants that potentially is showing whether you -- should you not have the ability to pay, so what you should do is take a look at the rules and practice, in” to “the defenses that potentially is available is showing whether you have the ability to pay. So what you should do is take a look at the rules of practice, in”
- Line 20: Change “among those rules, there is a link I discussed earlier is” to “among those rules, there is a link I discussed earlier to”

Page 126:

- Lines 12-13: Change “JUDGE GRIMES: Well, as you mentioned, there is vacation, people are out of town, there are holidays, I” to “JUDGE GRIMES: Well, as you mentioned, there are vacations, people are out of town, there are holidays, I”

Page 127:

- Lines 2-3: Change “JUDGE GRIMES: Okay. Subpoena is the order that would issue telling a witness when to attend the” to “JUDGE GRIMES: Okay. A subpoena is the order that I would issue telling a witness when to attend the”
- Lines 22-23: Change “has been vacated. So we are going to go to a hearing, unless the Court of Appeals or another court orders a” to “has been vacated. So we are going to go to a hearing. Unless the Court of Appeals or another court orders a”

Page 128:

- Line 4: Change “I will issue an order of stay tomorrow establishing the” *to* “I will issue an order today or tomorrow establishing the”

I direct the court reporter to implement the above changes and issue a complete, amended transcript for the prehearing conference held on July 19, 2016. The amended transcript should also be provided in electronic format to my office.

James E. Grimes
Administrative Law Judge