

FEB 20 2002

UNITED STATES OF AMERICA

Before the

CTFD. NO. ~~_____~~ SECURITIES AND EXCHANGE COMMISSION

February 20, 2002

In the Matter of :
: :
CLARKE T. BLIZZARD, :
RUDOLPH ABEL, : ORDER TO SHOW CAUSE
CHRISTOPHER P. ROACH, and :
EAST WEST INSTITUTIONAL SERVICES, INC. :
:

Under consideration is the Division of Enforcement's (Division) February 6, 2002, Motion for an Order to Show Cause Why Respondents Christopher Roach and East West Institutional Services, Inc., Should Not Be Found in Default (Motion). The Securities and Exchange Commission (Commission) commenced this proceeding with a September 9, 1999, Order Instituting Proceedings (OIP), pursuant to Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 (Advisers Act) and Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 (Exchange Act).¹ The proceeding was stayed for a time pending the prosecution of United States v. Christopher P. Roach, No. 00 CR 288-CRN (N.D. Ill.), in which Mr. Roach has entered a guilty plea. The hearing in this proceeding is scheduled to commence March 26, 2002.

The Division's Motion, filed pursuant to 17 C.F.R. § 201.155(a), seeks these sanctions: (1) an order to cease and desist from violations of Sections 206(1) and 206(2) of the Advisers Act against Mr. Roach and East West Institutional Services, Inc. (East West); (2) a bar from association with a broker-dealer against Mr. Roach and a censure and revocation of registration as a broker-dealer against East West; (3) disgorgement of \$950,000 plus prejudgment interest from Mr. Roach;²

¹ The proceeding was originally captioned Michael J. Rothmeier, Clarke T. Blizzard, Rudolph Abel, Donald C. Berry, Christopher P. Roach, Craig Janutol, and East West Institutional Services, Inc. It has ended as to Respondents Rothmeier, Berry, and Janutol, who settled. The Commission issued Orders Making Findings and Imposing Sanctions as to each of them on April 13, 2000.


² The OIP alleges that Mr. Roach received \$950,000 in payments pursuant to a fraudulent scheme during 1995 and 1996. If he defaults, this allegation in the OIP can form the basis for an order to disgorge \$950,000 plus prejudgment interest from January 1, 1997. See 17 C.F.R. §§ 201.155(a) and .600.

and (4) civil money penalties against Mr. Roach and East West pursuant to Section 21B of the Exchange Act. The Division did not specify the amounts of penalties it is seeks; therefore it is assumed that the amounts are \$100,000 as to Mr. Roach, and \$500,000 as to East West. See Section 21B(b)(3) of the Exchange Act.

Mr. Roach, pro se, and on behalf of East West, appeared earlier in this proceeding, but did not appear at the December 20, 2001, prehearing conference of which they had been notified. Mr. Roach and East West did not oppose the Division's Motion within the time provided by the Commission's Rules.³ See 17 C.F.R. §§ 201.154 and .160.

A respondent who fails to appear at a prehearing conference of which he has been notified, to respond to a dispositive motion within the time provided, or otherwise to defend the proceeding may be deemed to be in default and the administrative law judge may determine the proceeding against him. See 17 C.F.R. §§ 201.155(a)(1), .155(a)(2), and .221(f).

Before action is taken on the Division's Motion, Respondents Christopher P. Roach and East West Institutional Services, Inc., ARE ORDERED TO SHOW CAUSE, by February 27, 2002,⁴ why they should not be HELD IN DEFAULT and why the SANCTIONS described above should not be IMPOSED.


Carol Fox Foelak
Administrative Law Judge

³ The Division represents that Mr. Roach advised Division counsel on January 9, 2002, and on other occasions that he does not wish to defend this action or appear and participate at the scheduled hearing.

⁴ Due to U.S. Postal Service security procedures for mail addressed to government agencies, the Commission is receiving mail on a delayed basis. See Press Release No. 2002-03, Securities and Exchange Commission, Delay in Delivery of Mail to SEC (Jan. 8, 2002), available at <http://sec.gov/news/press/2002-3.txt>. Respondents may wish to consider an express delivery service or facsimile transmission.