

ALJ

ADMINISTRATIVE PROCEEDING
FILE NO. 3-10437

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
May 28, 2004

SECURITIES & EXCHANGE COMMISSION
MAILED FOR SERVICE

JUN 01 2004

FIRST CLASS

In the Matter of :
:
HUNTER ADAMS, :
JASON A. COHEN, :
STEVEN M. COHEN, :
DAVID HIRSCH, :
JONATHAN D. WINSTON, :
JOHN J. GREMMO, III, :
JAMES L. BILA, :
CHRISTIAN W. BLAKE, :
LOUIS R. FACCHINI, JR., :
ROBERTO A. MANGIARANO, :
JOSEPH P. MANNINO, :
DAVID M. MARGULES, :
JAMES J. PELLIZZI, :
DAVID M. PESSO, :
MICHAEL PUGLIESE, :
CHRISTOPHER J. RUSSO, :
HOWARD I. WEINSTEIN, :
and ROBERT J. WINSTON :

ORDER ON MOTION

Background

The Securities and Exchange Commission ("Commission") initiated this proceeding on March 8, 2001, pursuant to Section 8A of the Securities Act of 1933 ("Securities Act") and Sections 15(b)(6) and 21C of the Securities Exchange Act of 1934 ("Exchange Act"). On April 12, 2001, at the request of the Division of Enforcement ("Division") and the United States Attorney for the Southern District of New York, I stayed all activity in this proceeding pending resolution of a parallel criminal proceeding. United States v. Winston, 00-CR-1248 (NGG) (E.D.N.Y.).

On September 8, 2003, I granted a Motion for Summary Disposition and Default Judgment and ordered Respondents Hunter Adams, James L. Bila, Christian W. Blake, Jason A. Cohen, Steven M. Cohen, Louis R. Facchini, Jr., John J. Gremmo, III, David Hirsch, Roberto A. Mangiarano, Joseph P. Mannino, David M. Margules, James J. Pellizzi, David M. Pesso, Michael Pugliese, Christopher J. Russo, Howard I. Weinstein, and Robert J. Winston to cease and desist from committing or causing any violations, or future violations, of Section

17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. I also ordered Respondents Hunter Adams, James L. Bila, Christian W. Blake, Jason A. Cohen, Steven M. Cohen, John J. Gremmo, III, Louis R. Facchini, Jr., David Hirsch, Roberto A. Mangiarano, Joseph P. Mannino, David M. Margules, James J. Pellizzi, David M. Pessa, Michael Pugliese, Christopher J. Russo, Howard I. Weinstein, and Robert J. Winston barred from association with any broker or dealer.

Also on September 8, 2003, at the Division's request I ordered the proceeding to remain open for ninety days to allow the Division an opportunity, after Respondents were sentenced in the criminal case, to submit a request for additional sanctions in the form of disgorgement or civil money penalties. I extended that date to March 8, 2004, and later to June 8, 2004.

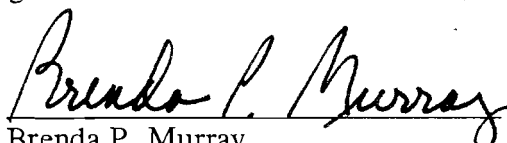
Pending Matters

On May 18, 2004, the Division filed a letter updating the status of the parallel criminal proceeding and requesting: (1) that I hold the proceeding open for another month to allow Respondents Jonathan D. Winston and Joseph P. Mannino to consider revised Offers of Settlement; (2) permission to submit a motion for final summary disposition, including disgorgement and civil penalties against the remaining respondents; and (3) permission for the motion to exceed the thirty-five page limit.

On May 19, 2004, the Division filed a second letter representing that it learned that Respondents Christopher J. Russo,¹ James L. Bila, Christian W. Blake, Steven M. Cohen, and David M. Pessa, will be sentenced on July 30, 2004, and that Jason A. Cohen, Louis R. Facchini, Jr., John J. Gremmo, III, James J. Pellizzi, Michael Pugliese, and Howard Weinstein will be sentenced on September 1, 2004. United States v. Winston, 00-CR-1248 (NGG) (E.D.N.Y. April 13, 2004). Based on this information, the Division requests that it be permitted to file summary disposition motions within two weeks after each Respondent is sentenced. I will treat the Division's letters as one motion.

Ruling

It appears that all Respondents who will not enter Offers of Settlement will be sentenced in the parallel criminal proceeding by September 1, 2004. Accordingly, I ORDER that the proceeding remain open until September 15, 2004, and that the Division conclude this administrative proceeding as to all Respondents by either submitting Offers of Settlement to the Commission or filing motions for summary disposition as to the remaining Respondents by that date. I GRANT permission under Rule 250 of the Commission's Rules of Practice for the Division to file a motion for summary disposition in excess of thirty-five pages in length. 17 C.F.R. § 201.250. I postpone the prehearing conference scheduled for June 8, until August 9, 2004, at noon Eastern Time.



Brenda P. Murray
Chief Administrative Law Judge

¹ Respondent Christopher J. Russo expects to be sentenced on August 3, 2004. The judge's order notes the "unnecessary delays in sentencing these defendants."