

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

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 2861/June 24, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16354

In the Matter of

DAVID B. HAVANICH, JR.,	:	
CARMINE A. DELLASALA, MATTHEW D. WELCH,	:	
RICHARD HAMPTON SCURLOCK, III,	:	ORDER
RTAG INC. d/b/a RETIREMENT TAX ADVISORY GROUP,	:	
JOSE F. CARRIO, DENNIS K. KARASIK,	:	
CARRIO, KARASIK & ASSOCIATES, LLP, and	:	
MICHAEL J. SALOVAY	:	

This proceeding was instituted on January 23, 2015, pursuant to Section 8A of the Securities Act of 1933, Sections 15(b) and 21C of the Securities Exchange Act of 1934 (Exchange Act), and Sections 203(e) and (f) of the Investment Advisers Act of 1940. The hearing is scheduled to commence on July 6, 2015, in Washington, D.C.¹ Under consideration are the Division of Enforcement's (Division) May 22, 2015, Motions for Partial Summary Disposition (Motions) against (1) Respondent Michael J. Salovay (Salovay) and (2) Richard Hampton Scurlock, III, and RTAG, Inc. (Scurlock/RTAG), filed pursuant to leave granted, and responsive pleadings. *See David B. Havanich, Jr.*, Admin. Proc. Rulings Release No. 2632, 2015 SEC LEXIS 1715 (A.L.J. May 5, 2015); 17 C.F.R. § 201.250(a).

The Division asks for a ruling that Salovay and Scurlock/RTAG violated Section 15(a) of the Exchange Act by acting as unregistered brokers in the sale of Diversified Energy Group, Inc., bonds, leaving open the question of sanctions. The Motions are mainly supported by investigative testimony and, as to Scurlock/RTAG, a statement in their opposition that Richard Hampton Scurlock, III, recommended the bonds to clients for purchase and received transaction-based compensation.

Ruling on the Motions will be deferred. Evidence to be received at a hearing on sanctions may inform the issue of liability, which Salovay and Scurlock/RTAG deny. It is noted that, unlike the summary judgment procedure in federal courts, the Securities and Exchange

¹ The proceeding has ended as to Respondents David B. Havanich, Jr., Carmine A. DellaSala, and Matthew D. Welch. *David B. Havanich, Jr.*, Exchange Act Release Nos. 75043, 75044, 75045; 2015 SEC LEXIS 2144, 2146, 2147 (May 26, 2015).

Commission has never sanctioned the use of its summary disposition procedure to resolve issues of material facts based on investigative testimony (unless the parties have agreed to this, which Salovay and Scurlock/RTAG have not).

IT IS SO ORDERED.

/S/ Carol Fox Foelak

Carol Fox Foelak

Administrative Law Judge