

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES AND EXCHANGE ACT OF 1934  
Release No. 42855/May 30, 2000

ADMINISTRATIVE PROCEEDING  
File No. 3-10170

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In the Matter of	:	
	:	ORDER MAKING FINDINGS
SYSTEMS OF EXCELLENCE, INC.	:	AND IMPOSING REMEDIAL
	:	SANCTIONS BY DEFAULT
	:	

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Respondent Systems of Excellence, Inc. ("SOE") is in default under the Securities and Exchange Commission's ("Commission") Rules of Practice, 155(a)(2) and 220(f), 17 C.F.R. §§ 201.155(a)(2) and 201.220(f), because it failed to answer the Order Instituting Proceedings ("OIP") which the Commission issued on April 4, 2000. SOE also failed to respond to the Order to Show Cause I issued on May 12, 2000. The Chapter 7 bankruptcy trustee, however, in responding to the Order to Show Cause, states that he does not contest the facts alleged in the OIP, nor does he object to the relief sought in the OIP.

Accordingly, I find that the allegations in the OIP are deemed to be true:

SOE (formerly Software of Excellence, Inc.), a Florida corporation, maintained offices in McLean, Virginia and Coral Gables, Florida. SOE stock was registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act"), and began trading on the National Association of Securities Dealers Over-the-Counter Bulletin Board on September 27, 1994. Beginning by at least March 9, 1995, and continuing through at least July 26, 1996, SOE distributed tens of millions of shares of unrestricted, freely-traded company stock, that was neither registered nor exempt from registration pursuant to the Securities Act of 1933 ("Securities Act"), without registering the distribution with the Commission.

SOE deceived a transfer agent, who issued the shares without restrictive legends, into believing that the shares had been properly registered with the Commission, by falsifying the Forms S-8 presented to the transfer agent to indicate prior filing with the Commission. On or about December 6, 1995, SOE filed with the Commission eleven materially false and misleading registration statements on Forms S-8. The millions of shares purportedly registered on these Forms S-8 had been distributed

prior to the filing. Contrary to representations on the Forms S-8, the SOE stock was distributed to persons who had performed no services for the company that would qualify the stock for S-8 registration.

During 1995 and 1996, SOE issued a series of materially false and misleading press releases touting its success in the video-teleconferencing business and announcing other corporate developments. On or about September 23, 1996, SOE filed with the Commission its annual report on Form 10-KSB, which was materially false and misleading. On that same date, SOE filed its quarterly report on Form 10-QSB, which was also materially false and misleading. On or about September 24, 1996, SOE filed with the Commission sixteen materially false and misleading registration statements on Forms S-8. The millions of shares purportedly registered on these Forms S-8 had been distributed prior to filing. Contrary to representations on these Forms S-8 (which included forged "consulting agreements"), the SOE stock was distributed to persons who had performed no services for the company that would qualify the stock for S-8 registration.

On or about October 1, 1996, SOE filed with the Commission a materially false and misleading current report Form 8-K, to explain the resignation of its auditors. The report falsely stated that "there have been no disagreements with [SOE's auditors] on any matter of accounting principals or practice, financial statement disclosure or auditing scope or procedure or any reportable events," when, in fact, there were material disagreements in these areas. Since October 1996, SOE had failed to file any quarterly or annual reports required pursuant to Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder. As a result of the foregoing, SOE failed to comply with Sections 5(a), 5(c) and 17(a) of the Securities Act, Sections 10(b) and 13(a) of the Exchange Act, and Rules 10b-5, 13a-1, 13a-11, and 13a-13 thereunder.

I find further that it is necessary and appropriate for the protection of investors to order that the registration of the common stock of SOE, pursuant to Section 12(j) of the Exchange Act, be revoked.

Accordingly, IT IS HEREBY ORDERED, pursuant to Section 12(j) of the Securities Exchange Act of 1934, that registration of the common stock of Systems of Excellence, Inc. be, and it hereby is, revoked.

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Lillian A. McEwen  
Administrative Law Judge