

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
RELEASE NO. 52137 / July 27, 2005

ADMINISTRATIVE PROCEEDING
FILE NO. 3-11993

SEC INSTITUTES PUBLIC ADMINISTRATIVE PROCEEDINGS AGAINST FRANK
PERSICO

On July 27, 2005, the Commission entered an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 against Frank Persico (Persico). The Division of Enforcement (Division) alleges that from August 1999 to June 2000, Persico was a registered representative associated with a broker-dealer registered with the Commission. On June 30, 2005, Persico pled guilty to one count of conspiracy to commit securities fraud and wire fraud. United States v. Persico, 05 Cr. 510 (D.N.J.). The count of the criminal information relating to securities fraud to which Persico pled guilty alleged, among other things, that Persico defrauded investors while working at a registered broker-dealer by offering and paying undisclosed excessive cash commissions to brokers for selling stock and misleading customers concerning the suitability and value of the stock.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide Persico an opportunity to dispute these allegations and to determine what remedial sanctions, if any, are appropriate in the public interest.

The Order requires the Administrative Law Judge to issue an initial decision no later than 210 days from the date of service of the Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.