

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 52320 / August 23, 2005

INVESTMENT ADVISERS ACT OF 1940
Release No. 2419 / August 23, 2005

ADMINISTRATIVE PROCEEDING
File No. 3-12016

In the Matter of

LAURENE U. ENGLISH,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTIONS 15(b) AND
15B(c)(4) OF THE SECURITIES
EXCHANGE ACT OF 1934 AND
SECTION 203(f) OF THE INVESTMENT
ADVISERS ACT OF 1940, MAKING
FINDINGS, AND IMPOSING REMEDIAL
SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Sections 15(b) and 15B(c)(4) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Laurene U. English (“English” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over her and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Sections 15(b) and 15B(c)(4) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Respondent English, 41 years old, is a resident of Ohio. From 1989 through early 2002, Respondent was employed by Cowen & Co. ("Cowen"), SG Cowen Securities Corp. ("SG Cowen"), and Lehman Brothers, Inc. ("Lehman Brothers") respectively. From 1992 through 2002, Respondent was a registered representative of these firms. From the start of her employment with Cowen through 2001, Respondent worked principally as a sales assistant to Frank D. Gruttadauria ("Gruttadauria"), who had engaged in a multi-year fraudulent scheme during that time period. At the time of English's employment, Lehman Brothers and SG Cowen were both broker-dealers and investment advisers registered with the Commission. During the same time period, both firms were also engaged in the business of a municipal securities broker-dealer. During the time of English's employment, Cowen had also been a broker-dealer registered with the Commission.

2. On August 17, 2005, a final judgment was entered by consent against English in the civil action entitled Securities and Exchange Commission v. Gruttadauria, et al., Civil Action Number 1:02CV324 (Judge Gaughan), in the United States District Court for the Northern District of Ohio, permanently enjoining her from future violations of Sections 17(a)(1), (2) and (3) of the Securities Act of 1933 ("Securities Act"), and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

3. The Commission's First Amended Complaint in the civil action alleged that from at least 1996 through 2001, English knowingly provided substantial assistance to Gruttadauria in implementing crucial elements of his fraudulent scheme, including his concealment of the fraudulent scheme from customers. In particular, the First Amended Complaint alleged that English prepared or assisted in preparing false account statements and other documents, provided false information to certain customers regarding the values of their accounts and their purchases and sales of securities, processed withdrawal requests for customers whose accounts had been depleted and who had insufficient funds for the requested withdrawals, and assisted with or facilitated unauthorized transfers of funds.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent English's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Sections 15(b)(6) and 15B(c)(4) of the Exchange Act and Section 203(f) of the Advisers Act that Respondent English be, and hereby is, barred from association with any broker, dealer, municipal securities dealer, or investment adviser.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Jonathan G. Katz
Secretary