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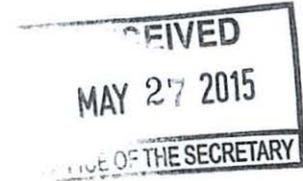
UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16354

In the Matter of

David B. Havanich, Jr.,
Carmin A. DellaSala,
Matthew D. Welch, Richard
Hampton Scurlock, III,
Retirement Tax Advisory
Group, Jose F. Carrio,
Dennis K. Karasik, Carrio,
Karasik & Associates, LLP,
and Michael J. Salovay,

Respondents.



**DIVISION OF ENFORCEMENT'S NOTICE OF NATURE OF
RESPONDENTS' SETTLEMENT OFFER**

Based on the undersigned's review of the Stay Order entered on May 21, 2015, it is apparent that the Joint Motion of Division of Enforcement and Respondents Jose F. Carrio, Dennis K. Karasik, and Carrio, Karasik & Associates, LLP to Stay Proceeding Pending Commission's Consideration of Settlement Offer unintentionally misled the Law Judge concerning the nature of the settlement offers.¹ They are not, as indicated in the Stay Order, "a settlement on all major terms in this matter." Rather, the offers, if accepted, would result in the entry of orders (a) imposing cease-and-desist orders and associational bars, and (b) requiring additional proceedings to determine the amount of disgorgement and prejudgment interest and whether a civil penalty is appropriate and the

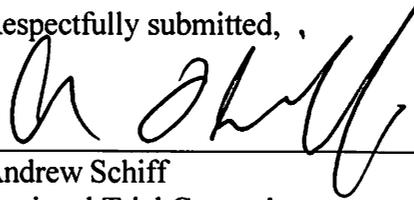
¹Although a joint motion, the Division's counsel was responsible for its *preparation and* any false impression it gave.

amount of any such penalty. In connection with the monetary relief proceedings, the allegations set forth in the offers—allegations identical to those in the original Order Instituting Proceedings—would be deemed to be true for purposes of the remedies proceeding.

Despite the bifurcated nature of the offers, the Division submits that a stay is appropriate, since, if accepted, the offers would dramatically change the nature of this proceeding, and the issue of the appropriate monetary remedies could be determined on a motion for summary disposition. *See Larry C. Grossman*, AP File No. 3-15617, Administrative Proceedings Rulings Release No. 1289 (Mar. 7, 2014) (imposing partial stay when one of two respondents had offered to enter into a bifurcated settlement and the remaining defendant was proceeding to a contested hearing).

May 26, 2015

Respectfully submitted, ,



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