

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 53636 / April 12, 2006

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2412 / April 12, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12262

In the Matter of	:	
Michael D. Karsch,	:	
Respondent.	:	
	:	
	:	
	:	

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO RULE
102(e) OF THE COMMISSION'S RULES OF
PRACTICE, 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 against Michael D. Karsch (“Respondent” or “Karsch”) pursuant to Rule 102(e)(3) of the Commission’s Rules of Practice.¹

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

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any attorney . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

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 him and the subject matter of these proceedings, and the findings contained in Section III., Paragraph 3, below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, 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. Karsch, age 45, is an attorney licensed to practice in Florida, Texas and New York.
2. 2DoTrade was, at all relevant times, a Nevada corporation with its principal place of business in British Columbia, Canada, and London, England. 2DoTrade was purportedly engaged in an import/export business. 2DoTrade's common stock was registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act"), and its shares were quoted on the OTC Bulletin Board.
3. On September 30, 2003, the Commission filed a complaint against Karsch and others in SEC v. 2DoTrade, Inc., et al. (Civil Action No. 3:03-CV-2246/NDTX). On March 29, 2006, the court entered an order permanently enjoining Karsch, by consent, from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Karsch was ordered to pay \$2,721 in disgorgement of ill-gotten gains from his sales of stock while participating in the fraud, and \$238 in prejudgment interest.
4. The Commission's complaint alleged that certain defendants engaged in a "pump and dump" scheme designed to inflate 2DoTrade's stock price. Between at least June and November 2001, the defendants, among other things, issued materially false and misleading press releases claiming that 2DoTrade had entered into several large international trading contracts and had developed an anti-anthrax compound. During the same period, the defendants sold shares of 2DoTrade stock for illegal trading profits of at least \$1.8 million. The complaint alleged further that Karsch assisted the defendants in perpetrating and executing the scheme, and that MCG Partners, Inc., of which Karsch was a director, sold shares of 2DoTrade for illegal trading profits.

IV.

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

Accordingly, it is hereby ORDERED, effective immediately, that Karsch is suspended from appearing or practicing before the Commission as an attorney.

By the Commission.

Nancy M. Morris
Secretary