

SECURITIES ACT OF 1933

Release No. 8780 / February 5, 2007

SECURITIES EXCHANGE ACT OF 1934

Release No. 55238 / February 5, 2007

INVESTMENT ADVISERS ACT OF 1940

Release No. 2589 / February 5, 2007

INVESTMENT COMPANY ACT OF 1940

Release No. 27696 / February 5, 2007

ADMINISTRATIVE PROCEEDING

File No. 3-12559

IN THE MATTER OF TRAUTMAN WASSERMAN & COMPANY, INC., GREGORY O. TRAUTMAN, SAMUEL M. WASSERMAN, MARK BARBERA, JAMES A. WILSON, JR., JEROME SNYDER, AND FORDE H. PRIGOT

DIVISION OF ENFORCEMENT ALLEGES TRAUTMAN WASSERMAN & CO., INC. AND KEY PERSONNEL PARTICIPATED IN SCHEME TO DECEIVE MUTUAL FUNDS BY LATE TRADING AND FRAUDULENT MARKET TIMING

The United States Securities and Exchange Commission (Commission) announced the issuance of an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 15(b) and 21C of the Securities Exchange Act of 1934, Sections 9(b) and 9(f) of the Investment Company Act of 1940, and Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 (the "Order") against Trautman Wasserman & Co., Inc. (TWCO), Gregory O. Trautman (Trautman), Samuel M. Wasserman (Wasserman), Mark Barbera (Barbera), James A. Wilson, Jr. (Wilson), Jerome Snyder (Snyder), and Forde H. Prigot (Prigot). In the order, the following entity and individuals were named as respondents:

- TWCO, a registered broker-dealer based in New York, NY.
- Trautman, age 39 and a resident of New York, NY, the chief executive officer of TWCO.
- Wasserman, age 70 and a resident of Riverdale, NY, the chairman of TWCO.
- Barbera, age 49 and a resident of Bronxville, NY, the chief financial officer of TWCO.
- Wilson, age 36 and a resident of New York, NY, a registered representative at TWCO.
- Snyder, age 66 and a resident of Lakewood, NJ, was the chief administrative officer of TWCO.
- Prigot, age 64 and a resident of Park Ridge, NJ, was the chief compliance officer at TWCO.

In the Order, the Division of Enforcement alleges that TWCO, Trautman, Wasserman, Barbera, and Wilson participated in a scheme to conduct late trading in mutual fund shares on behalf of customers and for TWCO's own account. Pursuant to this scheme, Wilson and Scott A. Christian, another broker at TWCO, accepted mutual fund trading orders from customers after 4:00 p.m. but executed them as though the orders had been made before 4:00 p.m. so that they received the same day's net asset value. Similarly, Trautman and Barbera placed mutual fund trading orders for a TWCO account after 4:00 p.m. knowing that TWCO would obtain the same day's net asset value. In this way, TWCO and its customers were able to exploit market information such as earnings reports that became available after 4:00 p.m. Wilson and others created and time stamped false order tickets to make it appear that the orders had been received before 4:00 p.m. TWCO personnel including Wilson, Snyder, and Prigot also avoided efforts by mutual fund companies to curtail excessive market timing by deceptively creating and using multiple accounts, multiple registered representative codes, and "house accounts" to conceal from the mutual fund companies identities of TWCO's market timing customers and the involvement of Wilson and Christian, who were widely known to be brokers who worked with market timers.

Based on the above, the Division of Enforcement alleges that TWCO, Trautman, Wasserman, Barbera, Wilson, Snyder, and Prigot all committed primary or secondary violations of the antifraud provisions of the securities laws (among other provisions). Additionally, Trautman, Wasserman, Wilson, and Barbera willfully aided and abetted and caused violations of Rule 22c-1, as adopted under Section 22(c) of the Investment Company Act. The Division of Enforcement seeks cease-and-desist orders, disgorgement, civil penalties, prejudgment interest, and all other remedial sanctions that are appropriate and in the public interest.

A hearing will be scheduled before an administrative judge to determine whether the allegations contained in the Order are true, to provide Respondents with an opportunity to dispute the allegations, and to determine what, if any, remedial sanctions and penalties are appropriate.