

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SECURITIES ACT OF 1933
Release No. 8785/March 13, 2007

SECURITIES EXCHANGE ACT OF 1934
Release No. 55451/ March 13, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-10624

In the Matter of	:	
	:	
HUNTER ADAMS, GREGG ADAMS,	:	
ALAN BERKUN, ROBERT LISNOFF,	:	ORDER MAKING FINDINGS AND
JAMES L. BILA, LEONARD BILA, :	:	IMPOSING SANCTIONS BY DEFAULT
CHRISTIAN BLAKE, BRIAN CARROLL, :	:	AGAINST CHRISTIAN BLAKE
JOSEPH DIGIROLAMO, and JOSEPH	:	
MANNINO	:	

SUMMARY

This Order bars Christian Blake (Blake) from association with a broker-dealer and from participating in an offering of penny stock and orders him to cease and desist from violations of the antifraud provisions of the securities laws. His wrongdoing occurred in connection with the securities of Americom Networks International, Inc. (Americom), while he was associated with Preston Langley Asset Management (Preston Langley), a broker-dealer.

I. BACKGROUND

The Securities and Exchange Commission (Commission) commenced this proceeding with an Order Instituting Proceedings (OIP) on October 18, 2001, pursuant to Section 8A of the Securities Act of 1933 (Securities Act) and Sections 15(b) and 21C of the Securities Exchange Act of 1934 (Exchange Act). The OIP alleges that Blake, while associated with Preston Langley, used a variety of fraudulent tactics to artificially inflate the demand for, and market price of, the securities of Americom, which were quoted on NASDAQ's Over-the-Counter Bulletin Board (OTC Bulletin Board), and to sell them to customers at inflated prices. Thus, the OIP alleges, Blake willfully violated, or caused the violation of, Securities Act Section 17(a) and Exchange Act Section 10(b) and Rule 10b-5.

The proceeding was stayed pending the prosecution of a parallel criminal proceeding, United States v. Winston, No. 00 CR 1248 (NGG) (E.D.N.Y.). Hunter Adams, 76 SEC Docket 1084 (A.L.J. Nov. 27, 2001). The stay was lifted as to Blake, who had been served with the OIP on January 2, 2002, on January 11, 2007, and February 8, 2007, was set as the deadline for his Answer to the OIP. Hunter Adams, Admin. Proc. No. 3-10624 (A.L.J. Jan. 11, 2007) (unpublished). Blake failed to file an Answer, and the Division of Enforcement (Division) filed a Motion for Default Judgment (Motion) as to him on February 28, 2007. Blake did not file an opposition to the Motion. Thus, Blake has failed to answer, to respond to a dispositive motion within the time provided, or otherwise to defend the proceeding within the meaning of 17 C.F.R. § 201.155(a)(2). Accordingly, he is in default, and the undersigned finds that the allegations in the OIP are true as to Blake. See 17 C.F.R. §§ 201.155(a), .220(f).

II. FINDINGS OF FACT

Blake was associated with a registered broker-dealer, Preston Langley, as a registered representative from April 1997 through January 2001 and participated in offerings of penny stock.¹ In June 1998, principals of Preston Langley manipulated Americom's stock price from \$0.50 to more than \$5 per share, by posting increasing, fictitious, quotations for Americom's stock on the OTC Bulletin Board and falsely creating the appearance of active trading in the stock. Thereafter, through December 1999, Blake and other registered representatives used fraudulent sales practices to inflate the market price of and demand for Americom stock and to sell the stock to customers at inflated prices. Preston Langley practices included high pressure sales tactics, a "no net selling" policy, and payment of additional undisclosed compensation to registered representatives in connection with sales of Americom stock. Blake and other registered representatives used a variety of deceptive and fraudulent sales practices to induce customers to purchase Americom securities at inflated prices. These included effecting unauthorized purchases of Americom securities in the accounts of existing customers, failing to disclose the additional compensation they received, and material misrepresentations and omissions concerning predictions about Americom's future stock price and claims of possessing inside information. Blake profited from this course of action.

Official notice is taken, pursuant to 17 C.F.R. § 201.323, of Blake's conviction in the parallel criminal proceeding arising out of the same facts at issue in this proceeding. He was convicted on charges of securities fraud and conspiracy to commit securities, mail, and wire fraud and sentenced to thirty months of imprisonment, followed by three years of supervised release, and ordered to pay \$1,682,494 in restitution.

¹ Penny stock is defined under the Exchange Act as a stock that trades for under five dollars a share. See Exchange Act Section 3(a)(51) and Rule 3a51-1.

III. CONCLUSIONS OF LAW

In using deceptive and fraudulent practices in connection with the offer and sale of Americom stock, Blake violated the antifraud provisions of the Securities and Exchange Acts – Securities Act Section 17(a) and Exchange Act Section 10(b) and Rule 10b-5. Additionally, he participated in offerings of penny stock at all relevant times within the meaning of Exchange Act Section 15(b)(6).

IV. SANCTIONS

The Division requests a cease-and-desist order and penny stock and broker-dealer bars.² Blake will be ordered to cease and desist from committing or causing any violations or future violations of Securities Act Section 17(a) and Exchange Act Section 10(b) and Rule 10b-5 and barred from association with a broker or dealer and from participating in an offering of penny stock.³ These sanctions will serve the public interest and the protection of investors, pursuant to Section 15(b) of the Exchange Act. They accord with Commission precedent and the sanction considerations set forth in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979), aff'd on other grounds, 450 U.S. 91 (1981).⁴ Blake's unlawful conduct was recurrent and egregious and involved a high degree of scienter. His conviction for related misconduct is an aggravating factor. There are no mitigating circumstances.

V. ORDER

² The Division also requests disgorgement and civil penalties but states that the restitution ordered against Blake in the criminal proceeding far exceeds the amount of disgorgement and penalties that the Division would otherwise request. For this reason, disgorgement and civil penalties will not be ordered.

³ Thus, he will be barred from acting as a promoter, finder, consultant, or agent; or otherwise engaging in activities with a broker, dealer, or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

⁴ When the Commission determines administrative sanctions, it considers:

the egregiousness of the defendant's actions, the isolated or recurrent nature of the infraction, the degree of scienter involved, the sincerity of the defendant's assurances against future violations, the defendant's recognition of the wrongful nature of his conduct, and the likelihood that the defendant's occupation will present opportunities for future violations.

Steadman v. SEC, 603 F.2d at 1140 (quoting SEC v. Blatt, 583 F.2d 1325, 1334 n.29 (5th Cir. 1978)).

IT IS ORDERED that, pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Christian Blake CEASE AND DESIST from committing or causing any violations or future violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

IT IS FURTHER ORDERED that, pursuant to Section 15(b) of the Exchange Act, Christian Blake IS BARRED from association with a broker or dealer and from participating in an offering of penny stock.

Carol Fox Foelak
Administrative Law Judge