
At a telephonic prehearing conference on August 8, 2007, I granted the Division of Enforcement (Division) leave to file a motion for summary disposition as to Montana and Worldwide. The Division filed and served its motion for summary disposition on August 23, 2007. Montana and Worldwide were required to file and serve their opposition by September 10, 2007. To date, however, no opposition to the Division’s motion has been received. Accordingly, Montana and Worldwide are in default. See 17 C.F.R. § 201.155(a)(2). As authorized by Rule 155(a) of the Commission’s Rules of Practice, I find the following allegations of the OIP to be true as to Montana and Worldwide.

Montana, age fifty-three, is a resident of Staten Island, New York. Montana is the sole owner and president of Worldwide, a New York corporation he formed to provide intermediary assistance in obtaining financing for imports and exports.

On October 14, 2003, the Commission filed a complaint in the United States District Court for the Southern District of Indiana captioned SEC v. Montana, No. 1:03-cv-1513. The Commission’s complaint alleged that, from at least August 1999 until December 2000, in connection with the sale of interests in a purported trading program that would invest money in the trading of various instruments including medium term notes, Montana, through Worldwide,
made misrepresentations and omissions of material fact to investors regarding the purported trading program, including the investment’s rate of return, the safety of the investment, and the use of investors’ funds. The complaint further alleged that Montana, through Worldwide, sold unregistered securities and acted as an unregistered broker-dealer by effectuating transactions in securities for the accounts of others.

On April 22, 2004, the court held Worldwide in default. On November 22, 2006, the court granted the Commission’s motion for summary judgment against Montana. On May 23, 2007, the court entered final judgments against Montana and Worldwide. It permanently enjoined them from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, Sections 10(b), 15(a)(1), and 15(c)(1) of the Exchange Act, and Exchange Act Rule 10b-5.

In its November 22, 2006, Order, the court found as to Montana and Worldwide:

a. that Montana, through Worldwide, sold and offered to sell unregistered securities;
b. that Montana, through Worldwide, misrepresented to investors the use, safety, and control of investor funds in the purported trading program;
c. that Montana, through Worldwide, acted at least recklessly by failing to conduct due diligence to confirm what he was told about the purported trading program;
d. that Montana, through Worldwide, offered investors interests in the purported trading program and, in doing so, was not registered as a securities broker or dealer; and
e. that Montana, through Worldwide, while acting as an unregistered broker, knowingly misrepresented and failed to disclose material facts regarding the nature of the investments he was selling, the use and safety of the investor funds and the rates of return on the investments.

In view of the foregoing, I conclude that Montana should be barred from association with any broker or dealer, pursuant to Section 15(b)(6) of the Exchange Act. I further conclude that Worldwide should be barred from serving as a broker or dealer, pursuant to Section 15(b)(4) of the Exchange Act. These are the sanctions sought by the Division to protect the public interest (Letter of July 30, 2007, from Division counsel to ALJ).

ORDER

IT IS ORDERED, pursuant to Sections 15(b)(4) and 15(b)(6) of the Securities Exchange Act of 1934, that Worldwide T&P, Inc., is barred from acting as a broker or dealer and that John L. Montana is barred from association with any broker or dealer.

James T. Kelly
Administrative Law Judge