

SECURITIES ACT OF 1933
Release No. 9047 / June 30, 2009

SECURITIES EXCHANGE ACT OF 1934
Release No. 60190 / June 30, 2009

INVESTMENT ADVISERS ACT OF 1940
Release No. 2898 / June 30, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13532

IN THE MATTER OF PRIME CAPITAL SERVICES, INC., GILMAN CIOCIA, INC.,
MICHAEL P. RYAN, ROSE M. RUDDEN, CHRISTIE A. ANDERSEN, ERIC J.
BROWN, MATTHEW J. COLLINS, KEVIN J. WALSH AND MARK W. WELLS

The United States Securities and Exchange 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, and Section 203(f) of the Investment Advisers Act of 1940 (Order) against Prime Capital Services, Inc., a broker-dealer registered with the Commission and based in Poughkeepsie, NY, its parent company, and several supervisors and registered representatives.

The Division of Enforcement (Division) alleges in that Order that Prime Capital Services and its associated registered representatives, Eric J. Brown, Kevin J. Walsh and Mark W. Wells, offered and sold variable annuities to senior citizens in south Florida by means of material misrepresentations and omissions. The Division alleges that many of the variable annuities sold were unsuitable investments for the elderly customers due to the customers' ages, liquidity and investment objectives. The Division also alleges that Prime Capital Services' parent company, Gilman Ciocia, Inc., aided and abetted the broker-dealer's fraud by arranging free-lunch seminars in and around Boca Raton, Delray Beach, Boynton Beach and Melbourne at which the Prime Capital Services registered representatives recruited elderly customers whom they later induced to buy variable annuities.

The Division further alleges that Prime Capital Services and its president, Michael P. Ryan, failed to implement the firm's supervisory procedures in a way that reasonably could be expected to detect and prevent the registered representatives' violations of the federal securities laws. Additionally, the Division alleges that Ryan, chief compliance officer Rose M. Rudden, and supervisors Matthew J. Collins and Christie A. Andersen failed reasonably to supervise Brown, Walsh and/or Wells with a view toward detecting and preventing their violations of the federal securities laws.

The Division alleges that Prime Capital Services committed fraud, failed to supervise, and committed books and records violations pursuant to Section 17(a) of the

Securities Act of 1933 (“Securities Act”) and Sections 10(b), 15(b)(4)(E), 15(c) and 17(a) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rules 10b-5 and 17a-3 thereunder. The Division alleges that Gilman Ciocia, Inc., a tax preparation firm, aided and abetted Prime Capital Services’ fraud under Sections 17(a) of the Securities Act and Sections 10(b) and 15(c) of the Exchange Act and Rule 10b-5 thereunder. The Division alleges that Michael P. Ryan, Rose M. Rudden, Christie A. Andersen and Matthew J. Collins failed reasonably to supervise pursuant to Section 15(b)(4)(E) of the Exchange Act, incorporated by reference in Section 15(b)(6). Finally, the Division alleges that Collins, Eric J. Brown, Kevin J. Walsh and Mark W. Wells committed fraud pursuant to Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and aided and abetted Prime Capital Services’ books and records violations under Section 17(a) of the Exchange Act and Rule 17a-3 thereunder.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide the respondents an opportunity to respond to these allegations, and to determine what sanctions, if any, are appropriate and in the public interest. As directed by the Commission, an administrative law judge shall issue an initial decision in this matter no later than 300 days from the date of service of the Order Instituting Proceedings.