

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 60890 / October 27, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13666

In the Matter of	:	
	:	
	:	
WILLIAM J. REILLY, ESQ.,	:	ORDER INSTITUTING ADMINISTRATIVE
	:	PROCEEDINGS PURSUANT TO RULE
Respondent.	:	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 William J. Reilly, Esq. (“Respondent” or “Reilly”) pursuant to Rule 102(e)(3)(i) 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 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 2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings

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 or abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

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 the Respondent's Offer, the Commission finds that:

1. Reilly, age 55, is a resident of Boca Raton, Florida and has been an attorney licensed to practice in the State of New York since 1979. From at least June 2006 through at least November 2006, Reilly issued legal opinions for the benefit of certain shareholders of Forest Resources Management Corp., formerly known as Executive Hospitality Corporation ("Forest"), as to whether the transfer agent could issue shares of Forest acquired in unregistered offerings and bearing restrictive legends into the public market, absent registration, pursuant to Rule 144 of the Securities Act of 1933 ("Securities Act"). In August 2006, Reilly further filed a Form 8-K with the Commission on behalf of Forest pursuant to Section 13(a) of the Securities Exchange Act of 1934 ("Exchange Act").

2. On October 15, 2009, a judgment was entered against Reilly, permanently enjoining him from future violations of Sections 5(a) and 5(c) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in a civil action entitled Securities and Exchange Commission v. Forest Resources Management Corp., et al., Civil Action Number 09 Civ. 903 (JSR), in the United States District Court for the Southern District of New York. Reilly was also (a) ordered to pay disgorgement, prejudgment interest, and a civil penalty in an amount to be determined by the Court, (b) barred from serving as an officer or director of any public company, and (c) barred from participating in the offering of any penny stock. Reilly consented to the entry of the judgment without admitting or denying any of the allegations in the complaint.

3. The Commission's Complaint alleged, among other things, that in June 2006, Reilly sold Forest, a public shell company, to promoters and that in August 2006, Forest purportedly entered into a reverse merger with Opus Management Group Ltd. In connection with the sale of the shell company and the reverse merger, Reilly, acting as attorney and as Forest's corporate officer, wrote six opinion letters to Forest's transfer agent, in which he knowingly or recklessly made false representations concerning the basis for the transfer of these shares without restrictive legends. Based on Reilly's opinion letters, Forest's transfer agent issued certificates representing 27.9 million shares of purportedly unrestricted stock to Reilly and to the promoters and their nominees, who sold at least 1,387,980 shares of Forest stock to the public and received approximately \$800,000 from the sale of the stock. In addition, the Commission's Complaint alleged that in August 2006 Reilly filed a Form 8-K on behalf of Forest with the Commission. The Form 8-K falsely stated that, by reason of the reverse merger with Opus, Forest obtained valuable timber rights. Such statement was false in that Opus did not own any valuable timber rights. Reilly acted knowingly or recklessly in making such false representations in connection with the purchase or sale of securities.

IV.

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

Accordingly, it is hereby ORDERED, effective immediately, that Reilly is suspended from appearing or practicing before the Commission as an attorney. Furthermore, after three years from the date of this Order, Reilly has the right to apply for reinstatement by submitting an affidavit to the Commission's Office of the General Counsel truthfully stating, under penalty of perjury, that he is not subject to any suspension or disbarment of an attorney by any court of the United States or of any state, territory, district, commonwealth, or possession, and that he has not been convicted of a felony or misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice.

By the Commission.

Elizabeth M. Murphy
Secretary