

II.

The Commission finds that:

A. RESPONDENT

1. Durland, age 56, resides in West Palm Beach, Florida, and has been CFO of Pegasus Wireless Corporation (“Pegasus”) since 2005. He is a CPA currently licensed in New York. His firm, Durland & Company, CPAs, P.A., has performed auditing work for several microcap companies. The firm was registered with the Public Company Accounting Oversight Board (“PCAOB”), but is no longer. During the staff’s investigation of Pegasus, Respondent refused to answer the staff’s questions in testimony based on his Fifth Amendment privilege against self-incrimination.

B. CIVIL INJUNCTION

3. On May 27, 2009, the Commission filed a complaint against Durland in SEC v. Pegasus Wireless Corp. (Civil Action No. CV 09-2302) in the United States District Court for the Northern District of California. On September 28, 2010, the court entered a judgment against Durland permanently enjoining him from future violations, direct or indirect, of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, Sections 10(b), 13(b)(5), and 16(a) of the Securities Exchange Act of 1934, and Rules 10b-5, 13a-14, 13b2-1, 13b2-2 and 16a-3 thereunder and from aiding and abetting violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11 and 13a-13 thereunder.

4. The Commission’s complaint alleged, among other things, that Durland and another Pegasus officer defrauded investors by creating backdated promissory notes memorializing a phony debt, which they used to get unrestricted shares of Pegasus stock into the hands of individuals and entities they controlled. Durland caused Pegasus to issue nearly 480 million shares – 75% of its outstanding shares – based on the fake, backdated promissory notes, resulting in massive dilution of the existing shareholders’ ownership interest. The individuals and entities who received shares dumped the stock on the open market and funneled many millions in proceeds to Durland and the other Pegasus officer. Durland also made numerous misrepresentations and omissions in SEC filings about Pegasus’ financing for acquisitions.

III.

Based upon the foregoing, the Commission finds that a court of competent jurisdiction has permanently enjoined Durland, a CPA, from violating the federal securities laws within the meaning of Rule 102(e)(3)(i)(A) of the Commission’s Rules of Practice. In view of these findings, the Commission deems it appropriate and in the public interest that Durland be temporarily suspended from appearing or practicing before the Commission.

IT IS HEREBY ORDERED that Durland be, and hereby is, temporarily suspended from appearing or practicing before the Commission. This Order shall be effective upon service on the Respondent.

IT IS FURTHER ORDERED that Durland may within thirty days after service of this Order file a petition with the Commission to lift the temporary suspension. If the Commission within thirty days after service of the Order receives no petition, the suspension shall become permanent pursuant to Rule 102(e)(3)(ii).

If a petition is received within thirty days after service of this Order, the Commission shall, within thirty days after the filing of the petition, either lift the temporary suspension, or set the matter down for hearing at a time and place to be designated by the Commission, or both. If a hearing is ordered, following the hearing, the Commission may lift the suspension, censure the petitioner, or disqualify the petitioner from appearing or practicing before the Commission for a period of time, or permanently, pursuant to Rule 102(e)(3)(iii).

This Order shall be served upon Durland personally or by certified mail at his last known address.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Public Administrative Proceedings and Imposing Temporary Suspension Pursuant to Rule 102(e)(3) of the Commission's Rules of Practice ("Order"), on the Respondent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
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Washington, DC 20549-2557

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