

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 66748 / April 5, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14509

In the Matter of

**PETER EMRICH, ALBERTO
FERREIRAS, JAMES FRANKFURTH,
FRANK ROSSI, and DANA VALENSKY,
Respondents.**

**ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS
PURSUANT TO SECTION 15(b)(6) OF
THE SECURITIES EXCHANGE ACT OF
1934 AS TO PETER EMRICH**

I.

On August 18, 2011, the Securities and Exchange Commission (“Commission”) initiated proceedings pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 (“Exchange Act”) against Peter Emrich (“Emrich” or “Respondent”).

II.

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, the subject matter of these proceedings, and the findings in section III, paragraph 3 of this Order, which are admitted, Respondent consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 as to Peter Emrich, as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

1. From approximately April 1999 through May 2001, Out of the Black Partners LLC ("Out of the Black"), a California limited liability company, sold securities in unregistered private offerings (the "Out of the Black Offering").

2. Emrich acted as unregistered broker-dealer by selling securities through the Out of the Black Offering. Emrich held Series 7, 24, 39, and 63 licenses. Emrich, age 70, is a resident of San Rafael, California.

3. On June 18, 2003, Emrich pleaded guilty to one count of conspiracy to commit securities fraud in violation of 18 U.S.C. § 371 before the United States District Court for the Eastern District of New York in United States v. Kozak, et al., 02-CR-879 (the "Kozak Case"), a criminal case arising from the Out of the Black Offering. On May 10, 2010, a criminal judgment was entered against Emrich. He was sentenced to two years probation and ordered to pay restitution of \$178,775.

4. The count of the indictment in the Kozak Case to which Emrich pleaded guilty, alleged, among other things, that between approximately April 1999 and May 2001, Emrich, and Respondents James Frankfurth, Alberto Ferreiras and others conspired to defraud investors by concealing the actual amount of sales commissions that would be paid from the proceeds of the Out of the Black Offering.

IV.

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

Accordingly, it is hereby ORDERED that:

Pursuant to Section 15(b)(6) of the Exchange Act, Emrich shall be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent, and barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages 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.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Elizabeth M. Murphy
Secretary