UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9385 / February 15, 2013

SECURITIES EXCHANGE ACT OF 1934
Release No. 68943 / February 15, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15211

In the Matter of
GREGG C. LORENZO, FRANCIS V. LORENZO, and CHARLES VISTA, LLC,
Respondents.

ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, AND SECTIONS 15(b), 21B AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934

I.

The Securities and Exchange Commission (“Commission” or “SEC”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), and Sections 15(b), 21B and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Gregg C. Lorenzo (“Gregg Lorenzo”), Francis V. Lorenzo (“Frank Lorenzo”), and Charles Vista, LLC (“Charles Vista”) (collectively, “Respondents”).

II.

After an investigation, the Division of Enforcement alleges that:

1. Beginning in or about September 2009, Gregg Lorenzo, Frank Lorenzo, and Charles Vista, a broker-dealer controlled by Gregg Lorenzo, made fraudulent misrepresentations to several customers of Charles Vista to induce them to invest in convertible debentures issued by a start-up waste management company called Waste2Energy Holdings, Inc. (“W2E”).
2. In telephone conversations with at least three Charles Vista customers, Gregg Lorenzo attempted to convince them to purchase the highly risky W2E debentures by (a) making false, misleading, and unfounded statements designed to create the impression that the debentures were less risky than they actually were, and (b) making unfounded positive predictions about the upside of the investment, including the future price of W2E stock and the likelihood of it trading on the NASDAQ.

3. Frank Lorenzo also engaged in fraudulent efforts to sell the W2E debentures to Charles Vista customers, by sending at least two Charles Vista customers emails containing false and/or misleading statements concerning W2E’s assets and alleged contracts.

4. Charles Vista committed fraud through the actions of Gregg Lorenzo and Frank Lorenzo, described above.

A. RESPONDENTS

Gregg Lorenzo

5. Gregg Lorenzo, age 30, is the president and indirect owner of Charles Vista, a registered broker-dealer doing business in Staten Island, New York. Lorenzo’s indirect ownership stems from his status as the sole shareholder and managing member of GJL Holdings, LLC (“GJL”), a New York limited liability company that wholly owns Charles Vista. From April 2002 to the present, Gregg Lorenzo has been a registered representative associated with various broker-dealers registered with the Commission, and is currently associated with Charles Vista. Lorenzo holds the Series 7, Series 24, and Series 63 licenses. He resides in Staten Island, New York.

6. In September 2005, Gregg Lorenzo joined Mercer Capital (“Mercer”), a now defunct New York broker-dealer. Shortly afterward, Gregg Lorenzo settled civil fraud and other charges with the State of Montana arising from his prior employment at a different brokerage firm. He also agreed to withdraw his securities license in Montana for two years and pay a $35,000 fine. In a separate matter, in February 2007, the National Association of Securities Dealers found that Mercer and Gregg Lorenzo had violated agreements with the New Jersey and Indiana securities authorities, which had imposed strict supervision requirements on Gregg Lorenzo at Mercer.


8. In February 2009, through an entity that he owned, Gregg Lorenzo purchased a registered broker-dealer shell company called DC Evans and Company LLC
In a July 16, 2009 Agreement and Order with the Idaho Department of Finance, *Idaho v. John Thomas Financial et al.*, Docket No. 2008-7-11, the Idaho Securities Division sanctioned John Thomas Financial and Gregg Lorenzo, among others, for negligently failing to disclose the Iowa consent order in his form U-4. The order directed Gregg Lorenzo to withdraw his application for registration as an investment adviser representative and to pay a civil penalty of $1,250.

On December 16, 2009, the Financial Industry Regulatory Authority (“FINRA”) denied Charles Vista’s application to transfer membership from DC Evans to Charles Vista. On August 10, 2010, FINRA upheld its earlier decision, citing Lorenzo’s regulatory history.

Frank Lorenzo

Frank Lorenzo, age 51, resides in Westwood, New Jersey and is currently registered with Hunter Wise Securities, LLC, a registered broker-dealer based in Irvine, California. Frank Lorenzo works at the firm’s New York City office. Frank Lorenzo holds Series 7 and 63 licenses. He began working at Mercer Capital in February 2007 and then followed Gregg Lorenzo to John Thomas Financial and Charles Vista. Frank Lorenzo acted as an investment banker at Mercer Capital, John Thomas Financial and Charles Vista.

Charles Vista

Charles Vista is a registered broker-dealer controlled by Gregg Lorenzo. Frank Lorenzo was the head of investment banking from the opening of the firm until his departure in January 2010.

B. OTHER RELEVANT ENTITIES

According to W2E’s SEC filings, W2E is a Delaware corporation formed in 2008 as Maven Media Holdings, Inc. (“Maven Media”). In May 2009, Maven Media’s wholly-owned subsidiary, Waste2Energy Acquisition Co., acquired Waste2Energy, Inc., a privately held Delaware corporation that held 95% of the issued and outstanding shares of EnerWaste International Corporation (“EWI”), a company that manufactured a so-called “Batch Oxidation System” for converting waste into energy. EWI owned 50% of EnerWaste Europe, Ltd. (“EWE”), a company based in Iceland that operated a waste processing facility in that country. In April 2008, Waste2Energy, Inc. formed a wholly owned subsidiary, EnerWaste, Inc. to acquire the other 50% of the stock of EWE. In July 2009, Maven Media (which prior to the acquisition of Waste2Energy, Inc. had been a shell
corporation with publicly registered stock) changed its name to Waste2Energy Holdings, Inc. Shortly thereafter, W2E’s stock began to be quoted on the Over-The-Counter Bulletin Board (“OTCBB”).

C. W2E’s OPERATIONS AND FINANCIAL CONDITION

14. According to W2E’s SEC filings, Waste2Energy, Inc. was incorporated in Delaware on April 10, 2007. On August 27, 2007, Waste2Energy, Inc. filed a Form D notice that it was engaged in a $6 million private offering of securities pursuant to Rule 506 of Regulation D, 17 C.F.R. § 230.506. According to its September 4, 2007 private placement memorandum, Waste2Energy, Inc. was formed to acquire 95% of the “issued and outstanding shares of capital stock” of EWI.

15. According to W2E’s SEC filings, Waste2Energy, Inc. completed the EWI acquisition in or about November 2007, thereby acquiring 50% of EWE. Through EnerWaste, Inc., Waste2Energy acquired the remaining 50% of the stock of EWE. Waste2Energy, Inc.’s total purchase price for EWE was $8 million, which it paid in roughly equal parts in cash, W2E stock and a W2E promissory note.


17. On June 30, 2009, W2E filed a Form 8-K with the SEC that contained its first “unaudited” public post-merger financial statements. The financial statements stated, among other things, that, as of December 31, 2008, W2E had total assets of $13,987,764, total liabilities of $9,563,673, and that W2E “had been operating at a substantial operating loss each year since inception.” Of the nearly $14 million in assets as of December 31, 2008, W2E attributed $10 million to “intangibles” (including a $1.9 million deferred tax liability), $0.5 million to goodwill, and $3 million to “cost and estimated earnings of billings on uncompleted contracts.” The Form 8-K also disclosed that EWE had been placed in involuntary receivership in February 2009. The filing listed $28,171 in cash as of December 31, 2008 and further disclosed that W2E’s current business operations were dependent on generating substantial revenues from one customer, Ascot, which subjected W2E to “significant financial and other risks in the operation of our business.” The anticipated revenue from the contract with Ascot, at the time it was entered into, was less than $15 million, and by the time the Form 8-K was filed in June 2009, the contract was operating at a net loss for W2E. Furthermore, by September 2009, W2E had received all, or virtually all, of the payments it was entitled to under its contract with Ascot.

18. On October 1, 2009, W2E filed an amended Form 8-K (“Form 8K/A”) and its Form 10-Q for the period ended June 30, 2009. The financial statements contained in the October 1 filings included “unaudited” numbers for the period ended June 30, 2009 and, apparently, audited numbers for the period ended March 31, 2009. For the period ended March 31, 2009, W2E reported total assets of $367,581 (including $27,360 in cash),
total liabilities of $6,676,163, and an operating loss of $1,972,637. For the period ended June 30, 2009, W2E reported total assets of $660,408 (including $54,543 in cash), total liabilities of $3,942,356, and an operating loss of $1.5 million. The alleged $11 million in intangible assets and goodwill that W2E had reported in the Form 8-K that it filed June 30, 2009 were no longer included on the balance sheet that appeared in its October 1, 2009 Form 10-Q and Form 8-K/A filings.

19. W2E’s October 1, 2009 Form 8-K/A explained the complete write-off of $11 million in intangibles and goodwill as follows:

In January 2009, the Company engaged a consultant to assist in the evaluation of the Dargavel project [for Ascot] due to continued delays and concerns over the design and plans for the facility, as well as the progress and ability to complete the project in accordance with the contract. The initial plans, designs, and knowhow that were the foundation of the project plan also served as the basis of the Technology assets we acquired with the purchase of [EWE]. The conclusion reached was that the Company needed to completely change the project plans, technology and controls that would enable the company to deliver the project according to the contract specifications. As a result, management made a determination that the value of the assets acquired were of no value and the Company’s IP platform would be built on a new set of plans, design specifications and technology that was developed starting in January through the expected conclusion of the project in late 2009. As a result, an impairment charge in the amount of $10,538,029 was recorded to write-off the value of the Technology.

Additionally, when the Company acquired [EWE], Goodwill was assigned based on the value of the workforce. At the time of the Iceland economic collapse and subsequent termination of the contract between EWE and the company, and the signing of the new contract with another Company subsidiary, the majority of the workforce where the value was place did not continue on with the Dargavel project or any other efforts supporting the continued development of the Technology and knowhow of the business. As a result of the above, management determined that Goodwill was impaired and an impairment in the amount of $496,594 was recorded to write-off the value of the Goodwill.

20. On November 16, 2009, W2E filed a Form 10-Q for the period ending September 30, 2009. In this filing, W2E reported that as of September 30, 2009, the value of all of W2E’s assets was $905,582, its total liabilities were $6,510,247, and it had an accumulated deficit of $23,675,381. The value of contracts receivable was listed as zero and unbilled amounts due on uncompleted contracts was $499,857.
D. **W2E’s $15 MILLION DEBENTURE OFFERING**

21. From in or about September 2009 through May 2010, Gregg Lorenzo’s firm, Charles Vista, was the exclusive placement agent for an issuance of 12% W2E debentures, with a maximum issuance amount of $15 million (the “Debentures”). The Debentures were convertible to W2E stock.

22. Charles Vista’s financial interest in the Debentures offering was considerable. According to documents attached to some of W2E’s SEC filings, Charles Vista was to receive (1) a 10% “commission” on the gross proceeds of all Debentures sales; (2) a 3% “expense allowance” on the same proceeds; (3) a consulting fee of $10,000 per month for twelve months starting “at the initial closing” of the Debentures offering; (4) an “investment banking fee equal to $125,000 for each $2,500,000 of Debentures sold, up to a total of $750,000”; (5) another 13% commission/expense allowance “upon the exercise of the Warrants issued to the purchasers of the Debentures”; and (6) a “warrant to purchase up to 4.5%” of W2E’s outstanding shares “proportionate to [the] amount of Debentures sold” (at a $.01 exercise price).

23. Charles Vista sent potential investors written materials concerning W2E and the Debentures, including a lengthy private offering memorandum (“POM”) prepared by W2E, Charles Vista, and their respective attorneys. The POM stated that the Debentures “are highly speculative in nature, involve a high degree of risk and should be purchased only by persons who can afford to lose their entire investment.” The POM also listed a number of individual risks concerning investment in the Debentures.

24. In addition to the POM, investors received, and were required to sign, a subscription agreement that contained risk disclosures similar to the POM.

E. **GREGG LORENZO’S FALSE STATEMENTS TO INVESTORS**

25. Gregg Lorenzo personally attempted to sell the Debentures to numerous potential investors. In his oral sales pitches to at least three potential investors, Lorenzo made false and misleading statements designed to (i) ameliorate concerns about the investment’s downside risk by misrepresenting W2E’s financial condition and business prospects; and (ii) make the Debentures’ stock conversion feature appear valuable by making baseless predictions about the future price of the company’s stock and its future listing on a major exchange.

**INVESTOR A**

26. Gregg Lorenzo spoke to Investor A several times, including in a recorded telephone conversation on September 23, 2009. During that telephone conversation, Gregg Lorenzo knowingly or recklessly made the following materially false and/or misleading statements to induce Investor A to purchase the Debentures:

(a) Discussing W2E, Gregg Lorenzo falsely told Investor A that “right
now they have a contract. They have a contract that’s totaling $100 to $200 million, but I
don’t know how fast they’re going to get that money, so I can’t really say what type of cash
roll they’re going to generate.”

(b) Gregg Lorenzo made the following statements to assure
Investor A that investment in the Debentures was not as risky as the written risk disclosures
had made it seem, and that Investor A will “get [his] money back” because W2E allegedly
would have “$7 million” in cash to repay debenture holders regardless of its future revenue:

But I got to tell you this. If this is a private placement, and
there weren’t protective features in the transaction, and it
wasn’t somewhat of an insurance policy, I would tell you,
you’re right, don’t do it. But the fact that there is and you get
the benefit of having a debenture and it being senior and
being in front of everything else that this company has,
accrued salary, shareholders, you name it, and it’s the only
debt the company will have on their book, I mean, I– it’s hard
really -- it’s hard to really put this into a very, very risky
category despite what those documents read because at the
end of the day, . . . this company is still going to have close to
$7 million in the bank, and I’m talking no revenue at all.

So I understand where you're coming from, but there is
nothing in this market, there is nothing in this industry in my
opinion with you being a client of my firm that can do what
this deal can do for you because I'm telling you now, with our
reputation on the line, me saying this to you, if you don't want
to convert because you feel that the market is not there, the
company hasn't executed, you are getting your money back.

They're going to be left with these – close to or exactly the
amount of cash that they were given. Now again, I, I'm
going to hold them accountable to pay this money back out
of revenue.

* * *

But I look at it like this. I'll be honest with you. Based on
their burn rate, and what they're going to get left with, they're
still going to have close to $7 million in cash. If I have to
raise a measly 8 million bucks to help them at worst case
scenario, I'm not worried about that. These are the – this is
the worst case scenario that I can possibly think of. I just – I
just don't see that happening. I, you know, I, I'm sorry. And
if they do, I am prepared as the chairman of Charles Vista to
make sure that the investors get paid back.
* * *

You know, the odds of you being successful are, are highly likely.

* * *

I also want you to know that this is a very, very strong transaction.

* * *

I will make sure that you get paid back your money in this transaction. I don't believe that you will even take back your money. I have full confidence you will convert this note into stock at a dollar because the stock will be trading at a significant premium with liquidity because the company has executed their business plan.

* * *

And you're going to have a year to watch it for yourself. I don't have to say anything. The proof will be in the pudding, and you'll be able to decide what you want to do. It's like, it's like being able to place a bet and making a decision if you want to keep that bet a year from now.

* * *

But you are getting your money back, and you’re going to get your final interest payment, and you are getting your warrants up front, and you’ll be able to decide if you want to keep going. That [other] stock cannot offer you that. No public stock can offer you that. It’s just not out there.

(c) During the September 23, 2009 telephone call with investor A, Gregg Lorenzo also made the following baseless prediction regarding W2E’s alleged future listing on NASDAQ: “I believe [W2E] will be a NASDAQ trading stock within 12 months. I believe they will meet the listing requirements.”

(d) On the same call, Gregg Lorenzo also made equally baseless statements concerning the future price of W2E’s stock, into which the Debentures could be converted. He told Investor A that “I have full confidence you will convert this note into stock at a dollar because the stock will be trading at a significant premium with liquidity because [W2E] has executed their business plan.” Later in the call, while trying to convince Investor A to invest $75,000 more than he already had decided to invest in the Debentures, Gregg Lorenzo stated that an additional $75,000 means “150,000 more shares in a company that could potentially be $5 to $10 a share within 12 months. And that’s
what I’m looking at. You’re giving up on that, and I just don’t want you to do that.
150,000 shares at $5 is almost a million dollars to you. It’s 700, it’s close to $750,000.”

(e) Gregg Lorenzo also told Investor A on September 23, 2009 that he
was in possession of favorable non-public information concerning W2E, stating: “I can tell
you things that are not even public yet that I shouldn’t tell you, but it’s not going to make a
difference. You’re going to want to see these things happen.”

(f) Finally, Lorenzo falsely told Investor A on September 23, 2009 that
the “debenture [was] senior and being in front of everything else that [W2E] has, accrued
salary, shareholders, you name it, and it’s the only debt the company will have on their
book.”

27. Gregg Lorenzo had no reasonable basis for making the statements set forth
in paragraph 26 above because, as he knew or recklessly disregarded:

(a) W2E never had a contract for “$100 to $200 million”; its only
substantial contract, with Ascot, was worth less than $15 million at the outset, and as of
September 23, 2009, when Lorenzo had the call with Investor A, W2E already had
received all, or virtually all, payments due under that contract.

(b) W2E’s last public filing prior to September 23, 2009 — its May 28,
2009 Form 8-K — reported, not that the company had “$7 million in the bank” as Lorenzo
told Investor A, but that (i) as of December 31, 2008, W2E had only $28,171 in cash; and
(ii) as of May 28, 2009, the company had only $194,369 in cash. Furthermore, W2E’s
Form 10-Q for the period that ended June 30, 2009 (filed October 1, 2009) reported that the
company had only $54,543 in cash and less than $700,000 in total assets; and W2E’s Form
10-Q for the period ended September 30, 2009 (filed November 16, 2009) reported total
assets of $905,582, total liabilities of $6,510,247, an accumulated deficit of $23,675,381,
contracts receivable valued at zero, and unbilled amounts due on uncompleted contracts at
$499,857.

(c) and (d) W2E was an extremely speculative stock — it was a start-up
company at an early stage of development, and its financial condition was extremely
precarious. Furthermore, on September 23, 2009 — the day that Gregg Lorenzo made his
stock price and NASDAQ listing predictions to Investor A — W2E filed a Form 8-K
reporting that on August 20, 2009, FINRA had notified the company that if it did not file a
delinquent Form 10-Q by September 21, its stock could be de-listed from the OTCBB, a
trading venue with much less demanding listing requirements than the NASDAQ. In
addition, the POM reported that (1) the “sole member of our board of directors was a
defendant in prior litigation arising [sic] alleging violation of the Federal Securities laws,
which may prevent or make more difficult listing on a national exchange and/or
NASDAQ”; and, after further describing the litigation, (2) “[t]here can be no assurance that
[the Director’s] actions and/or involvement in the prior litigation will not negatively impact
and/or prevent [W2E’s] ability to be listed on an exchange and/or NASDAQ, even if
[W2E] were to meet such listing qualifications, which it will not for the foreseeable future.”
(e) No “non-public information concerning W2E” existed, and none of W2E’s public statements after September 23, 2009 indicate that any such undisclosed favorable information about the company existed on or around September 23, 2009.

(f) As Gregg Lorenzo knew, as of September 23, 2009, W2E had millions of dollars in debt on its books that was senior to the debt W2E was issuing through the Debentures offering.

28. On September 25, 2009 and October 1, 2009, Investor A invested a total of $225,000 in the Debentures.

INVESTOR B

29. In or about September, 2009, Gregg Lorenzo spoke to Investor B concerning the Debentures. During his conversations with Investor B, Lorenzo knowingly or recklessly falsely told investor B that he would make several times his money if he invested in the Debentures.

30. After speaking to Gregg Lorenzo, Investor B invested $150,000 in the Debentures.

31. Even after Investor B invested $150,000 in the Debentures, Gregg Lorenzo continued to solicit additional money. When Investor B asked Gregg Lorenzo to send him more information, he received an e-mail dated October 2, 2009 that purported to “summarize several key points of the Waste2Energy Holdings, Inc. Debenture Offering.” After he received this e-mail, which contained several misrepresentations about W2 (as described in paragraphs 34 through 39 below), Investor B made another $200,000 investment in the Debentures.

INVESTOR C

32. In or about April and May 2010, Gregg Lorenzo made the following false or misleading statements to Investor C, for which there was no reasonable basis. He told Investor C that:

(a) If he invested in the Debentures, Investor C was guaranteed to get the principal invested in the Debentures back plus interest after one year; and

(b) W2E would be doing very well in a year, at which point Investor C would have the option to convert the Debentures into W2E stock.

33. After speaking to Gregg Lorenzo, Investor C invested a total of $125,000 in the Debentures: $25,000 on April 1, 2010 and $100,000 on May 12, 2010.
F. THE FRAUDULENT E-MAILS TO INVESTORS

34. As stated in paragraphs 18-19 above, on October 1, 2009, W2E filed an amended Form 8-K and its Form 10-Q for the period ended June 30, 2009. Those filings stated that W2E had written off almost all of its previously-reported assets (totaling approximately $14 million) as of June 30, 2009, consisting primarily of $11 million in “intangibles” and “goodwill.”

35. On October 1 and the morning of October 2, Frank Lorenzo notified Charles Vista’s brokers (including Gregg Lorenzo) by email of W2E’s October 1, 2009 filings and included links in his email to the W2E filings on the SEC’s website.

36. On October 2, 2009, Frank Lorenzo’s assistant, acting on behalf of, and at the direction of, either Frank Lorenzo or Gregg Lorenzo, or both, sent emails to Investor B and another Charles Vista client with the subject-heading “W2E Debenture Deal Points.” The emails, designed to solicit those clients’ investments in the Debentures, purported to “summarize several key points of the Waste2Energy Holdings, Inc. Debenture Offering,” and contained the following false and/or misleading statements concerning W2E:

There are 3 layers of protection:

(I) The Company has over $10 mm in confirmed assets
(II) The Company has purchase orders and LOI’s [letters of intent] for over $43 mm in orders
(III) Charles Vista has agreed to raise additional monies to repay these Debenture holders (if necessary)

37. The first statement was false because, by October 1, 2009, W2E had written off nearly all of its assets, and had no “$10 mm in confirmed assets.”

38. The second statement was misleading because, as of October 1, 2009, W2E had only a single, non-binding, letter of intent for $43 million and negligible “purchase orders.”

39. The third statement was misleading because, when it was made, it was far from certain that W2E could sell the full $15 million in Debentures it was offering, much less “raise additional monies to repay [those] Debenture holders.”

40. At the time that Frank and/or Gregg Lorenzo caused Charles Vista to send the October 2, 2009 emails to potential W2E investors, they each knew, or recklessly disregarded, that the statements excerpted in paragraph 36 above were false and/or misleading statements about W2E.

41. On October 5, 2009, Frank Lorenzo and Gregg Lorenzo received an email authored by the Chief Financial Officer of W2E, Craig Brown, which expressly informed them of the “write-off of all of [W2E’s] intangible assets . . . of about $11 million.”
42. On October 14, 2009, Frank Lorenzo sent two additional emails to Charles Vista customers that contained the very same false and misleading statements that were in the October 2, 2009 emails. Frank Lorenzo sent the October 14 emails to solicit investments in the Debentures.

43. At the time Frank Lorenzo sent the October 14 emails, he knew, or recklessly disregarded, that the statements contained in those emails about W2E were false and/or misleading.

44. At least one of the recipients of Frank Lorenzo’s October 14, 2009 emails invested in the Debentures after receiving the email.

VIOLATIONS

1. As a result of the conduct described above, Gregg Lorenzo, Frank Lorenzo, and Charles Vista willfully violated Section 17(a) of the Securities Act, which makes it unlawful for any person in the offer or sale of any securities, directly or indirectly, to employ any device, scheme, or artifice to defraud, or to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, or to engage in any transaction, practice, or course of business which operators or would operate as a fraud or deceit upon the purchaser.

2. As a result of the conduct described above, Gregg Lorenzo, Frank Lorenzo, and Charles Vista willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which make it unlawful for any person, directly or indirectly, to employ any device, scheme, or artifice to defraud, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.

3. As a result of the conduct described above, Charles Vista violated Section 15(c)(1) of the Exchange Act, which prohibits a broker or dealer from effecting any transaction in, or inducing or attempting to induce the purchase or sale of, any security by means of any manipulative, deceptive, or other fraudulent device or contrivance, defined in Rule 15c1-2 to include any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, and Rule 10b-3(a), which makes it unlawful for any broker or dealer, directly or indirectly, to use or employ, in connection with the purchase or sale of any security, any act, practice, or course of business defined by the Commission to be included within the term “manipulative, deceptive, or other fraudulent device or contrivance,” as such term is used in Section 15(c) of the Exchange Act.
III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Section 15(b) of the Exchange Act including, but not limited to, disgorgement and civil penalties pursuant to Section 8A of the Securities Act and Sections 21B and 21C of the Exchange Act;

C. Whether, pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Respondents Gregg Lorenzo, Frank Lorenzo and Charles Vista should be ordered to cease and desist from committing or causing violations of and any future violations of Section 17(a) of the Securities Act, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; whether, pursuant to Section 21C of the Exchange Act, Respondent Charles Vista should be ordered to cease and desist from committing or causing violations of and any future violations of Section 15(c) of the Securities Exchange Act and Rule 10b-3 thereunder; whether Respondents should be ordered to pay a civil penalty pursuant to Section 8A(g) of the Securities Act, Section 21B(a) of the Exchange Act; and whether Respondents should be ordered to pay disgorgement pursuant to Section 8A(e) of the Securities Act, Sections 21B(e) and 21C(e) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission’s Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission’s Rules of Practice, 17 C.F.R. § 201.220.

If a Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him or it upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission’s Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.
This Order shall be served forthwith upon Respondents personally or by certified mail.

**IT IS FURTHER ORDERED** that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission’s Rules of Practice, 17 C.F.R. § 201.360(a)(2).

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not “rule making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Elizabeth M. Murphy
Secretary