

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 70400 / September 16, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15480

In the Matter of

**M.S. JUNIOR, INC., SWISS
CAPITAL HOLDINGS,
INC., AND MICHAEL
STANGO,**

Respondents.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 21C OF THE SECURITIES
EXCHANGE ACT OF 1934, MAKING
FINDINGS, AND IMPOSING A CEASE-
AND-DESIST ORDER AND CIVIL
PENALTY**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against M.S. Junior, Inc., Swiss Capital Holdings, Inc., and Michael Anthony Stango (“M.S. Junior”, “Swiss Capital”, and “Stango” or “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have 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 them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order and Civil Penalty (“Order”), as set forth below.

III.

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

Summary

1. These proceedings arise out of violations of Rule 105 of Regulation M of the Exchange Act by M.S. Junior, Swiss Capital, and Stango. M.S. Junior and Swiss Capital are Florida-based corporations and Stango is the sole principal of each corporation. Rule 105 prohibits buying an equity security made available through a public offering, conducted on a firm commitment basis, from an underwriter or broker or dealer participating in the offering after having sold short the same security during the restricted period as defined therein.

2. On thirteen occasions, from December 2010 through July 2011, Respondents bought offered shares from an underwriter or broker or dealer participating in a follow-on public offering after having sold short the same security during the restricted period. These violations collectively resulted in profits of \$247,039.

Respondents

3. M.S. Junior, Inc. is a corporation that is incorporated in Florida with a principal place of business in Jupiter, Florida. M.S. Junior is engaged primarily in commercial real estate ventures. It is not a registered investment adviser.

4. Swiss Capital Holdings, Inc. is a corporation that is incorporated in Florida with a principal place of business in Jupiter, Florida. It is not a registered investment adviser.

5. Michael Anthony Stango, 53, resides in Jupiter, Florida. During all relevant times through the present, Stango was (and continues to be) the sole owner, principal and officer of M.S. Junior and Swiss Capital and, therefore, responsible for the trading activity of these two corporations.

Legal Framework

6. Rule 105 makes it unlawful for a person to purchase equity securities from an underwriter, broker, or dealer participating in a public offering if that person sold short the security that is the subject of the offering during the restricted period defined in the rule, absent an exception. 17 C.F.R. § 242.105; see Short Selling in Connection with a Public Offering, Rel. No. 34-56206, 72 Fed. Reg. 45094 (Aug. 10, 2007) (effective Oct. 9, 2007). The Rule 105 restricted period is the shorter of the period: (1) beginning five business days before the pricing of the offered securities and ending with such pricing; or (2) beginning with the initial filing of a

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.

registration statement or notification on Exchange Act Form 1-A or Form 1-E and ending with pricing.

7. “The goal of Rule 105 is to promote offering prices that are based upon open market prices determined by supply and demand rather than artificial forces.” Final Rule: Short Sales, Exchange Act Release No. 50103. Rule 105 is prophylactic and prohibits the conduct irrespective of the short seller’s intent in effecting the short sale.

Respondents’ Violations of Rule 105 of Regulation M

8. On June 1, 2011 and June 2, 2011, Respondents sold short 216,700 shares of Arch Coal Inc. (“ACI”) during the restricted period at an average price of \$27.6856 per share. On June 3, 2011, ACI announced the pricing of a follow-on offering of its common stock at \$27.00 per share. Respondents received an allocation of 211,500 shares in that offering. The difference between Respondents’ proceeds received from the restricted period short sales of ACI shares and the price paid for the 211,500 shares received in the offering was \$145,005.00. Thus, Respondents’ participation in the ACI offering netted total profits of \$145,005.00.

9. On December 9, 2010, Respondents’ sold short 2,000 shares of Camelot Information Systems Inc. ADS (“CIS”) during the restricted period at a price of \$20.00 per share. On December 9, 2010, CIS announced the pricing of a follow-on offering of its common stock at \$19.50 per share. Respondents’ received an allocation of 2,000 shares in that offering. The difference between Respondents’ proceeds from the restricted period short sales of CIS shares and the price paid for 2,000 shares received in the offering was \$1,000. Thus, Respondents’ participation in the CIS offering netted total profits of \$1,000.00.

10. From December 13, 2010 through December 15, 2010, Respondents’ sold short 19,000 shares of Cloud Peak Energy Inc. (“CLD”) during the restricted period at an average price of \$20.3095 per share. On December 15, 2010, CLD announced the pricing of a follow-on offering of its common stock at \$19.50 per share. Respondents’ received an allocation of 23,200 shares in that offering. The difference between Respondents’ proceeds received from the restricted period short sales of CLD shares and the price paid for the 19,000 shares received in the offering was \$15,380.50. Respondents also improperly obtained a benefit of \$1,205.82 by purchasing the remaining 4,200 shares at a discount from CLD’s market price. Thus, Respondents’ participation in the CLD offering netted total profits of \$16,586.32.

11. On March 3, 2011, Respondents’ sold short 1,500 shares of Continental Resources Inc. (“CLR”) during the restricted period at a price of \$69.40 per share. On March 3, 2011, CLR announced the pricing of a follow-on offering of its common stock at \$68.00 per share. Respondents’ received an allocation of 5,700 shares in that offering. The difference between Respondents’ proceeds received from the restricted period short sales of CLR shares and the price paid for the 1,500 shares received in the offering was \$2,100.00. Respondents also improperly obtained a benefit of \$656.46 by purchasing the remaining 4,200 shares at a discount from CLR’s market price. Thus, Respondents’ participation in the CLR offering netted total profits of \$2,756.46.

12. On December 9, 2010, Respondents' sold short 10,100 shares of CYS Investments Inc. ("CYS") during the restricted period at a price of \$12.52 per share. On December 10, 2010, CYS announced the pricing of a follow-on offering of its common stock at \$12.46 per share. Respondents' received an allocation of 36,300 shares in that offering. The difference between Respondents' proceeds received from the restricted period short sales of CYS shares and the price paid for the 10,100 shares received in the offering was \$606. Respondents also improperly obtained a benefit of \$8,011.96 by purchasing the remaining 26,200 shares at a discount from CYS's market price. Thus, Respondents' participation in the CYS offering netted total profits of \$8,617.96.

13. On December 8, 2010, Respondents' sold short 12,300 shares of Dollar General Corp. ("DG") during the restricted period at a price of \$30.89 per share. On December 8, 2010, DG announced the pricing of a follow-on offering of its common stock at \$30.50 per share. Respondents' received an allocation of 6,250 shares in that offering. The difference between Respondents' proceeds from the restricted period short sales of DG shares and the price paid for 6,250 shares received in the offering was \$2,437.50. Thus, Respondents' participation in the DG offering netted total profits of \$2,437.50.

14. On March 1, 2011, Respondents' sold short 12,500 shares of EOG Resources Inc. ("EOG") during the restricted period at a price of \$107.94 per share. On March 1, 2011, EOG announced the pricing of a follow-on offering of its common stock at \$105.50 per share. Respondents' received an allocation of 20,200 shares in that offering. The difference between Respondents' proceeds received from the restricted period short sales of EOG shares and the price paid for the 12,500 shares received in the offering was \$30,500.00. Respondents also improperly obtained a benefit of \$8,608.60 by purchasing the remaining 7,700 shares at a discount from EOG's market price. Thus, Respondents' participation in the EOG offering netted total profits of \$39,108.60.

15. On June 16, 2011, Respondents' sold short 1,500 shares of Evercore Partners Inc. ("EVR") during the restricted period at a price of \$33.01 per share. On June 16, 2011, EVR announced the pricing of a follow-on offering of its common stock at \$32.50 per share. Respondents' received an allocation of 1,200 shares in that offering. The difference between Respondents' proceeds from the restricted period short sales of EVR shares and the price paid for 1,200 shares received in the offering was 612.00. Thus, Respondents' participation in the EVR offering netted total profits of \$612.00.

16. On March 1, 2011, Respondents' sold short 7,500 shares of Health Care REIT Inc. ("HCN") during the restricted period at a price of \$50.85 per share. On March 1, 2011, HCN announced the pricing of a follow-on offering of its common stock at \$49.25 per share. Respondents' received an allocation of 8,500 shares in that offering. The difference between Respondents' proceeds received from the restricted period short sales of HCN shares and the price paid for the 7,500 shares received in the offering was \$12,000.00. Respondents also improperly obtained a benefit of \$1,626.30 by purchasing the remaining 1,000 shares at a discount from

HCN's market price. Thus, Respondents' participation in the HCN offering netted total profits of \$13,626.30.

17. On March 21, 2011, Respondents' sold short 5,000 shares of Invesco Mortgage Capital Inc. ("IVR") during the restricted period at a price of \$21.54 per share. On March 22, 2011, IVR announced the pricing of a follow-on offering of its common stock at \$21.25 per share. Respondents' received an allocation of 29,000 shares in that offering. The difference between Respondents' proceeds received from the restricted period short sales of IVR shares and the price paid for the 5,000 shares received in the offering was \$1,466.00. Thus, Respondents' participation in the IVR offering netted total profits of \$1,466.00.

18. On July 14, 2011, Respondents' sold short 3,000 shares of Spectrum Brands Holdings Inc. ("SPB") during the restricted period at a price of \$28.70 per share. On July 15, 2011, SPB announced the pricing of a follow-on offering of its common stock at \$28.00 per share. Respondents' received an allocation of 4,700 shares in that offering. The difference between Respondents' proceeds received from the restricted period short sales of SPB shares and the price paid for the 3,000 shares received in the offering was \$2,097.00. Thus, Respondents' participation in the SPB offering netted total profits of \$2,097.00.

19. On February 9, 2011, Respondents' sold short 7,000 shares of Ternium S.A. ("TX") during the restricted period at a price of \$36.92 per share. On February 9, 2011, TX announced the pricing of a follow-on offering of its common stock at \$36.00 per share. Respondents' received an allocation of 9,000 shares in that offering. The difference between Respondents' proceeds from the restricted period short sales of TX shares and the price paid for the 7,000 shares received in the offering was \$6,460.30. Thus, Respondents' participation in the TX offering netted total profits of \$6,460.30.

20. On March 22, 2011, Respondents' sold short 3,000 shares of YPF S.A. ("YPF") during the restricted period at a price of \$42.93 per share. On March 23, 2011, YPF announced the pricing of a follow-on offering of its common stock at \$41.00 per share. Respondents' received an allocation of 7,300 shares in that offering. The difference between Respondents' proceeds received from the restricted period short sales of YPF shares and the price paid for the 3,000 shares received in the offering was \$5,779.50. Respondents also improperly obtained a benefit of \$1,490.81 by purchasing the remaining 4,300 shares at a discount from YPF's market price. Thus, Respondents' participation in the YPF offering netted total profits of \$7,270.31.

21. In total, Respondents' violations of Rule 105 resulted in profits of \$247,039.

Violations

22. As a result of the conduct described above, M.S. Junior, Swiss Capital, and Stango violated Rule 105 of Regulation M under the Exchange Act.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in the Respondents' Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondents M.S. Junior, Swiss Capital, and Stango cease and desist from committing or causing any violations and any future violations of Rule 105 of Regulation M of the Exchange Act;

B. M.S. Junior, Swiss Capital, and Stango, shall within fourteen (14) days of the entry of this Order, pay disgorgement of \$247,039, prejudgment interest of \$15,565.77, and a civil money penalty in the amount of \$165,332 (the Respondents collectively owe \$427,937) to the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600. Payments must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;²
- (2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondents may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying M.S. Junior, Swiss Capital, and Stango as the Respondents in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Gerald W. Hodgkins, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549.

By the Commission.

Elizabeth M. Murphy
Secretary

² The minimum threshold for transmission of payment electronically is \$1,000,000. For amounts below the threshold, respondents must make payments pursuant to options (2) or (3) above.