

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 72731 / July 31, 2014**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15996**

**In the Matter of**

**DAVID H. STERN,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b) OF**  
**THE SECURITIES EXCHANGE ACT**  
**OF 1934, 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 pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") against David H. Stern ("Stern" or "Respondent").

**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 111.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

### III.

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

1. From December 2008 through May 2010, Stern was the principal and controlled the hiring, training, and monitoring of telemarketers of First Resource Group LLC ("First Resource"), engaged in the in the solicitation of registered representatives at registered broker- dealers to purchase stocks in TrinityCare Senior Living, Inc. ("TrinityCare") and Cytta Corporation ("Cytta"). Stern, indirectly through telemarketers he managed, solicited investors to purchase TrinityCare and Cytta securities in exchange for sales commissions. First Resource has never been registered with the Commission in any capacity. During this period, Stern was neither registered as a broker-dealer nor associated with a registered broker-dealer.

2. On July 10, 2014, a final judgment was entered by consent against Stern, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Sections 10(b) and 15(a) of the Exchange Act, and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. David H. Stern, et al. Civil Action Number 12-CV-60137, in the United States District Court for the Southern District of Florida.

3. The Commission's complaint alleges that, among other things, in connection with the solicitation of registered representatives at registered broker-dealers to purchase stocks of TrinityCare and Cytta securities, Stern materially misrepresented stock price increases for TrinityCare, and TrinityCare's projected revenue growth and Cytta's projected sales. The complaint also alleges that Stern did not disclose that First Resource or Stern intended to sell TrinityCare and Cytta securities while simultaneously touting those stocks. The complaint also alleges that First Resource and Stern engaged in numerous transactions that created a false and misleading appearance of active trading activity in TrinityCare and Cytta stock. The complaint further alleges that First Resource and Stern paid commissions to telemarketers to solicit registered representatives at registered broker-dealers to purchase TrinityCare and Cytta securities.

### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Stern be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal adviser, transfer agent, or nationally recognized statistical rating organization.

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 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.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Jill M. Peterson  
Assistant Secretary