

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**May 14, 2004**

**Administrative Proceedings**  
**File No. 3-11487**

**In the Matter of**

**STEVEN INGRASSIA, and**  
**SLAVA VOLMAN,**

**Respondents.**

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

**I.**

The Securities and Exchange Commission (“Commission”) 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) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Steven Ingrassia (“Ingrassia”) and Slava Volman (“Volman”) (collectively “Respondents”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A.     RESPONDENTS**

1.       Ingrassia is 44 years of age and resides in Central Islip, New York. In or around May 1999, Ingrassia and others entered into an agreement with Donald & Co. Securities, Inc. (“Donald & Co.”) to open a Garden City, New York Branch Office (“Garden City Office”). Ingrassia holds Series 7, 24, and 63 licenses.

2.       Volman is 27 years old and resides in Port Washington, New York. In or around May 1999, Volman and others entered into an agreement with Donald & Co. to open a Garden City Office of Donald & Co. Volman holds Series 4, 7, 24, 55, and 63 licenses.

## B. OTHER RELEVANT ENTITIES

1. Donald & Co. was registered with the Commission as a broker-dealer from May 25, 1977 until September 10, 2002 when Donald & Co. filed a Form BD-W. Donald & Co. was a member of the NASD. The firm's main office was located in Tinton Falls, New Jersey, and the firm maintained 10 branch offices. On July 24, 2002, Donald & Co. filed notice, pursuant to Rule 17a-11 of the Exchange Act, that it was in a position of a net capital deficiency and closed its branch offices, including its Garden City Office.

2. The Classica Group, Inc. ("Classica") is a New York corporation, headquartered in Sayreville, New Jersey. Classica currently purports to produce microwave heat processing equipment for the food and pharmaceutical industries. Trades in Classica's common stock shares were quoted on the NASDAQ Small Cap Market until October 23, 2003, and are now quoted on the OTC Bulletin Board. Classica's securities are registered with the Commission pursuant to Section 12(g) of the Exchange Act. On November 15, 2001, the Commission ordered Classica to cease and desist from committing or causing any violation or future violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. The Commission found that Classica omitted to state that its technology had not been tested for the effective killing of Anthrax. *See In the Matter of the Classica Group, Inc.* Exchange Act Release No. 45057 (November 15, 2001). Classica reported net losses for both 2001 and 2002 of \$885,676 and \$1,127,365, respectively. Classica is a penny stock because it does not qualify for any of the exemptions set forth in either Section 3(a)(51) of the Exchange Act or Rule 3a51-1 thereunder. Most notably, Classica's stock traded for less than \$5 per share during at least part of the relevant period, and Classica does not meet the asset and revenue requirements set forth in Exchange Act Rule 3a51-1.

3. eLEC Communications Corporation ("eLEC") is a New York corporation with its principal office located in New Rochelle, New York. eLEC securities are registered with the Commission pursuant to Section 12(g) of the Exchange Act and trades in its stock are quoted on the OTC Bulletin Board. eLEC purports to be a telecommunications company. eLEC is a penny stock because it does not qualify for any of the exemptions set forth in either Section 3(a)(51) of the Exchange Act or Rule 3a51-1 thereunder. Most notably, eLEC's stock traded for less than \$5 per share during at least part of the relevant period, and eLEC does not meet the asset and revenue requirements set forth in Exchange Act Rule 3a51-1.

## C. SCHEME TO DEFRAUD

### The Garden City Office

1. Between in or around 1999 through 2002, Ingrassia, Volman, and others operated an office of supervisory jurisdiction ("OSJ") for Donald & Co. in the Garden City Office. Ingrassia, Volman, and others ran the Garden City Office as a partnership and divided profits. Ingrassia, Volman, and others actively participated in the management of the office, including personnel and business decisions.

2. While at Donald & Co., Ingrassia and Volman engaged in fraudulent schemes with respect to Classica and eLEC securities that involved, among other things, the following elements: (a) the dissemination of false and misleading information to customers about the issuers through boiler-room tactics and inflated price predictions; (b) refusal to execute customer sell orders unless the shares could be cross traded with another Garden City Office customer; and (c) payment of undisclosed compensation, known there as the “rip,” to brokers for selling the stock.

3. At the direction of Ingrassia, Volman, and others, the names of Garden City Office brokers were placed on an office chalkboard along with the name of the stock being promoted and the “rip” information. Next to the brokers’ names were the cash amounts of commissions generated by each broker. If a particular broker was not generating enough money, at times, that broker would be publicly berated and humiliated in front of the whole office by, among others, Ingrassia and Volman. According to Garden City Office policy, if a client insisted that a Classica or eLEC be sold, the broker was financially responsible for the shares until a buyer was found for those same shares. If a buyer were found at a lower price, the broker would have the difference subtracted from his paycheck. This policy gave every broker the incentive to cross the trade, or simply not execute the sell order.

#### Classica

4. At daily sales meetings beginning in or around January 2000, Ingrassia, Volman, and others told brokers to push Classica upon Garden City Office clients at inflated prices. Ingrassia, Volman, and others instructed brokers to tell clients that Classica would substantially increase in price. These price predictions about future appreciation of Classica’s stock price were baseless. At the same time, Ingrassia, Volman, and others instructed the brokers to tell customers that favorable announcements about the companies would be coming out shortly. Ingrassia, Volman, and others placed sales information about Classica on an office chalkboard, including the “rip,” or the undisclosed commission that the broker received for every share of Classica sold, as well as the price at which the shares were to be sold.

5. While Ingrassia, Volman, and others were telling the brokers to peddle Classica stock to customers, they were selling the stock out of their own holdings at a large profit. Moreover, Ingrassia, Volman, and others, at times, refused to execute customer orders to sell Classica unless the stock could be sold to another customer.

6. Between in or around January 2000 and in or around July 2002, the Garden City Office proprietary accounts, which were controlled by Ingrassia, Volman, and others, made approximately \$473,590 in profit from the Classica scheme. In addition, Ingrassia made approximately \$138,000, and Volman made approximately \$261,000 in profits from the Classica scheme through their accounts or accounts they controlled.

## eLEC

7. The eLEC scheme followed a similar pattern. Ingrassia, Volman, and others directed brokers working in the Garden City Office to sell eLEC at inflated prices and paid them undisclosed commissions for doing so. Ingrassia, Volman, and others placed sales information about eLEC on the office chalkboard, including the target price and the “rip.” As with Classica, sales orders were forbidden, at times, unless the stock could be cross traded.

8. The Garden City Office sold eLEC stock to retail customers and to other broker-dealers at enormous profits. Between in or around January 2000 through in or around July 2002, the Garden City Office proprietary accounts made approximately \$704,000 in profits from trading in eLEC. In addition, Odyssey Capital, LLC (“Odyssey”) an account jointly controlled by Ingrassia, Volman, and others made a profit of approximately \$35,000 selling eLEC stock to the public.

## D. VIOLATIONS

1. As a result of the conduct described above, Respondents Ingrassia and Volman willfully violated, and committed or caused the violation of, Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which, among other things, prohibit any person, directly or indirectly, from engaging in any transaction, act, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser or any person in the offer or sale or in connection with the purchase or sale of any security.

## 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 21B of the Exchange Act; and

C. Whether, pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Respondents Ingrassia and Volman 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, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

#### 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 200 of the Commission's Rules of Practice, 17 C.F.R. § 201.200.

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 Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them 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.

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.

Jonathan G. Katz  
Secretary