

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
August 12, 2004

ADMINISTRATIVE PROCEEDING
File No. 3-11587

In the Matter of

**ASHLEY NEMIROFF,
ROCCO SICLARI,
GEORGE A. CARHART,
CARL D'ELIA,
HOWARD C. ZELIN,
CRAIG BRANDWEIN,
and
DONALD R.
CATAPANO,**

Respondents.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
AND NOTICE OF HEARING
PURSUANT TO SECTION 15(b) 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 proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Ashley Nemiroff (“Nemiroff”), Rocco Siclari (“Siclari”), George A. Carhart (“Carhart”), Carl D’Elia (“D’Elia”), Howard C. Zelin (“Zelin”), Craig A. Brandwein (“Brandwein”), and Donald R. Catapano (“Catapano”) (the “Respondents”).

II.

After an investigation, the Division of Enforcement alleges that:

A. Respondents

1. Nemiroff, a resident of Great Neck, New York, was the registered principal of Ash & Co., Inc. (“Ash”), a now defunct broker-dealer formerly located in New York, New York.

Nemiroff was the registered principal of Ash from February 1989 to January 1999. Nemiroff held Series 7, 24 and 63 licenses.

2. Siclari, a resident of Nyack, New York, was an undisclosed principal at Ash during 1997. Siclari held Series 7 and 63 licenses.
3. Carhart, a resident of Fort Lee, New Jersey, was an undisclosed principal at Ash during 1997.
4. D'Elia, a resident of Whitestone, New York, was employed as a registered representative at Worthington during 1998. D'Elia held Series 7 and 63 licenses.
5. Zelin, a resident of Woodbury, New York, was a registered principal at Worthington Capital Group, Inc. ("Worthington"), a defunct broker-dealer, from November 1996 to July 1998. Zelin held Series 7 and 24 licenses.
6. Brandwein, formerly a resident of Commack, New York now residing in Raleigh, North Carolina, was a registered representative at International Bond & Share ("IBS"), a now defunct broker-dealer, from November 1997 to July 1998. During 1998, Brandwein also ran an office of supervisory jurisdiction ("OSJ") of IBS, which was located in Garden City, New York. Brandwein held Series 7, 24 and 63 licenses.
7. Catapano, a resident of Oceanside, New York, was a registered representative at IBS from November 1997 to March 1998. During 1998, Catapano also ran the OSJ of IBS with Brandwein. Catapano held Series 7, 24 and 63 licenses.

The Commission's Civil Action

B. On March 12, 2002, the Commission filed a civil injunctive action ("Civil Action") charging Nemiroff, Siclari, Carhart, D'Elia, Zelin, Brandwein, Catapano, and others with violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder ("the antifraud provisions"). SEC v. Paul Skulsky, et al., 02 Civ. 1524 (DRH) (E.D.N.Y.). The Commission's complaint sought permanent injunctions, disgorgement and prejudgment interest, and civil penalties against the Respondents.

C. The complaint in the Civil Action alleged, among other things, that Paul Skulsky, an undisclosed control person of AppOnline.com ("AppOnline"), a now defunct mortgage banking firm, sought to manipulate the public market for AppOnline securities. As part of the scheme, during 1997 and 1998, Paul Skulsky ("Skulsky") paid kickbacks in the form of AppOnline stock and cash to the Respondents so that the Respondents would sell, or direct other registered representatives to sell, AppOnline stock to their retail customers. Specifically, Skulsky agreed to pay the Respondents kickbacks of between 45-50% to sell AppOnline stock, and the registered representatives then failed to disclose these payments to their customers. Ash, Worthington, and IBS registered

representatives then sold more than 1.4 million AppOnline shares to their retail customers.

D. On September 26, 2002, the United States District Court for the Eastern District of New York entered partial consent judgments enjoining Nemiroff, Carhart, Brandwein and Catapano from future violations of the antifraud provisions. On October 18, 2002, the Court entered a partial consent judgment enjoining Zelin from future violations of the antifraud provisions. On February 10, 2003, the Court entered a partial consent judgment enjoining Siclari from future violations of the antifraud provisions. On March 10, 2003, the Court entered a partial consent judgment enjoining D'Elia from future violations of the antifraud provisions. The Respondents consented to entry of these judgments without admitting or denying the allegations of the complaint.

Parallel Criminal Proceedings Concerning the Respondents

E. The United States Attorneys' Offices for the Eastern and Southern Districts of New York have charged the Respondents with securities fraud concerning their conduct involving AppOnline. As detailed below, all of the Respondents have entered guilty pleas.

1. On June 4, 2003, Nemiroff pled guilty to conspiracy to commit securities fraud and securities fraud. On January 26, 2004, a judgment of conviction was entered against Nemiroff on one count of conspiracy to commit securities fraud. He was sentenced to a prison term of one year and one day followed by three years of supervised release. On May 24, 2004, an amended judgment of conviction was entered ordering Nemiroff to pay restitution to AppOnline investors in the amount of \$49,793.50. U.S. v. D'Elia, et al., 02 Cr. 00127 (DRH) (E.D.N.Y.).

2. On December 17, 2002, Siclari pled guilty to conspiracy to commit securities fraud and securities fraud. On October 6, 2003, Siclari was sentenced to a five year term of probation. U.S. v. D'Elia, et al.

3. On March 17, 2003, Carhart pled guilty to one count of conspiracy to commit securities fraud. U.S. v. D'Elia, et al.

4. On December 17, 2002, D'Elia pled guilty to one count of conspiracy to commit securities fraud. U.S. v. D'Elia, et al.

5. On September 6, 2001, Zelin pled guilty to a five count information containing counts for conspiracy to commit securities fraud, wire fraud and commercial bribery. U.S. v. Zelin, 00 Cr. 1267 (LAK) (S.D.N.Y.).

6. On March 15, 2004, Brandwein pled guilty to one count of conspiracy to commit securities fraud. U.S. v. D'Elia, et al.

7. On March 15, 2004, Catapano pled guilty to one count of conspiracy to commit securities fraud. U.S. v. D'Elia, et al.

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 proceedings be instituted to determine:

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

B. What, if any, remedial action is appropriate in the public interest against the Respondents pursuant to Section 15(b) 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 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 Answers 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, 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.

IT IS FURTHER ORDERED that an Administrative Law Judge shall file an initial decision with respect to this matter no later than 210 days from the date of the service of this Order, as provided by Rule 360(a)(2) of the Commission's Rules of Practice, 17 C.F.R. § 360(a)(2).

This Order shall be served forthwith upon Respondents personally or by certified mail.

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.

For the Commission, by its Secretary, pursuant to delegated authority.

Jonathan G. Katz
Secretary