

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
September 1, 2004

ADMINISTRATIVE PROCEEDING
File No. 3-11625

In the Matter of	:	ORDER INSTITUTING PUBLIC
VLADISLAV STEVEN ZUBKIS,	:	ADMINISTRATIVE PROCEEDINGS
Respondent.	:	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 Vladislav Steven Zubkis (“Zubkis” or “Respondent”).

II.

After an investigation, the Division of Enforcement alleges that:

A. Respondent

1. Zubkis, age 43, was a registered representative holding Series 7 and 63 licenses. Zubkis was associated, without being registered, with various broker-dealers from February 1990 through March 1993, including Cartwright & Walker Securities, Inc. (“Cartwright & Walker”).

B. Permanent Injunction Entered Against Zubkis

2. On June 29, 2001, the United States District Court for the Southern District of New York entered a Final Judgment of Permanent Injunctive and Other Relief Against Zubkis in an action entitled *SEC v. Vladislav Steven Zubkis, et al.*, Civil Action No. 97 Civ. 8086 (JGK/KNF). This Final Judgment (a) permanently enjoined Zubkis from violating Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”) and Sections 10(b), 15(b), and 15(c)(1) of the Exchange Act and Rules 10b-5, 15c1-2, 15c1-5, and 15c1-6 thereunder; (b) ordered Zubkis to disgorge ill-gotten gains of \$12,544,313.25 and prejudgment interest of \$9,034,418.14, for a total of \$21,578,731.39; and (c) permanently prohibited Zubkis from acting as an officer or director of any issuer

that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act.

3. In the civil injunctive action described above, the Commission's complaint alleged, among other things: from June 1993 through at least May 1996, Zubkis orchestrated a fraudulent scheme to sell unregistered securities of Stella Bella Corporation, USA, now known as International Brands, Inc. ("IBI"), to investors. Zubkis caused IBI to issue more than 5,000,000 shares of common stock from October 1994 to May 1996. Zubkis then arranged for the sale of the IBI securities to investors through Z3 Capital Corporation ("Z3"), an unregistered broker-dealer and through other registered broker-dealers, who sold at least 2,100,000 of these shares directly to investors. Zubkis also caused Z3 to issue, offer, and sell "Triple Crown Units" ("TCU") to investors in a private placement. There were no registration statements filed with the Commission or in effect for the IBI common stock or the TCU securities that were sold to investors. Additionally, no exemptions or safe-harbors from registration were available for those sales of IBI and TCU securities. Finally, Zubkis and the Z3 salespeople made material misrepresentations to investors who purchased the IBI common stock and TCU securities. For example, Zubkis and the Z3 salespersons told investors that IBI was planning to merge with a company in the fast food industry, when no steps whatsoever were taken to implement such a merger. Zubkis and the Z3 salespersons also made baseless price predictions, such as predicting that IBI stock, which had never traded higher than \$8 a share, would trade between \$10 and \$40 a share.

4. Respondent participated in an offering of IBI stock, which is a penny stock.

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 Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate and in the public interest 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 in Rule 200 of the Commission's Rules of Practice, 17 C.F.R. § 201.200.

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

If 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 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), 221(f), and 201.310.

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

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 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.

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

Jonathan G. Katz
Secretary