

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**September 7, 2004**

**Administrative Proceeding**  
**File No. 3-11633**

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<b>In the Matter of</b>	:	<b>ORDER INSTITUTING PUBLIC</b>
	:	<b>ADMINISTRATIVE PROCEEDINGS</b>
<b>FREDERICK TROPEANO,</b>	:	<b>PURSUANT TO SECTION 15(b) OF THE</b>
	:	<b>SECURITIES EXCHANGE ACT OF 1934</b>
<b>Respondent.</b>	:	

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**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 Frederick Tropeano (“Tropeano” or “the Respondent”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**Respondent**

A. Tropeano, 38, is a resident of Brooklyn, New York. Between approximately January 1, 1998 and at least October 5, 1999, Tropeano was President and CEO of Golf Emporium Corporation, a now dissolved New York corporation. In addition, from May 1, 1997 until February 27, 1998, Tropeano worked as a registered representative at Briarwood Investment Counsel, a broker-dealer registered with the Commission.

**Injunctive Action**

B. On September 12, 2000, a Final Judgment By Default was entered against Tropeano, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act and Rule 10b-5 promulgated under the Exchange Act, in the civil action entitled Securities and Exchange Commission v. Golf Emporium Corporation and Frederick Tropeano, Civil Action No. 99 Civ. 10259 (JSR), in the United States District Court for the Southern District of New York.

C. The Commission’s complaint alleged that, between approximately January 1, 1998 and at least October 5, 1999, Tropeano, directly and indirectly through Golf salespeople acting under his direction, fraudulently induced investors to invest in a “private placement” of Golf stock

by making misrepresentations and omissions of material fact about Golf, including, but not limited to, claims that: (a) Golf was about to commence an Initial Public Offering (“IPO”) that would cause the price of Golf stock to increase to many times the \$2 per share “private placement” price; (b) Golf had meetings with the Commission’s staff about the Golf IPO and about listing Golf stock on the NYSE or NASDAQ; and (c) Golf had registered the IPO with the Commission. The Commission’s complaint further alleged that these claims were false and misleading because there was no reasonable basis for the price predictions made to prospective investors, the meetings with the Commission’s staff described by Tropeano and Golf sales people never happened, and Golf stock has never been registered with the Commission. Through his fraudulent conduct, Tropeano raised approximately \$3,427,160 from 225 investors in Golf’s purported “private placement.”

### **Criminal Conviction**

D. On February 11, 2000, Tropeano pleaded guilty to one felony count of conspiracy to commit securities fraud and one felony count of wire fraud before the United States District Court for the Southern District of New York, in United States v. Frederick Tropeano, et al., 99 Cr. 01024 (S.D.N.Y.)(SAS). On May 24, 2000, a judgment was entered against Tropeano. He was sentenced to a prison term of 38 months followed by three years of supervised release.

E. The felony counts to which Tropeano pleaded guilty alleged, inter alia, that Tropeano engaged in a conspiracy to defraud Golf investors and used interstate wire communications to perpetrate his fraud.

### **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 hereof are true and, in connection therewith, to afford Tropeano an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate and in the public interest against Tropeano 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 Respondent 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 such Respondent 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 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 the service of this Order, as provided by Rule 360(a)(2) of the Commission's Rules of Practice, 17 C.F.R. § 201.360(a)(2).

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 proceedings 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