

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

**November 9, 2004**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-11734**

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In the Matter of

WILLIAM H. BLACK

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION  
15(b) OF THE SECURITIES EXCHANGE ACT  
OF 1934 AND SECTION 203(f) OF THE  
INVESTMENT ADVISERS ACT OF 1940**

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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") and Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") against William H. Black ("Black" or "Respondent").

**II.**

After an investigation, the Division of Enforcement alleges that:

1. Respondent, age 47, resides in Goldsboro, North Carolina. Respondent is the former chairman and chief executive officer of Professional Management, Inc. and a former executive of Professional Management Consulting, Inc. For a portion of the time in which he engaged in the conduct underlying the complaint described below, Respondent acted as an unregistered broker-dealer and unregistered investment adviser.

2. On May 17, 2004, the United States District Court for the Middle District of Florida granted summary judgment in favor of the Commission and entered a Final Judgment as to William H. Black permanently enjoining Respondent from violating Section 17(a) of the Securities Act of 1933 ("Securities Act"); Sections 10(b), 15(a) and 15(c) of the Exchange Act; and Rules 10b-5 and 15c1-2 thereunder; and Sections 206(1) and 206(2) of the Advisers Act.

3. The Commission's Complaint alleged that in two schemes beginning in early 1996 and continuing through February 2000, Respondent variously acted as an unregistered

broker-dealer and unregistered investment adviser, made materially false or misleading statements and omissions to clients concerning the purchase and sale of securities, and misappropriated or diverted client funds for non-investment purposes. The Complaint alleged in the first scheme that (a) Black fraudulently obtained free stock in a small public company, BAOA, Inc., by falsely promising that his clients would provide promotional services to the issuer; and (b) he then advised his clients to invest in that company and sold them the very stock that had been issued in their names for free, with Black misappropriating the proceeds. The Complaint alleged in the second scheme that Black defrauded PMI client-athletes by encouraging them to invest millions of dollars in a purported program to fund a car title loan business, all the while reaping undisclosed commissions almost equal to the returns received by PMI's clients. The Complaint further alleged that Black used Cayman Islands entities that he secretly controlled, and diverted for his own purposes some or all of the periodic interest payments made by the promoter on his clients' investments. The Complaint alleged that Black rendered investment advice to his client-athletes concerning the purchase and sale of securities, managed these investments, and received, directly and through related entities, various fees, undisclosed commissions and other transaction-based compensation for placing his clients in these fraudulent investments. Further, the Complaint alleged that Black abused the position of trust and confidence that he enjoyed with his client-athletes.

### 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;
- B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and
- C. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers 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 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.200.

V.

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 by 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