

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Rel. No. 50008 / July 13, 2004

Admin. Proc. File No. 3-11179

In the Matter of

IFG NETWORK SECURITIES, INC.,
WILLIAM KISSINGER,
KISSINGER ADVISORY, INC.,
BERT MILLER, GLENN WILKINSON,
and
DAVID LEDBETTER

ORDER GRANTING
MOTION TO AMEND
ORDER INSTITUTING
PROCEEDINGS

In July 2003, the Commission instituted administrative proceedings against IFG Network Securities, Inc. ("IFG"), William Kissinger, Kissinger Advisory, Inc. ("KAI"), Bert Miller, Glenn Wilkinson, and David Ledbetter. The Commission's order alleged that three registered representatives of IFG, a broker-dealer, fraudulently sold Class B shares of various mutual funds at or above the \$250,000 investment level without telling their clients about the relative advantage of Class A shares. Kissinger, who is one of the named registered representatives, was also the president, majority owner, and sole officer and employee of KAI. 1/ The Division of Enforcement (the "Division") initially sought administrative remedies against KAI and Kissinger, and disgorgement of additional commissions allegedly earned by Kissinger. By motion dated June 17, 2004, the Division and KAI (collectively, "Movants") jointly move pursuant to Rule of Practice 200(d) 2/ to amend the Order instituting these proceedings to dismiss KAI as a party.

Movants assert that the Division's allegations against KAI are premised solely on the alleged misrepresentations and omissions by Kissinger. Movants state that, when the Commission instituted these proceedings, Kissinger had switched his registration from IFG to Sanders Morris Inc. ("Sanders Morris"),

1/ Four of Kissinger's customers at issue in these proceedings were advisory clients of KAI when they purchased their Class B shares.

2/ 17 C.F.R. § 201.200(d).

a broker-dealer unaffiliated with IFG, and that SMH Capital Advisors, Inc. ("SMH") a wholly-owned subsidiary of Sanders Morris, had acquired KAI. 3/ Movants represent that KAI, which was an investment adviser registered with the State of Maryland, has filed articles of merger with the State of Maryland and no longer exists.

Movants agree that a remedy against KAI in these proceedings is unnecessary because KAI no longer exists and Kissinger stipulated that KAI received none of the commissions that the Division seeks to disgorge. Movants also represent that KAI has agreed, in the event this motion is granted, to waive any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to pursue reimbursement of attorneys' fees or other fees, expenses, or costs that KAI expended to defend against these proceedings.

Rule of Practice 200(d)(1) authorizes the Commission, at any time upon motion of a party, to amend an order instituting proceedings to include new matters of fact or law. That KAI no longer exists is a new matter of fact. We have stated that amendments to orders instituting proceedings "should be freely granted, subject only to the consideration that other parties should not be surprised nor their rights prejudiced." 4/ We believe that the parties here will neither be surprised nor will their rights be prejudiced by the dismissal of KAI. Under the circumstances, we deem it appropriate to amend our prior Order instituting these proceedings.

Accordingly, IT IS ORDERED that the joint motion of the Division of Enforcement and Kissinger Advisory, Inc. to amend the Order Instituting Proceedings, issued July 2003, in the Matter of IFG Network Securities, Inc., William Kissinger, Kissinger

3/ Movants represent that Kissinger is neither an officer nor director of SMH.

4/ Rules of Practice, 60 Fed. Reg. 32738, 32757 (June 23, 1995), citing Carl L. Shipley, 45 S.E.C. 589, 595 (1974).

Advisory, Inc., Bert Miller, Glenn Wilkinson, and David Ledbetter (Administrative Proceeding File No. 3-11179) by dismissing Kissinger Advisory, Inc. as a party to those proceedings be, and it hereby is, granted.

By the Commission.

Jonathan G. Katz
Secretary