

**NASD REGULATION, INC.
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,	:	
	:	
Complainant,	:	
	:	
v.	:	
	:	
	:	Disciplinary Proceeding
	:	No. C04970029
	:	
	:	Hearing Officer - DMF
	:	
	:	
Respondents.	:	

ORDER STAYING PROCEEDING

On January 23, 1998, the Department of Enforcement filed a Motion to Postpone the Hearing in this Matter and Stay this Disciplinary Proceeding. The Hearing Officer shortened the time for respondents to respond to this motion to January 29, 1998. No respondent has objected or otherwise responded to Enforcement’s motion.

Enforcement’s motion was based upon a written request from the office of the United States Attorney for the _____. In the letter, which was attached as an exhibit to Enforcement’s motion, the U.S. Attorney’s office represented that, along with the Federal Bureau of Investigation and a federal grand jury, it was “conducting a wide-ranging investigation of numerous individuals and entities involved in certain securities offerings, including unregistered securities sold by _____”

This order has been published by the NASDR Office of the Hearing Officers and should be cited as OHO Order 98-16 (C04970029).

The letter further stated that “this office is concerned that the above-referenced criminal investigation would be impeded should your hearing proceed as currently scheduled.”

The letter expressed the U.S. Attorney’s concern that “certain parties within the ambit of the criminal investigation will be afforded insights into the nature, scope and direction of the investigation through the testimony of witnesses should your case proceed.”

Enforcement also attached to its motion certain filings from Securities and Exchange Commission v. _____, _____, in which respondents _____ and _____ are defendants. Those materials indicate that the allegations in the complaint in that case parallel the allegations in this proceeding in certain material respects; that the U.S. Attorney intervened in that case to seek a stay of discovery on the same grounds advanced in the letter attached to Enforcement’s motion; and that, with certain exceptions not relevant here, the court granted a stay on October 8, 1997. It would be consistent to stay this proceeding as well.

Under these circumstance, the Hearing Officer will grant the motion and stay this proceeding until April 1, 1998. The parties shall report to the Hearing Officer promptly if the criminal investigation is resolved prior to that date. If the criminal investigation is not resolved by that date, the parties shall file a status report by April 1. Based on the status report, the Hearing Officer may extend the stay, or may establish a new schedule.

SO ORDERED.

David M. FitzGerald
Hearing Officer

Dated: Washington, DC
February 2, 1998