

**NASD
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

V.

**JOHN JOSEPH DORIA
CRD No. 826504**

Respondent.

**Disciplinary Proceeding
No. EAF04001900**

Hearing Officer - SNB

ORDER ACCEPTING OFFER OF SETTLEMENT

INTRODUCTION

Disciplinary Proceeding No. EAF04001900 was filed on October 14, 2005, by the Department of Enforcement of NASD ("Complainant"). Respondent John Joseph Doria submitted an Offer of Settlement ("Offer") to Complainant on May 4, 2006. Pursuant to Code of Procedure Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to Code of Procedure Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD is a party, to the

entry of findings and violations consistent with the allegations of Causes Two and Four of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Respondent John Joseph Doria ("Doria") first became registered with the NASD as a general securities representative in or about March 1981. Doria was registered with the NASD as a general securities representative of member firm Hattier Sanford & Reynoir ("HSR") from on or about November 24, 1987 until on or about January 9, 2006. Doria is not currently registered with the NASD.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

SUMMARY

1. During the period January 2, 2002 through November 6, 2002, Doria aided and abetted the manipulation of four thinly-traded, little known Over the Counter Bulletin Board ("OTCBB") stocks by certain of his HSR customers. Doria aided and abetted the manipulation of these securities by placing a total of 61 wash sales and matched trades in the four OTCBB stocks in and between a group of interrelated accounts at HSR at the direction of his customers. Doria generally placed the manipulative trades at a time when the price of the OTCBB stock being traded was falling or had been flat for at least the prior two weeks. The manipulative trades were almost always very large, and often represented 50% or more of the average monthly trading volume for the subject stock. Doria knew or was reckless in not knowing that his customers were engaged in

manipulating the four OTCBB stocks, because he was aware that parties to the trades were all interrelated. Two of the clients engaged in the manipulative trades had multiple business and personal accounts at Hattier, and all the clients had either family or close business relations to one another. In fact, most of the accounts involved shared the same phone/fax number and/or address for some time period in 2002. Moreover, all of the customers involved in the manipulative trading were introduced to Doria by a single individual, who was also a client of Doria's at HSR and the primary participant in the manipulative trading that is the subject of this Complaint. Additionally, Doria regularly monitored the trading in the four OTCBB stocks and therefore was aware that the trades placed in and between the group of interrelated HSR accounts were very large in comparison to the monthly average trading volume in these stocks.

BACKGROUND

I. The Manipulated OTCBB Stocks

2. The four stocks that Doria aided and abetted the manipulative trading of during 2002 were: Advanced Healthcare Technologies ("AVHC"), GiveMePower Corporation ("GMPW"), Telco Blue, Inc. ("TLCB"), and Urbani Holdings, Inc. ("UBNI"). During 2002, each of these stocks was quoted on the OTCBB.

3. Each of the four OTCBB stocks was thinly traded during 2002. For example, both TLCB and GMPW had average monthly trading volumes below 50,000 shares during 2002, UBNI had an average monthly trading volume of below 65,000 shares and AVHC had an average monthly trading volume below 100,000 shares. Moreover, the prices of AVHC, GMPW and TLCB never exceeded \$1 per share during 2002, and the price of UBNI never exceeded \$1.25 during this period.

4. None of these four companies generated a profit during 2002 and TLCB earned no revenue at all in either 2001 or 2002.

II. The Interrelated Accounts Involved In The Manipulation

5. Doria aided and abetted the manipulation of the four OTCBB stocks by placing the manipulative wash sales and matched trades in nine HSR accounts (the “interrelated accounts”). Four individuals in turn controlled the interrelated accounts:

and

6. Each of these individuals had close personal or business ties with one another. For example, [REDACTED] and [REDACTED] are partners in an accounting firm. [REDACTED] is [REDACTED] father. [REDACTED] is the wife of [REDACTED] a business associate of both [REDACTED] and [REDACTED]. Doria was aware of these relationships, and in fact [REDACTED] referred [REDACTED] and [REDACTED] to [REDACTED].

7. [REDACTED] first became a client of Doria on or about November 7, 1995 when he opened an account in the name of Creative Gaming Consulting at HSR. During the next five years [REDACTED] opened a personal account as well as two additional business accounts in the names of Starr Consulting and Seville Consulting with Doria at HSR. In addition, [REDACTED] was also the Vice President of another entity that had an account with Doria at HSR, Synergetics International. [REDACTED] exercised investment discretion over the Synergetics International account at HSR during 2002.

8. During 2002, Doria was aware that [REDACTED] was the beneficial owner of the Creative Gaming Consulting, Starr Consulting, Seville Consulting and Synergetics International accounts at HSR.

9. [REDACTED] became a client of Doria on or about March 17, 1998 when [REDACTED] opened an account in the name of JVO Consulting with Doria at HSR. Over the next few years, [REDACTED] opened a personal account and an additional business account in the name of Power Network, Inc. with Doria at HSR. During 2002, Doria was aware that [REDACTED] was the beneficial owner of both the JVO Consulting and Power Network, Inc. accounts at HSR.

10. In March 2000 [REDACTED] opened an account in the name of ARB Consulting with Doria at HSR. During 2002, Doria was aware that [REDACTED] was the beneficial owner of the ARB Consulting account at HSR.

11. In April 2000, [REDACTED] opened an account in the name of BAF Consulting with Doria at HSR. During 2002, Doria was aware that [REDACTED] was the beneficial owner of the BAF Consulting account.

12. The HSR account documentation for many of the interrelated accounts *reflected common addresses and/or a common facsimile number during 2002. For example, [REDACTED] personal account, the Creative Gaming account, the Starr Consulting account and the ARB Consulting account all shared the address of [REDACTED]*

13. Likewise, the ARB Consulting account, [REDACTED] personal account, the Power Network account and [REDACTED] personal account all shared the address of [REDACTED] Additionally, [REDACTED] personal account, [REDACTED] personal account and the Power Network account all shared the same facsimile number.

14. Two of the interrelated accounts, ARB Consulting and BAF Consulting, also list [REDACTED] name on the new account forms and instruct duplicate copies of account statements to be sent to [REDACTED] address.

15. In addition to introducing Doria to all the customers who opened the interrelated accounts, [REDACTED] also introduced him to three of the four OTCBB stocks that were manipulatively traded: AVHC, GMPW, and TLCB. The remaining manipulatively traded security, UBNI, was introduced to Doria by [REDACTED] and [REDACTED] business associate and the husband of [REDACTED] the owner of the BAF Consulting account.

AIDING AND ABETTING MANIPULATIVE TRADING/WASH SALES

16. During the period January 2, 2002 through November 6, 2002, Doria provided substantial assistance to [REDACTED] and the other owners of the interrelated accounts in their manipulation of AVHC, GMPW, TLCO and UBNI by accepting and placing wash sales in and between the interrelated accounts that gave the appearance of legitimate market interest in AVHC, GMPW, TLCO and UBNI.

17. These wash sales would either be sold from one of the interrelated accounts beneficially owned by [REDACTED] to another interrelated account beneficially owned by [REDACTED] or from one of the interrelated accounts beneficially owned by [REDACTED] to another of the interrelated accounts beneficially owned by [REDACTED]. Although [REDACTED] and/or [REDACTED] gave Doria the instructions on placing these wash sales, Doria played an integral role in them, generally setting the price at which the trades were executed.

18. Frequently, Doria placed the wash sales at a time when the price of the particular stock had been either declining or flat over the two-week period prior to the trade.

19. For example, on July 26, 2002, Doria placed an order to sell 16,000 shares of GMPW from [REDACTED] personal HSR account at \$.26 per share. At the same time, Doria placed an order to purchase the identical amount of GMPW shares in the Starr Consulting account, which was owned and controlled by [REDACTED], at \$.26 per share. One week prior to the trade date, the closing price for GMPW was \$.17 per share. Two weeks prior, the closing price for GMPW was \$.25 per share.

20. The wash sales placed by Doria were also frequently very large, and often were significantly larger than the average monthly trading volume in the stock.

21. For example, on October 8, 2002, Doria placed an order to sell 41,500 shares of TLCB from the Seville Consulting account at \$.25, while at the same time executing an order to purchase the identical amount of TLCB into the Creative Gaming Consultants account for the same price. At the time this wash sale was made, the average monthly trading volume for TLCB was 25,522 shares, or just 61% of the volume of the wash sale.

22. In almost all instances, the wash sales placed by Doria were reported to the OTC Bulletin Board, grossly inflating and distorting the bona fide volume of trading in the four OTCBB stocks.

23. The wash sales described in paragraphs 16-22 created the false appearance of trading volume and market interest in AVHC, GMPW, TLCO and UBNI.

24. At the time he placed the wash sales described in paragraphs 16-22, Doria knew, or was reckless in not knowing that [REDACTED] [REDACTED] and the other owners of the interrelated accounts were engaged in the manipulation of AVHC, GMPW, TLCO

and UBNI because, *inter alia*, he was aware that the accounts involved in the trading were all introduced to him by a major participant in the trading – [REDACTED] he was aware that the owners of the interrelated accounts all had close personal and/or business ties, he was aware of the volume of the four OTCBB stocks because he regularly monitored the trading in the stocks, and he was aware of the clearly irregular manner in which the trades were placed due to his intimate involvement in the trading.

25. By reason of the foregoing, Doria aided and abetted the manipulative trading of others, which trading was in violation of Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 thereunder, and NASD Conduct Rules 2110 and 2120.

26. By aiding and abetting these violations, Doria engaged in conduct which did not comply with high standards of commercial honor and just and equitable principles of trade, in violation of NASD Conduct Rule 2110.

AIDING AND ABETTING MANIPULATIVE TRADING/MATCHED TRADES

27. During the period January 3, 2002 through November 5, 2002, Doria provided substantial assistance to [REDACTED] and the other owners of the interrelated accounts in their manipulation of AVHC, GMPW, TLCO and UBNI by accepting and placing matched trades in and between the interrelated accounts that gave the appearance of legitimate market interest in AVHC, GMPW, TLCO and UBNI.

28. The matched trades were initiated when [REDACTED] and/or [REDACTED] would telephone Doria and instruct him to sell a certain number of shares of one of the four OTCBB stocks out of one of the interrelated accounts and purchase the same number of shares into another of the interrelated accounts. Although Doria received these

instructions from [REDACTED] and [REDACTED] he played in integral role in the matched trading, generally setting the price at which the trades were executed.

29. Generally, the matched trades took place through a single sell transaction from one of the interrelated accounts and a single purchase into another of the interrelated accounts, at the same price, in the same volume, on the same day.

30. In some instances, however, the matched trades actually were carried out through multiple transactions, which ultimately resulted in almost the same number of shares being returned to the original seller several weeks later.

31. For example, on October 9, 2002, Doria placed a sell order for 78,000 shares of AVHC at \$.27 per share from [REDACTED] personal account, and at the same time placed a purchase order for 78,000 shares of AVHC at \$.27 per share into [REDACTED] personal account. On October 29, 2002, Doria placed a sell order for 72,450 shares of AVHC at \$.28 per share from [REDACTED] personal account, and at the same time placed a purchase order for 72,450 shares of AVHC for \$.28 per share.

32. Moreover, Doria often placed the matched trades at a time when the stock price had been declining or flat for the two weeks prior to the manipulative trades. The matched trades, like the wash sales, were also frequently substantially larger than the average monthly trading volume for the OTCBB stock being traded.

33. For example, on November 5, 2002, Doria placed a sell order for 111,350 shares of GMPW at \$.16 per share from the Power Network, Inc. account, and at the same time placed a purchase order for the same amount of GMPW shares at the same price into the Seville Consulting account. One week prior to the trade date, the closing price for GMPW was \$.07 per share. Two weeks prior, the closing price for GMPW was \$.12 per share. Further, the volume of

this pair of matched trades was approximately four times greater than GMPW's average monthly trading volume of 29,530 shares.

34. In almost all instances, the matched trades placed by Doria were reported to the OTC Bulletin Board, grossly inflating and distorting the bona fide volume of trading in the four OTCBB stocks.

35. The matched trades described in paragraphs 27-34 created the false appearance of trading volume and market interest in AVHC, GMPW, TLCO and UBNI.

36. At the time he placed the matched trades described in paragraphs 27-34, Doria knew, or was reckless in not knowing that [REDACTED] and the other owners of the interrelated accounts were engaged in the manipulation of AVHC, GMPW, TLCO and UBNI because, *inter alia*, he was aware that the accounts involved in the trading were all introduced to him by a major participant in the trading – [REDACTED] he was aware that the owners of the interrelated accounts all had close personal and/or business ties, he was aware of the volume of the four OTCBB stocks because he regularly monitored the trading in the stocks, and he was aware of the clearly irregular manner in which the trades were placed due to his intimate involvement in the trading.

37. By reason of the foregoing, Doria aided and abetted the manipulative trading of others, which trading was in violation of Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 thereunder, and NASD Conduct Rules 2110 and 2120.

38. By aiding and abetting these violations, Doria engaged in conduct which did not comply with high standards of commercial honor and just and equitable principles of trade, in violation of NASD Conduct Rule 2110.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by NASD, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that:

1. Respondent be censured and fined \$35,000.¹ The fine shall be due and payable either upon reassociation with a member firm following the six-month suspension noted below, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier;
2. Respondent be suspended from associating with any member of NASD in any capacity for a period of six months; and
3. Respondent be permanently barred from participating in, directly or indirectly, any public or private offering or transaction involving a penny stock as that term is defined under the Exchange Act.

The sanctions imposed herein shall be effective on a date set by NASD staff. Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this Order by the NAC.

¹ The fine shall be paid in the following manner: an initial payment of \$8,750 followed by twenty-four (24) monthly installments of \$1,093.75, plus interest, as established by the NASD Finance Department.

SO ORDERED.

Dated: May 25, 2006

NASD

Signed on behalf of the
Director of ODA, by delegated authority

A handwritten signature in black ink, appearing to read "Paul D. Taberner", written over a horizontal line.

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