

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**August 2, 2004**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-11570**

**In the Matter of**

**AMERICO ROBERT GALLO AND**  
**OREN FACHLER,**

**Respondents.**

**ORDER INSTITUTING ADMINISTRATIVE**  
**PROCEEDINGS PURSUANT TO SECTION**  
**15(b) OF THE SECURITIES EXCHANGE**  
**ACT OF 1934 AND NOTICE OF HEARING**

**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 Sections 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”), against Americo Robert Gallo (“Gallo”) and Oren Fachler (“Fachler”) (“Respondents”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. Respondents**

**1. Gallo**, age 36, currently resides in Staten Island, New York. During the relevant period, Gallo was a registered representative of West America Securities. From approximately May 1997 through July 1998, Gallo and others participated in offerings of Traderz and Niki Taylor stock, which were “penny stocks” as that term is used in Section 15(b)(6) of the Exchange Act and defined by Section 39(a)(51) of the Exchange Act and Rule 3a51-1 thereunder.

**2. Fachler**, age 28, currently resides in Aventura, Florida. During the relevant period, Fachler was a registered representative of Clearing Services of America, Inc. From approximately May 1997 through July 1998, Fachler and others participated in offerings of Traderz and Niki Taylor stock, which were “penny stocks” as that term is used in Section 15(b)(6) of the Exchange Act and defined by Section 39(a)(51) of the Exchange Act and Rule 3a51-1 thereunder.

**B. Other Relevant Entities**

1. **Goldman Lender Co. Holdings (“Goldman Lender”)** was incorporated in Delaware in May of 1998. During the relevant period, Goldman Lender maintained an office at 31 Bay Ridge Avenue in Brooklyn, New York. Goldman Lender has never been registered with the Commission as a broker.

2. **Traderz** was incorporated in Delaware in March of 1997. During the relevant period, Traderz operated out of an office at 80 Broad Street in New York, New York. Traderz has never been registered with the Commission as a broker.

**C. Entry of Injunctions and Criminal Convictions**

1. On June 20, 2002, Gallo was permanently enjoined from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in Securities and Exchange Commission v. Goldman Lender, et al., 98 Civ. 7525 (S.D.N.Y.) (JGK), in the United States District Court for the Southern District of New York.

2. On July 15, 2002, Fachler was permanently enjoined from future violations of Section 17(a) of the Securities Act, Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in Securities and Exchange Commission v. Goldman Lender, et al., 98 Civ. 7525 (S.D.N.Y.) (JGK), in the United States District Court for the Southern District of New York.

3. The Commission’s complaint alleged that, Gallo, Fachler, and the other defendants fraudulently raised approximately \$2.1 million through six fraudulent offerings of securities. According to the complaint, in various combinations, defendants allegedly created phony private placements of stock of six issuers – Traderz, Niki Taylor, R.H. Roberts Holding Corp., Beverly Glenn Interactive, Goldman Lender, and Blackwell – and sold the stock through a series of boiler rooms. Directly or through unregistered salespeople acting at their direction, the defendants used high pressure sales tactics and false and misleading representations to fraudulently induce investors to buy the stock. In each of the offerings, the primary selling point was the promise of an imminent initial public offering that would allow investors to quickly reap significant profits from their investment in the purported private placements.

4. In October 2001, on the basis of his guilty plea in a related criminal case, judgment was entered against Fachler for two counts of conspiracy to commit securities fraud, mail fraud and wire fraud, two counts of securities fraud, one count of wire fraud, one count of money laundering in violation of 15 U.S.C. §§ 77q(a) and 77x, and 18 U.S.C. §§ 2 and 371 by the United States District Court for the Southern District of New York, in United States v. Oren Fachler, 01 CR. 244 (S.D.N.Y.) (LAP). Fachler was sentenced to a prison term of 30 months.

5. The counts of the criminal information to which Fachler pleaded guilty alleged, inter alia, that Fachler defrauded investors and obtained money and property by means

of materially false and misleading statements in connection with some of the fraudulent offers at issue in the Commission's case described above.

### 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 Respondents an opportunity to establish any defenses to such allegations; and

**B.** What, if any, remedial action is appropriate in the public interest against Respondents 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 Respondents 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 Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them 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 Respondents 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.

By the Commission.

Jonathan G. Katz  
Secretary