

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**September 15, 2004**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-11660**

**In the Matter of**

**ANTHONY GIANNINOTO and**  
**EILEEN LAINE,**

**Respondents.**

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

**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”), against Anthony Gianninoto (“Gianninoto”) and Eileen Laine (“Laine”) (collectively “the Respondents”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A.     RESPONDENTS**

1.       From 1983 to 1997, Gianninoto was the controller, financial operations principal and a registered representative of First Interregional Equity Corp. (“FIEC”), a New Jersey based broker-dealer in liquidation proceedings pursuant to the Securities Investor Protection Act (“SIPA”). From 1992 to 1997, Gianninoto was also vice president, secretary, and treasurer of First Interregional Advisors Corp. (“FIAC”), a New Jersey corporation that financed and distributed equipment lease contracts. Gianninoto, 56 years old, is a resident of Blackwood, New Jersey.

2.       From 1983 to 1997, Laine was the data processing manager at FIAC and FIEC and was also Gianninoto’s assistant. Laine, 52 years old, is a resident of Lindenhurst, New York.

B. CRIMINAL PROCEEDINGS

On November 18, 1998, before the United States District Court for the District of New Jersey, in United States v. Anthony Gianninoto, Crim. Information No. 2:98-CR-706, and United States v. Eileen Laine, Crim. Information No. 2:98-CR-707, the Respondents pled guilty to criminal charges brought in connection with the fraudulent schemes described above. The felony counts of the criminal Information to which the Respondents pled guilty alleged, inter alia, that the Respondents participated in a “Ponzi” scheme that defrauded investors of over \$100 million, and fraudulently misappropriated over \$20 million in bonds from customer accounts.

1. Gianninoto pled guilty to one count of conspiracy to commit securities fraud, in violation of Title 18 United States Code, Section 371, two counts of securities fraud in violation of Title 15 United States Code, Sections 78j(b) and 78ff(a), one count of conspiracy to commit tax offenses in violation of 18 United States Code, Section 371, one count of tax evasion in violation of Title 26 United States Code, Section 7201, and two counts of money laundering in violation of 18 United States Code, Section 1956 (a)(1)(B) and (2). On January 14, 2002, Gianninoto was sentenced to a prison term of 46 months followed by three years of supervised release and ordered to make restitution in the amount of \$162,215,645.09.

2. Laine pled guilty to one count of conspiracy to commit securities fraud, in violation of Title 18 United States Code, Section 371, one count of conspiracy to commit tax offenses in violation of 18 United States Code, Section 371, one count of tax evasion in violation of Title 26 United States Code, Section 7201, and two counts of money laundering in violation of 18 United States Code, Section 1956 (a)(1)(B) and (2). On January 14, 2002, Laine was sentenced to a prison term of 30 months followed by three years of supervised release and ordered to make restitution in the amount of \$162,215,645.09.

**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;

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