

**UNITED STATES OF AMERICA**  
**before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**July 15, 2004**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-11549**

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<b>In the Matter of</b>	:	
	:	<b>ORDER INSTITUTING</b>
<b>BRUCE H. BARBERS</b>	:	<b>PUBLIC ADMINISTRATIVE</b>
	:	<b>PROCEEDINGS AND NOTICE</b>
<b>and</b>	:	<b>OF HEARING PURSUANT TO</b>
	:	<b>SECTION 15(b) OF THE</b>
<b>CRAIG H. COLWELL,</b>	:	<b>SECURITIES EXCHANGE</b>
	:	<b>ACT OF 1934</b>
<b>Respondents.</b>	:	

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**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 Bruce H. Barbers (“Barbers”) and Craig H. Colwell (“Colwell”) (collectively “Respondents”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**The Respondents**

- A. At all relevant times, Barbers and Colwell were registered representatives associated with registered broker-dealers.
1. Barbers was employed as a registered representative by Meyers Pollock Robbins, Inc. (“Meyers Pollock Robbins”), a registered broker-dealer in New York City from 1991 through 1998.
  2. Colwell was employed as a registered representative and Managing Director by Sutter Securities, Inc. (“Sutter Securities”), a registered

broker-dealer based in San Francisco, California, from December 1992 through April 1998.

### **The Respondents' Guilty Pleas**

B. On April 3, 2000, Barbers pled guilty to two counts of an indictment charging him with conspiracy to commit wire fraud, mail fraud and securities fraud, and with engaging in monetary transactions in property derived from specified unlawful activity and aiding and abetting such conduct. United States v. Bruce H. Barbers, Criminal Case No. 00CR20028-01 (W.D. TN, Memphis Division 2000). The indictment alleged, and the plea agreement admitted, that between October 1995 and November 1996, while employed as a registered representative of Meyers Pollack Robins, a registered broker-dealer, Barbers conspired with a David I. Namer to commit mail, wire, and securities fraud by accepting undisclosed payments from Namer as an incentive to sell certain securities provided by Namer to the investing public through Meyers Pollock Robins and to conceal the payments from customers, brokers and dealers to prevent them from knowing the origins and source of the payments.

C. On February 16, 2000, Colwell pled guilty to two-count information charging him with conspiracy to commit wire fraud, mail fraud and securities fraud, and with engaging in monetary transactions in property derived from specified unlawful activity. United States v. Craig H. Colwell, Criminal Case No. 00-20026-01-D (W.D. TN, Memphis Division 2000). The information alleged, and the plea agreement admitted that, between January 1994 and October 1996, while employed as a registered representative and Managing Director of Sutter Securities, a registered broker-dealer, Colwell conspired with a David I. Namer and others to commit mail, wire, and securities fraud by accepting undisclosed payments from Namer as an incentive to sell certain securities provided by Namer to the investing public through Sutter Securities and concealed the payments from customers, brokers and dealers to prevent them from knowing the origin and source of the payments.

### **The Respondents' Convictions**

D. Barbers' criminal conviction, which arose out of his conduct as an associated person of a broker-dealer, Meyers Pollock Robins, involved fraud in the purchase or sale of securities, which was an object of the conspiracy. Between December 1995 and August 1996, David I. Namer paid Barbers a total of \$141,155. The two agreed that Namer would pay Barbers as an incentive to cause Meyers Pollack Robbins to purchase the notes for resale and for Barbers to sell them to the public. Barbers willfully concealed the payments from customers, brokers and dealers. Barbers' judgment of conviction was entered on December 5, 2000.

E. Colwell's criminal conviction, which arose out of his conduct as an associated person of a broker-dealer, Sutter Securities, involved fraud in the

purchase or sale of securities, which was an object of the conspiracy. Between January 1994 and October 1996, David I. Namer paid Colwell a total of \$90,000. The two agreed that Namer would pay Colwell as an incentive to cause Sutter Securities to purchase certain notes for resale and for Colwell to sell them to investors. Colwell concealed the payments from customers, brokers, dealers and Sutter Securities. Colwell's judgment of conviction was entered on December 20, 2002.

F. Each of the Respondents' federal convictions are offenses specified in Section 15(b)(6)(A)(ii), incorporating by reference Section 15(b)(4)(B) of the Exchange Act.

### III.

In view of the foregoing allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public proceedings be instituted to determine:

A. Whether the allegations set forth in Section II. are true, and to afford each Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is necessary and appropriate in the public interest against each Respondent pursuant to Section 15(b) of the Securities Exchange Act of 1934.

### IV.

**IT IS HEREBY ORDERED** that a public hearing for the purpose of taking evidence on the questions set forth in Section III. hereof, 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 each Respondent shall file an answer to the allegations contained in this Order Instituting Public Administrative Proceedings and Notice of Hearing Pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Order") within twenty (20) days after service upon him of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If any Respondent fails to file an answer or fails to appear at a hearing after being duly notified, he may be deemed in default and the proceeding may be determined against him 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), 220(f), 221(f) and 310.

This Order shall be served forthwith upon each Respondent 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 a witness or counsel in proceedings held pursuant to notice.

Because this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed to be subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Jonathan G. Katz  
Secretary