

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 9119 / April 23, 2010**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 61968 / April 23, 2010**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13869**

**In the Matter of**

**Paul George Chironis,**

**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
AND CEASE-AND-DESIST PROCEEDINGS  
PURSUANT TO SECTION 8A OF THE  
SECURITIES ACT OF 1933 AND SECTIONS  
15(b) AND 21C 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 and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Paul George Chironis (“Respondent” or “Chironis”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**Summary**

1. While a registered representative at Capital Growth Financial, Inc. (“Capital Growth”), a now-defunct broker-dealer, Respondent Paul Chironis defrauded the Sisters of Charity – a congregation of elderly nuns – through abusive trading in their accounts. The Sisters of Charity maintained two accounts at Capital Growth (the “Accounts”), both of which contained predominantly mortgage-backed securities, including securities issued or guaranteed by the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association

(Fannie Mae), and the Government National Mortgage Association (Ginnie Mae) (collectively, “MBS”). Chironis was the registered representative on both Accounts.

2. During the period January 1, 2007 through January 31, 2008 (the “Relevant Period”), Chironis engaged in an abusive trading pattern that featured churning and the charging of undisclosed excessive markups and markdowns on riskless principal bond trades. For example, during the Relevant Period, Chironis purchased 46 bonds for the Accounts, predominantly long-term MBS. Of the 46 bonds purchased, he sold 38 within the same period. The average holding period for bonds acquired and sold during the Relevant Period was only 4.3 months. In fact, Chironis frequently sold one bond and replaced it with a bond issued by a similar issuer and offering a similar yield over a similar duration. The impact of Chironis’ frequent trading of securities in the Accounts was exacerbated by the excessive transaction fees – in the form of markups and markdowns – that Chironis charged. During the Relevant Period, the Accounts were charged, on average, markups of 3.68% and markdowns of 1.92% for MBS, which were excessive given the highly liquid market for these securities and the minimal work required by Chironis.

3. Chironis’ trading had a devastating impact on the Accounts, while enriching Chironis. In 2007, the Accounts had an average combined balance of approximately \$8.3 million. During the Relevant Period, the Accounts purchased approximately \$20.1 million and sold \$18 million worth of securities. The trades cost the Accounts \$959,027, over 11.3% of their value in 13 months.

#### **Respondent**

4. **Paul George Chironis**, age 57, is a resident of Melville, New York. Chironis has worked in the securities industry since 1981 and maintained Series 7 and 63 licenses since 1983. Prior to his association with Capital Growth, Chironis received seven customer complaints filed with the NASD/FINRA, including complaints for churning and unsuitability. As a result of customer complaints, in January 2006, the Michigan Securities Division required that Chironis be placed on heightened supervision, and in March 2006 the Vermont Securities Division prohibited Chironis from soliciting investors in Vermont. Chironis was associated with Capital Growth from November 2005 until February 2008, when Capital Growth ceased business operations. Since March 2009, Chironis has been associated with another registered broker-dealer located in New York, New York.

#### **Other Relevant Entities**

5. **Capital Growth**, a former Florida corporation that had offices in Boca Raton, Florida and New York, New York, was a registered broker-dealer until February 2008, when it ceased operations due to its failure to meet net capital requirements. On February 11, 2008, Capital Growth filed with the Commission a Form BDW, which became effective on April 11, 2008.

6. **The Sisters of Charity** (the “Sisters of Charity” or the “Congregation”) is a congregation of mostly elderly nuns residing in Bronx, New York. During the relevant period, the Sisters of Charity maintained two accounts at Capital Growth: a General Fund Account (“General

Account”) used for operational purposes, including paying for the care of members of the Congregation living in assisted living facilities, and a Charitable Trust Account (“Charitable Trust”), used for the Congregation’s charitable endeavors.

### **The Sisters of Charity Become Customers of Chironis**

7. Chironis first began working as a registered representative for the Sisters of Charity in October 2003, when the Congregation transferred the Charitable Trust Account to Advest, Inc. (“Advest”), where Chironis worked as a registered representative.

8. In November 2005, Merrill Lynch & Co. (“Merrill Lynch”) acquired Advest, and thereafter Merrill Lynch rescinded Chironis’ offer of employment, in part, due to prior customer complaints against Chironis, including complaints of excessive trading.

9. Chironis then accepted employment at Capital Growth, working at its New York office. Chironis agreed to work at Capital Growth, in part, because the compensation structure offered by Capital Growth allowed Chironis to retain for himself 60% of the amount of the markups and markdowns paid by his customers. At Advest, Chironis had previously received 42% of markups and markdowns.

10. In December 2005, the Sisters of Charity moved the Charitable Trust from Merrill Lynch to Capital Growth, and Chironis continued to be the registered representative servicing the account. In July 2006, the Sisters of Charity opened a second account, the General Account, at Capital Growth.

11. During the Relevant Period, the Accounts held primarily conservative, income producing assets: MBS issued by Fannie Mae, Freddie Mac, and Ginnie Mae; closed-end bond funds; and a small amount of corporate bonds. The Accounts’ primary purpose was income generation, and the Sisters of Charity had a low risk tolerance. During the relevant period, the combined balance of the Accounts totaled approximately \$8 million.

12. Although Chironis did not have discretionary authority, Chironis exercised *de facto* control over the Accounts. Chironis recommended transactions to the Chief Financial Officer of the Sisters of Charity (the “CFO”), who, based on their long-standing professional relationship, relied on Chironis and followed his recommendations. The CFO trusted Chironis to make recommendations that were in the best interest of the Congregation.

### **The Scheme to Defraud**

13. Beginning in January 2007, Chironis engaged in an abusive trading pattern that featured churning in the Accounts and charging excessive markups and markdowns on riskless principal bond trades. The Accounts were charged an average markup of 3.68% on the 46 bond purchases, and 3.03% on the 33 closed-end fund purchases. On the 67 bond sales, Capital Growth charged an average markdown of approximately 1.92%. For the 15 closed-end bond fund sales, Capital Growth charged an average markdown of approximately 1.86%. The markups and

markdowns contained two components: (1) the amount charged by Chironis, which constituted the bulk of the markup and markdown, and (2) the additional markup/markdown charged by the trading desk.

14. Attached as Appendix A is a chart listing the bond transactions Chironis made on behalf of the Sisters of Charity during the Relevant Period.

15. Attached as Appendix B is a chart listing the closed-end bond fund transactions that Chironis made on behalf of the Sisters of Charity during the Relevant Period.

16. The combined markups and markdowns charged to the Accounts during the Relevant Period totaled \$959,027, which was approximately 11.3% of the combined average value of the Accounts.

### Churning

17. During the Relevant Period, Chironis purchased 46 bonds for the Accounts – 39 MBS and seven corporate bonds – worth approximately \$12.2 million. Of those 46 securities, he sold 38 – worth approximately \$9.6 million – within the same period. The average holding period for the 38 securities bought *and* sold during the Relevant Period was 4.3 months.

18. Chironis frequently replaced one bond with a bond or bonds of similar duration and yield. For example, on July 24, 2007, Chironis sold a Ginnie Mae bond with a 6% coupon rate, a maturity date of 2033 and a principal amount of \$258,504.43. The very next day, Chironis purchased a Ginnie Mae bond with the same 6% coupon rate, the same 2033 maturity date and a principal amount of \$201,636.05, along with a second Ginnie Mae bond with a 6% coupon rate, a 2032 maturity date and principal amount of \$199,956.51. Capital Growth, through Chironis, charged the Accounts approximately \$18,352 in transaction fees – in the form of markups and markdowns – on these three transactions. On September 26, 2007, Chironis sold one of the two bonds he purchased two months earlier, and on October 24, 2007, he sold the second.

19. In addition to these bond transactions, Chironis purchased 33 closed-end bond funds – worth approximately \$6.5 million – for the Accounts. Chironis sold 12 of these positions, – worth approximately \$4.3 million – during the same time. The average holding period for these 12 positions was 4.8 months.

20. Given the low-yielding nature of the securities, the transaction costs involved, and the Congregation's investment objectives, Chironis's trading in the Accounts during the Relevant Period was excessive and designed to generate income in the form of transaction fees for Chironis. During the Relevant Period, the Accounts had a combined turnover ratio of approximately 2.2 and an annualized cost-to-equity ratio of approximately 10.51%. Indeed, for securities that Chironis bought and sold within the Relevant Period, the Accounts experienced a *realized loss* of approximately \$639,000. The combined unrealized and realized loss for the Accounts as of December 31, 2007 was \$1,170,000, and most of these losses were attributable to transaction fees.

21. Chironis's frequent trading of fixed income securities and charging excessive markups and markdowns to Accounts constituted churning. Given the relatively low yield of the securities that Chironis purchased and sold for the Accounts, Chironis's abusive trading caused the Accounts to lose money. In his conversations with the CFO in which he recommended that the Congregation purchase or sell a particular security, Chironis did not disclose the transaction costs and the impact those costs would have on the Accounts. Chironis omitted to disclose that, in light of the transaction costs, the transactions were not in the best interest of the Congregation.

### **Excessive Markups and Markdowns**

22. The impact of Chironis's frequent trading was exacerbated by the excessive amount of the markups and markdowns the Accounts were charged.

23. Capital Growth charged the Accounts on a per-transaction basis by marking down bond sales and marking up bond purchases in "riskless principal" transactions. A "riskless principal" transaction is the economic equivalent of an agency trade. A broker-dealer engaging in such trades has no market making function, buys only to fill orders already in hand, and immediately "books" the shares it buys to its customers. Essentially, the firm serves as an intermediary for others who have assumed the market risk. In other words, the customer purchaser is already lined up before the broker-dealer buys the bond. On such transactions, if a customer wishes to purchase a bond, a broker-dealer locates the bond, purchases it on the open market, and then resells it to its customer at a markup. The reverse is true when a customer sells a bond. Typically, bond broker-dealers charge a higher percentage on markups than they charge on markdowns, because less work is necessary to sell a bond versus buying a bond.

24. Although the markups and markdowns charged on closed-end bond funds were reflected in account statements sent to the Sisters of Charity, the markups and markdowns for bond purchases and sales were not reflected in account statements or otherwise disclosed to the Congregation. As a result, the Congregation was unaware that it was paying approximately 11.3% of the value of the Accounts in transaction fees over 13 months.

25. When Chironis wanted to purchase a bond for the Accounts, he called the Capital Growth trading desk and told the trader the type of bond he wanted to buy. The trader would then bid on offers from the market and reported to Chironis with specific prices. Chironis then confirmed whether he wanted to proceed with the transaction and provided the trader with the amount of markup to charge. In addition to the markups charged by Chironis, which generally ranged from 2.75-3.0%, the Capital Growth trading desk would typically add a small percentage markup or markdown of between 0.25-0.75% to compensate the trading desk. Chironis and the trading desk followed a similar procedure for markdowns on bond sales, though the markdowns were generally lower than the markups. Chironis was aware that the trading desk was adding to the markup and markdowns that he instructed the trading desk to charge.

26. Neither Chironis nor the trading desk did significant work in purchasing or selling bonds and MBS for the Accounts. The market for these securities that Chironis purchased and sold for the Accounts was highly liquid. Chironis did little or no research for the transactions. He

simply instructed the trading desk as to the type of security he was looking to purchase or which security he wanted to sell. Although the trading desk did some work, including locating bids and offers and negotiating with counterparties, because the market was highly liquid, the work performed by the trading desk was minimal.

27. The undisclosed markups and markdowns charged to the Accounts were excessive given the highly liquid nature of the securities and the little work performed by Capital Growth.

### **VIOLATIONS**

28. As a result of the conduct described above, Respondent willfully violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in the offer and sale of securities and in connection with the purchase or sale of securities.

### **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 and cease-and-desist proceedings be instituted to determine:

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

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act including, but not limited to, disgorgement and civil penalties pursuant to Section 21B of the Exchange Act;

E. Whether, pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Respondent should be ordered to cease and desist from committing or causing violations of and any future violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and whether Respondent should be ordered to pay disgorgement pursuant to Section 8A(e) of the Securities Act and Section 21C(e) 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 not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent 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 Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings 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), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 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.

Elizabeth M. Murphy  
Secretary

**Appendix A**  
**Bond Transactions in The Accounts: January 2007-January 2008**

Date	Account	Buy Sell	Type of Security	Issuer	Interest Rate	Price	Amount	Markup/ Mark- down
01.04.07	Charitable Trust	Buy	Bond	Wachovia	5.5%	103.58	\$274,487.00	3.45%
01.08.07	Charitable Trust	Buy	MBS	Freddie Mac	6%	105.125	\$201,588.13	3.44%
01.24.07	General Account	Buy	MBS	Freddie Mac	5.5%	103.625	\$169,905.95	3.5%
01.24.07	Charitable Trust	Buy	MBS	Freddie Mac	6%	105	\$263,398.46	3.45%
02.02.07	Charitable Trust	Buy	MBS	Fannie Mae	5.5%	103.75	\$243,743.66	3.43%
02.13.07	Charitable Trust	Buy	MBS	Fannie Mae	5.5%	102.375	\$162,287.34	3.41%
02.22.07	Charitable Trust	Buy	MBS	Ginnie Mae	6%	105	\$250,817.47	3.32%
02.27.07	General Account	Sell	MBS	Ginnie Mae	6%	99.25	(\$337,414.39)	(1.85%)
03.05.07	General Account	Buy	Bond	Bear Stearns		101.991	\$356,968.50	2.26%
03.05.07	General Account	Buy	Bond	Bear Stearns		102.704	\$369,749.35	Footnote <sup>1</sup>
03.05.07	General Account	Sell	MBS	Wells Fargo	6%	98	(\$343,000.00)	(0.81%)
03.19.07	Charitable Trust	Sell	MBS	Ginnie Mae	6.5%	101	(\$208,117.49)	(1.34%)
03.26.07	General Account	Buy	MBS	Ginnie Mae	6.5%	105.5	\$100,433.30	4.46% <sup>2</sup>
03.26.07	Charitable Trust	Buy	MBS	Ginnie Mae	6.5%	105.5	\$101,423.76	4.46%
03.26.07	General Account	Buy	MBS	Ginnie Mae	6%	104.35	\$85,898.01	4.51%
03.26.07	Charitable Trust	Buy	MBS	Ginnie Mae	6.5%	105.75	\$251,951.78	4.44%
03.27.07	General Account	Sell	MBS	Fannie Mae	5.5%	93	(\$162,500.00)	(1.98%)
03.27.07	Charitable Trust	Sell	MBS	Wells Fargo	6%	97.5	(\$170,625.00)	(1.17)
03.28.07	Charitable Trust	Sell	MBS	Countrywide	6%		(\$154,800.00)	(1.43%)
03.28.07	Charitable Trust	Buy	MBS	Fannie Mae	5.5%	104.31	\$391,420.74	3.34%
04.10.07	General Account	Buy	MBS	Freddie Mac	5.5%	104	\$246,478.40	3.35%
04.10.07	General Account	Sell	Treasury Bill	United States	0%	46.4	(\$232,000.00)	(3.33%)
04.19.09	General Account	Sell	MBS	Ginnie Mae	6%	99.25	(\$249,148.19)	(1.98%)
04.25.07	General Account	Sell	Bond	Bank of America	5.5%	89.25	(\$148,155.00)	(2.19%)
04.25.07	General Account	Buy	MBS	Fannie Mae	6%	101.75	\$96,662.50	5.44%
04.25.07	General Account	Buy	MBS	Ginnie Mae	6%	104.25	\$113,729.55	5.3%
04.25.07	General Account	Buy	MBS	Ginnie Mae	6.5%	105.25	\$8,600.51	5.25%
04.25.07	General Account	Buy	MBS	Ginnie Mae	6%	104.75	\$34,117.37	5.28%
05.09.07	Charitable Trust	Buy	MBS	Fannie Mae	5.5%	102.875	\$198,829.58	3.39%
05.23.07	Charitable Trust	Buy	MBS	Fannie Mae	5.5%	101.94	\$318,988.78	3.49%
06.25.07	General Account	Buy	MBS	Fannie Mae	5.5%	100.35	\$101,567.05	3.45%
06.25.07	Charitable Trust	Buy	MBS	Fannie Mae	5.5%	100.35	\$65,392.48	3.45%
06.27.07	General Account	Sell	Bond	Bear Stearns		97.204	(\$690,148.40)	(1.52%)

<sup>1</sup> Because Capital Growth's clearing firm was unable to produce data regarding this trade, the Division of Enforcement was unable to determine the markup charged.

<sup>2</sup> As shown in this Appendix, with respect to the 8 trades on March 26 and April 25, 2007 where markups between 4.44-5.44% were charged, MBS were purchased by Capital Growth out of an account unrelated to the Sisters of Charity for which Chironis was the registered representative, and were then resold to the Sisters of Charity. The identified markups are calculated by using the price at which the unrelated account sold, and the price the Sisters of Charity's accounts paid.



06.27.07	General Account	Buy	MBS	Ginnie Mae	6%	103.75	\$688,175.23	3.39%
06.28.07	Charitable Trust	Sell	MBS	Ginnie Mae	6%	97	(\$213,793.11)	(2.11%)
07.24.07	General Account	Sell	MBS	Ginnie Mae	6%	97.5	(\$257,375.49)	(1.86%)
07.24.07	Charitable Trust	Sell	Bond	Wachovia	5.49%	98	(\$259,700.00)	(1.74%)
07.25.07	General Account	Buy	MBS	Ginnie Mae	6%	103.33	\$200,682.39	3.49%
07.25.07	General Account	Buy	MBS	Ginnie Mae	6%	103.33	\$199,010.97	3.49%
07.25.07	Charitable Trust	Buy	MBS	Ginnie Mae	6%	103.62	\$404,035.49	3.49%
07.26.07	General Account	Sell	MBS	Ginnie Mae	7%	100.75	(\$30,223.76)	(1.95%)
07.26.07	General Account	Sell	MBS	Ginnie Mae	6.5%	99.25	(\$45,436.66)	(1.98%)
07.26.07	General Account	Sell	MBS	Ginnie Mae	6%	97.5625	(\$101,139.51)	(2.01%)
07.26.07	General Account	Sell	MBS	Ginnie Mae	6%	97.5625	(\$74,455.94)	(2.01%)
07.31.07	Charitable Trust	Sell	MBS	Freddie Mac	6%	98	(\$224,430.92)	(2.37%)
08.09.07	General Account	Sell	MBS	Ginnie Mae	6.5%	99.75	(\$86,724.15)	(2.15%)
08.09.07	General Account	Buy	Bond	General Motors	8.375%	88.23	\$105,876.00	3.5%
08.15.07	Charitable Trust	Buy	MBS	Ginnie Mae	5.5%	101.35	\$105,525.26	3.48%
08.15.07	Charitable Trust	Buy	MBS	Ginnie Mae	6.5%	106	\$99,864.44	3.48%
08.15.07	Charitable Trust	Sell	Bond	Wachovia	4.99%	97.25	(\$145,875.00)	(1.57%)
08.24.07	General Account	Sell	MBS	Ginnie Mae	6%	98.36	(\$385,906.39)	(1.99%)
08.28.07	Charitable Trust	Sell	MBS	Fannie Mae	5.5%	97.625	(\$208,877.03)	(1.98%)
08.30.07	Charitable Trust	Sell	MBS	Ginnie Mae	6.5%	100.03125	(\$213,386.65)	(1.96%)
09.05.07	General Account	Sell	MBS	Ginnie Mae	6%	98.6875	(\$253,051.95)	(1.99%)
09.11.07	General Account	Sell	MBS	Freddie Mac	5.5%	98.1875	(\$120,478.83)	(2%)
09.11.07	General Account	Sell	MBS	Fannie Mae	6%	96.3125	(\$91,496.88)	(2.03%)
09.11.07	General Account	Buy	MBS	Fannie Mae	6%	104.8	\$436,010.34	3.47%
09.11.07	General Account	Sell	MBS	Fannie Mae	5.5%	98.1875	\$205,568.15	2%
09.17.07	Charitable Trust	Buy	MBS	Fannie Mae	6%	105.14	\$200,175.53	3.46%
09.17.07	Charitable Trust	Sell	MBS	Fannie Mae	5.5%	96.03125	(\$60,920.28)	(2.04%)
09.17.07	Charitable Trust	Sell	MBS	Fannie Mae	6.214%	96.15625	(\$62,782.35)	(2.04%)
09.17.07	Charitable Trust	Sell	MBS	Ginnie Mae	6.5%	99.65625	(\$87,137.92)	(1.97%)
09.26.07	Charitable Trust	Sell	MBS	Freddie Mac	6%	97.75	(\$168,433.06)	(2.01%)
09.26.07	Charitable Trust	Sell	MBS	Fannie Mae	5.5%	97.46875	(\$319,916.99)	(2.01%)
09.26.07	Charitable Trust	Sell	MBS	Ginnie Mae	5.5%	96.15625	(\$113,269.27)	(2.04%)
09.26.07	General Account	Sell	MBS	Ginnie Mae	6%	98.359375	(\$181,820.69)	(1.99%)
09.26.07	General Account	Buy	MBS	Ginnie Mae	5.5%	102.46	\$497,110.75	3.49%
09.26.07	Charitable Trust	Buy	MBS	Ginnie Mae	5.5%	102.46	\$510,919.39	3.49%
09.26.07	General Account	Sell	MBS	Ginnie Mae	6.5%	99.53125	(\$49,132.97)	(1.97%)
09.26.07	General Account	Sell	MBS	Ginnie Mae	6%	98.375	(\$252,476.81)	(1.99%)
10.03.07	General Account	Buy	MBS	Ginnie Mae	5.5%	102.98	\$801,400.06	3.5%
10.03.07	General Account	Sell	MBS	Ginnie Mae	6.5%	99.6875	(\$38,659.28)	(1.97%)
10.03.07	General Account	Sell	MBS	Ginnie Mae	6.5%	99.75	(\$48,459.69)	(1.97%)
10.03.07	General Account	Sell	MBS	Ginnie Mae	6%	98.5	(\$28,646.30)	(1.99%)
10.03.07	General Account	Sell	MBS	Ginnie Mae	7%	100.5	(\$22,528.03)	(1.95%)
10.03.07	General Account	Sell	MBS	Ginnie Mae	7%	101.28125	(\$27,839.17)	(1.94%)
10.03.07	General Account	Sell	MBS	Ginnie Mae	6%	98.90625	(\$633,798.44)	(1.98%)
10.09.07	General Account	Sell	MBS	Fannie Mae	5.5%	95.6875	(\$94,106.15)	(2.05%)
10.09.07	General Account	Sell	MBS	Fannie Mae	5%	87.25	(\$61,075.00)	(2.24%)
10.09.07	General Account	Buy	MBS	Ginnie Mae	5.5%	102.85	\$250,868.00	3.5%
10.09.07	General Account	Sell	MBS	Ginnie Mae	6.5%	99.6875	(\$28,758.15)	(1.97%)
10.09.07	General Account	Sell	MBS	Ginnie Mae	7%	101.0625	(\$26,463.14)	(1.94%)
10.12.07	General Account	Sell	Bond	GM	8.375%	90.125	(\$108,150.00)	(2.17%)
10.15.07	General Account	Buy	Bond	Ford Motors	7.45%	86.4	\$129,600.00	3.47%
10.24.07	General Account	Sell	MBS	Ginnie Mae	6%	99.3125	(\$191,936.45)	(1.97%)
10.24.07	General Account	Buy	MBS	Ginnie Mae	5.5%	103.875	\$820,430.19	3.49%

10.25.07	Charitable Trust	Buy	MBS	Ginnie Mae	5.5%	104	\$816,585.60	3.48%
10.25.07	Charitable Trust	Sell	MBS	Ginnie Mae	6%	99.484375	(\$379,466.14)	(1.97%)
10.25.07	Charitable Trust	Sell	Bond	GE	3.238%	95	(\$95,000.00)	(2.06%)
10.25.07	Charitable Trust	Sell	Bond	GE	5.954%	96.3	(\$96,300.00)	(2.03%)
10.25.07	Charitable Trust	Sell	Bond	Morgan Stanley	4.93%	96.05	(\$96,050.00)	(2.04%)
10.25.07	Charitable Trust	Sell	Bond	PB Nova Scotia	0%	95.875	(\$143,812.50)	(2.04%)
10.29.07	General Account	Buy	MBS	Ginnie Mae	5.5%	103.79	\$650,162.82	3.5%
11.07.07	Charitable Trust	Sell	MBS	Fannie Mae	5.281%	94.90625	(\$29,143.96)	(1.46%)
11.07.09	Charitable Trust	Sell	MBS	Freddie Mac	5.5%	90.625	(\$235,625.00)	(2.16%)
11.07.07	Charitable Trust	Sell	MBS	Ginnie Mae	5.5%	97.28125	(\$100,763.57)	(2.01%)
11.07.07	Charitable Trust	Sell	MBS	Ginnie Mae	6.5%	100.125	(\$93,929.50)	(1.96%)
11.07.07	Charitable Trust	Buy	MBS	Ginnie Mae	5.5%	103.35	\$501,281.65	3.45%
11.19.07	Charitable Trust	Sell	MBS	CitiMortgage	6%	87.125	(\$152,468.75)	(2.24%)
11.28.07	Charitable Trust	Buy	MBS	Ginnie Mae	5%	102.9	\$497,543.80	3.48%
11.28.07	Charitable Trust	Buy	Bond	JP Morgan	6.625	109	\$54,500.00	3.39%
11.28.07	General Account	Buy	Bond	Wells Fargo	5.25%	105	\$52,500.00	3.45%
11.29.07	General Account	Sell	MBS	Freddie Mac	5%	84.25	(\$151,650.00)	(2.32)
11.29.07	General Account	Buy	MBS	Ginnie Mae	5%	103.2	\$498,994.37	3.47%
12.03.07	General Account	Buy	MBS	Ginnie Mae	5.5%	105.375	\$303,072.80	3.5%
12.11.07	Charitable Trust	Sell	MBS	Fannie Mae	5.5%	97.40625	(\$532,058.51)	(2.01%)
12.18.07	General Account	Sell	MBS	Fannie Mae	6%	99.671875	(\$401,251.47)	(1.48%)
12.26.07	General Account	Sell	MBS	Ginnie Mae	5.5%	98.625	(\$1,740,585.31)	(1.25%)
01.03.08	Charitable Trust	Buy	MBS	Ginnie Mae	5.5%	104.92	\$376,575.69	3.5%
01.17.08	Charitable Trust	Sell	MBS	Fannie Mae	6%	101	(\$59,975.37)	(1.46%)
01.17.08	General Account	Sell	MBS	Ginnie Mae	5.5%	100	(\$466,545.29)	(1.96%)
01.23.08	Charitable Trust	Sell	MBS	Ginnie Mae	5.5%	101.421875	(\$775,643.27)	(1.46%)
01.23.08	General Account	Sell	MBS	Wells Fargo	5.5%		(\$612,602.19)	(1.46%)
01.31.08	Charitable Trust	Sell	MBS	Ginnie Mae			(\$478,991.01)	(1.96%)

**Appendix B**  
**Closed-End Bond Fund Transactions in the Accounts: January 2007-January 2008<sup>3</sup>**

Date	Account	Buy/Sell	Issuer	Amount	Markup/ Markdown
01.31.07	Charitable Trust	Buy	Nuveen	\$234,517.68	2.84%
02.01.07	General Account	Buy	Nuveen	\$99,918.78	2.91%
02.05.07	Charitable Trust	Buy	RMK	\$186,186.89	2.59%
02.05.07	Charitable Trust	Sell	Eaton Vance	(\$188,033.00)	(1.57%)
02.06.07	Charitable Trust	Buy	Nuveen	\$50,082.00	2.79%
02.09.07	Charitable Trust	Buy	Blackrock Income	\$200,114.50	2.95%
02.13.07	Charitable Trust	Sell	Eaton Vance	(\$162,723.20)	(0.52%)
03.19.07	Charitable Trust	Buy	Blackrock Core	\$202,466.00	3.05%
03.28.07	Charitable Trust	Sell	Blackrock Income	\$257,277.50	2.83%
04.12.07	Charitable Trust	Sell	Pimco	\$103,615.80	2.98%
04.19.07	General Account	Buy	Nuveen	\$296,998.00	3.13%
05.02.07	Charitable Trust	Buy	Pimco	\$83,886.40	3.26%
05.02.07	Charitable Trust	Sell	Eaton Vance	(\$39,072.18)	(1.15%)
05.10.07	Charitable Trust	Buy	First Trust	\$100,284.80	2.65%
05.21.07	General Account	Sell	Eaton Vance	(\$55,145.05)	(1.15)
05.23.07	Charitable Trust	Sell	Nuveen	(\$290,200.00)	(0.68%)
06.06.07	General Account	Buy	Pimco	\$134,960.00	3.37%
06.20.07	General Account	Buy	Eaton Vance Ltd.	\$94,932.90	2.74%
06.21.07	General Account	Buy	Pimco	\$101,811.20	2.99%
06.21.07	Charitable Trust	Buy	Pimco	\$57,923.54	2.98%
07.02.07	Charitable Trust	Buy	Pimco	\$192,110.00	2.67%
07.26.07	General Account	Buy	Blackrock Opportunity	\$219,815.00	2.81%
07.31.07	Charitable Trust	Buy	Blackrock Opportunity	\$220,000.00	2.35%
08.22.07	General Account	Buy	Pimco	\$151,875.00	3.4%
08.29.07	General Account	Buy	Pimco	\$305,687.93	3.43%
08.29.07	Charitable Trust	Buy	Pimco	\$249,595.50	3.42%
08.30.07	Charitable Trust	Buy	Nuveen	\$167,022.70	3.13%
09.05.07	General Account	Buy	Eaton Vance Ltd.	\$239,540.00	3.01%
09.28.07	Charitable Trust	Buy	Nuveen	\$143,550.00	3%
11.11.07	Charitable Trust	Sell	Blackrock Core	(\$141,897.60)	(1.66%)
11.11.07	Charitable Trust	Sell	Nuveen	(\$92,972.00)	(1.69%)
11.13.07	Charitable Trust	Sell	Pimco	(\$108,840.00)	(1.42%)

<sup>3</sup> In this Appendix B, the following closed-end bond funds are referenced by shortened versions of their names, as follows: Nuveen Floating Rating Income Opportunity Fund (“Nuveen”), RMK High Income Fund (“RMK”), Eaton Vance Senior Floating Rate Trust (“Eaton Vance”), Eaton Vance Limited Duration Income Fund (“Eaton Vance Ltd.”), Blackrock Income Opportunity Trust (“Blackrock Income”), Blackrock Core Bond Trust (“Blackrock Core”), Blackrock PFD Opportunity Trust (“Blackrock Opportunity”), Pimco Corporate Opportunity Fund (“Pimco”), First Trust/Four Corners Senior Floating Rate Income Fund II (“First Trust”), Western Asset Worldwide Income Fund (“Western Asset”), Alpine Global Premier Properties Fund (“Alpine”), Alpine Total Dynamic Dividend Fund (“Alpine Dynamic”), Neuberger Berman Real Estate Securities Fund (“Neuberger Berman”), and Evergreen Global Dividend Opportunity Fund (“Evergreen”).

11.14.07	Charitable Trust	Buy	Blackrock Opportunity	\$204,150.00	2.75%
11.20.07	General Account	Sell	Nuveen	(\$133,920.00)	(2.62%)
11.28.07	Charitable Trust	Sell	Pimco	(\$306,481.90)	(2.91%)
11.30.07	General Account	Sell	Pimco	(\$331,775.00)	(2.93%)
12.04.07	General Account	Sell	Pimco	(\$207,150.00)	(2.81%)
12.05.07	General Account	Sell	Pimco	(\$68,117.00)	(2.1%)
12.07.09	General Account	Buy	Western Asset	\$106,720.00	3.98%
12.12.07	Charitable Trust	Buy	Western Asset	\$202,200.00	3.85%
12.27.07	General Account	Buy	Blackrock Opportunity	\$356,000.00	2.89%
01.02.08	General Account	Buy	Alpine	\$207,970.45	2.97%
01.03.08	General Account	Buy	Neuberger Berman	\$179,121.00	3%
01.07.08	General Account	Buy	Alpine Dynamic	\$215,640.00	2.86%
01.08.08	General Account	Buy	Evergreen	\$226,680.00	2.72%
01.14.08	General Account	Buy	Blackrock Opportunity	\$227,958.00	2.7%
01.23.08	General Account	Buy	Blackrock Opportunity	\$232,631.00	2.6%
01.24.08	Charitable Trust	Buy	Blackrock Opportunity	\$355,680.00	2.59%
01.29.08	Charitable Trust	Buy	Pimco	\$190,596.00	3.25%

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Order"), on Respondent Paul George Chironis and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray  
Chief Administrative Law Judge  
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