

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 66435 / February 21, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14765

In the Matter of

DANIEL J. BURNS,

Respondent.

**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 Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Daniel J. Burns (“Respondent” or “Burns”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From 2003 to 2008, Respondent was a consultant for CytoCore, Inc. (“CytoCore”), and was Chairman of CytoCore’s Board of Directors from October 2007 through April 2009. From 2003 through 2008, Respondent acted as a broker-dealer by soliciting investors for CytoCore and in many instances inducing investors to purchase CytoCore stock. Respondent regularly received commissions for selling CytoCore stock to investors. Respondent has never been associated with a broker-dealer registered with the Commission. Respondent, 54 years old, is a resident of Carlsbad, California.

B. ENTRY OF THE INJUNCTION

2. On January 31, 2012, a final default judgment was entered against Burns, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Sections 10(b), 14(a), 15(a), and 16(a) of the Exchange Act and Rules 10b-5, 14a-9, and 16a-3 thereunder, in the civil action entitled Securities and Exchange Commission v. Daniel J. Burns, et al., Civil Action Number 1:11-CV-246, in the United States District Court for the Northern District of Illinois.

3. The Commission's complaint alleged that Burns engaged in market manipulation and insider trading in connection with his purchases and sales of CytoCore stock during a CytoCore private offering, improperly solicited investors for CytoCore without being associated with a registered broker-dealer, submitted to CytoCore false claims for commissions earned and expenses incurred in connection with his solicitation of investors, failed to file required Forms 4 reporting his CytoCore stock transactions, and misreported his CytoCore stock holdings in proxy statements and Forms 4.

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 hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent 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 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 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.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary