

SECURITIES EXCHANGE ACT OF 1934
Release No. 54858 / December 1, 2006

Administrative Proceeding
File No. 3-12494

In the Matter of Larry Webman and Melvin Webman

The Securities and Exchange Commission (“Commission”) announced today that it issued an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Order”) against Larry Webman and Melvin Webman (together, “Respondents”).

In the Order, the Division of Enforcement alleges that between March 2002 and August 2003, Respondents acted as unregistered broker-dealers in connection with the offer and sale of U.S. Gas & Electric, Inc. (“U.S. Gas”) securities and securities belonging to U.S. Gas’s affiliated companies for which each of the Respondents received transaction-based compensation. The Order also alleges that on November 16, 2006, a default judgment of permanent injunction was entered against each of the Respondents permanently enjoining them from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Sections 10(b) and 15(a)(1) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5, promulgated thereunder, in the civil action entitled *Securities and Exchange Commission v. U.S. Gas & Electric, Inc., et al.*, (U.S. District Court for the Southern District of Florida, Civil Action No. C-06-22440-CIV-LENARD).

The Commission’s complaint in the civil action alleged that, during the relevant period, U.S. Gas raised approximately \$6.8 million through a series of fraudulent offerings in unregistered transactions to more than 180 investors, many of whom were senior citizens. The complaint alleged that the Respondents, and others, made material misstatements and omissions to investors in the various offerings concerning, among other things, the returns on the investments and the use of proceeds.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide Respondents an opportunity to dispute these allegations, and to determine what, if any, remedial sanctions against each of them are appropriate and in the public interest pursuant to Section 15(b) of the Exchange Act.

The Commission directed that an Administrative Law Judge shall issue an initial decision in this matter within 210 days from the date of service of the Order.