

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10036 / February 5, 2016

SECURITIES EXCHANGE ACT OF 1934
Release No. 77073 / February 5, 2016

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3740 / February 5, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17104

In the Matter of

**BioElectronics Corp.,
IBEX, LLC,
St. John's, LLC,
Andrew J. Whelan
Kelly A. Whelan, CPA, and
Robert P. Bedwell, CPA,**

Respondents.

**ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-
AND-DESIST PROCEEDINGS
PURSUANT TO SECTION 8A OF THE
SECURITIES ACT OF 1933,
SECTIONS 15(b), 4C AND 21C OF THE
SECURITIES EXCHANGE ACT OF
1934 AND RULE 102(e) OF THE
COMMISSION'S RULES OF
PRACTICE**

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 Section 21C of the Securities Exchange Act of 1934 ("Exchange Act") against BioElectronics Corp., IBEX, LLC, St. John's, LLC, Andrew J. Whelan and Kelly A. Whelan, CPA. The Commission further deems it appropriate and in the public interest that administrative and cease and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Exchange Act against Andrew J. Whelan and Kelly A. Whelan, CPA. The Commission also deems it appropriate that public administrative and cease-and-desist proceedings be, and hereby are, instituted against Robert P. Bedwell, CPA pursuant to Sections 4C¹ of the Exchange Act and Rule 102(e) of the Commission's Rules of Practice.

¹ Section 4C provides, in relevant part, that:

II.

After an investigation, the Division of Enforcement alleges that:

1. This matter involves inaccurate public disclosure and the unlawful distribution of securities by BioElectronics Corp. (“BIEL”) and related persons and entities. On March 31, 2010, BIEL filed with the Commission a Form 10-K for the period ending December 31, 2009, falsely recognizing revenue from two “bill and hold” transactions. These transactions overstated BIEL’s revenue by \$366,000, or 47%. Additionally, from at least August 2009 until at least November 2014 (“the relevant period”), BIEL and respondents IBEX, LLC, St. John’s, LLC, Andrew J. Whelan and Kelly A. Whelan engaged in an illegal distribution of purportedly unrestricted securities involving the sale of hundreds of millions of BIEL shares. Affiliates, IBEX, LLC and St. John’s, LLC, sold purportedly unrestricted shares in unregistered transactions at a discount to then-current market prices. Andrew J. Whelan, President, CEO and the principal financial officer of BIEL, and Kelly A. Whelan, his daughter and the President of IBEX, LLC, orchestrated the illegal distribution. Approximately half of the proceeds of these sales were then “loaned” to BIEL and the other half was retained by the entities. The offerings were not registered with the Commission. Robert P. Bedwell’s failures to detect BIEL’s improper accounting, as the auditor responsible for auditing the financial statements included in BIEL’s Form 10-K, constitutes improper professional conduct.

RESPONDENTS

2. Respondent BioElectronics Corp. is a Maryland corporation with a sole location employing approximately twelve people in Frederick, Maryland. The company is engaged in the business of making inexpensive, drug-free, anti-inflammatory medical devices and patches which use electromagnetic energy. In 2007, BioElectronics entered into a settlement with the State of Maryland related to selling unregistered shares, agreeing to a permanent cease and desist order and the payment of a \$2,500 penalty. It has a class of equity securities, previously registered with the Commission pursuant to Exchange Act Section 12(g),² with approximately 4 billion shares issued as of November 2013. On April 18, 2011, BIEL voluntarily withdrew its registration. BIEL shares currently trade on OTC Link, operated by OTC Markets Group, Inc. During the relevant period, BIEL shares were

The Commission may censure any person, or deny, temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found . . . (1) not to possess the requisite qualifications to represent others . . . (2) to be lacking in character or integrity, or to have engaged in unethical or improper professional conduct; or (3) to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations thereunder.

² BioElectronics’ Section 12 reporting obligation arose as a result of its filing a Form 8A-12g on February 12, 2006 in conjunction with a registration statement on Form SB-2. The Form 8A-12g went effective by operation of law under Section 12(g) 60 days after filing, even though the Form SB-2 was subsequently withdrawn.

a penny stock as that term is defined in Section 3(a)(51) of the Exchange Act and Rule 3a-51-1 thereunder. 15 U.S.C. § 78c(a)(51) and 17 C.F.R. § 240.3a-51-1.

3. Respondent IBEX, LLC (“IBEX”) is a Virginia Limited Liability Company formed in 2005. It has an office in Ashburn, Virginia and is managed by Kelly A. Whelan, who is its sole employee and who has sole ownership of IBEX. IBEX made millions of dollars in loans to BIEL. During the relevant period, IBEX participated in offerings of BIEL stock.

4. Respondent St. John’s, LLC (“St. John’s”) is a Virginia limited liability company formed in 2010. It has never had a class of securities registered with the Commission. Patricia A. Whelan, wife of Andrew J. Whelan, owns 99% of St. John’s, and Kelly A. Whelan, daughter of Patricia A. Whelan and Andrew J. Whelan, owns 1%. St. John’s has provided funding for BIEL. Andrew J. Whelan’s salary at BIEL has been paid to St. John’s. During the relevant period, St. John’s participated in offerings of BIEL stock.

5. Respondent Andrew J. Whelan (“Whelan”), age 74, is a resident of Frederick, Maryland. Whelan is now, and for all relevant periods has been, BIEL’s President, CEO, principal financial officer and member of the board of directors. He is also BIEL’s founder. During the relevant period, Whelan participated in offerings of BIEL stock.

6. Respondent Kelly A. Whelan, CPA (“Kelly Whelan”), age 48, is a resident of Ashburn, Virginia. Kelly Whelan is the daughter of Whelan. She is licensed as a CPA in the state of Maryland. During the relevant period, Kelly Whelan participated in offerings of BIEL stock.

7. Respondent Robert P. Bedwell, CPA (“Bedwell”), age 57, is a resident of Coral Springs, Florida. Bedwell is currently a partner at an accounting firm in Florida. He was the audit engagement partner for BIEL’s 2009 10-K.

OTHER RELEVANT ENTITIES

8. eMarkets Group, LLC (“eMarkets”) is a Nevada registered limited liability company owned by Whelan’s sister, who is its sole employee and shareholder. It has never had a class of securities registered with the Commission. It acts as a distributor of BIEL’s veterinary products and is a related entity.

9. YesDTC Holdings, Inc. (“YesDTC”) is a Nevada corporation headquartered in San Francisco, California. YesDTC purports to specialize in direct-to-consumer marketing (e.g., infomercials, advertisements). YesDTC was a reporting company with the Commission pursuant to Section 12(g) of the Exchange Act. YesDTC ceased all business operations on February 23, 2012. On December 15, 2014, YesDTC’s securities registration with the Commission was revoked under Section 12(j) of the Exchange Act.

FACTS

The Distribution of Unrestricted Shares in Unregistered Transactions

10. From at least August 2009 to at least November 2014, BioElectronics, through IBEX and St. John's, and the efforts of Whelan and Kelly Whelan, distributed hundreds of millions of unrestricted shares in a series of unregistered transactions ("the offerings"). BIEL received proceeds of several million dollars from the offerings.

11. During the relevant period, respondents BIEL, IBEX, St. John's, Whelan and Kelly Whelan effected the offerings as follows: when BIEL needed funds to continue its operations, IBEX sold hundreds of millions of unrestricted BIEL shares in dozens of unregistered transactions, at the request of Whelan, directly to third party purchasers at a discount to then current market prices. IBEX retained a percentage of the money obtained from the sales but funneled the rest to BIEL, and, in return, BIEL provided both a "convertible loan" to IBEX and a new grant of unrestricted shares which, in effect, replaced the shares IBEX sold. When each of these "loans" came due, after one or two years' time, BIEL "renegotiated" them by providing IBEX with additional purportedly unrestricted shares in return for extending the loan's due date. BIEL never repaid any of the "loans" in cash. These transactions were not registered with the Commission.

12. Starting in mid-2010 and continuing into at least early 2012, BIEL used St. John's to provide financing using the same type of transaction. BIEL raised over a million dollars through these offerings in approximately 17 transactions. These transactions were not registered with the Commission.

13. During the relevant period, Whelan was the President, CEO and principal financial officer of BIEL and directed its daily operations. Whelan communicated BIEL's financing needs to IBEX and St. John's. And, as BIEL's President and CEO, he ordered the issuance of BIEL shares to IBEX and St. John's through BIEL's transfer agent. He obtained the approval of the transactions from BIEL's board of directors. Whelan also met with third party purchasers in order to induce their purchase of BIEL shares through IBEX and St. John's.

14. During the relevant period, Kelly Whelan was the sole owner, sole employee and managing member of IBEX. She offered and sold unregistered shares directly to the third party purchasers. She contacted these third parties, negotiated the terms with them and made the sale. And she, through her control of IBEX, funneled the proceeds back to BIEL.

15. During the relevant period, IBEX, and St. John's were affiliates of BIEL as each was under the common control of Whelan, or, at the least, the common control of Whelan and Kelly Whelan.³ Among other things, Whelan determined when IBEX and St.

³ Rule 144 defines "affiliate" as "a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer." 17 C.F.R. § 230.144(a)(1). Although the rule does not define "control," courts borrow the definition from Rule 405, which defines it as

John's sold shares to the public. In addition, IBEX and St. John's paid BIEL's business expenses, including paying BIEL's contractors for services rendered and paying Whelan's travel expenses incurred while performing BIEL related work.

16. IBEX and St. John's offered and sold shares for BIEL or, in the alternative, acquired securities from BIEL with a view to distributing the securities. Each sold BIEL shares, at Whelan's request, for that purpose and Whelan replaced shares sold by IBEX and St. John's so that the process could be repeated.

17. Accurate, current information about BIEL was not available to the public during the relevant period. BIEL was delinquent for large periods of that time: it made none of the required filings under Section 12(g) of the Exchange Act prior to the March 31, 2010 filing of the 2009 Form 10-K, and while BIEL filed unaudited quarterly reports for the second and third quarters of 2010, it was again delinquent from the fourth quarter of 2010 until it withdrew its registration in April 2011. Importantly, the 2009 10-K materially overstated BIEL's revenue, as detailed below.

18. During the relevant period, BIEL did not register any securities offerings with the Commission.

BIEL's Improper Revenue Recognition

19. On a Form 10-K filed with the Commission on March 31, 2010 ("2009 10-K"), BIEL improperly recorded revenue from two transactions in which BIEL retained the goods it claimed to have sold. These transactions, which totaled \$366,000, represented 47% of the revenue in 2009 and were material to BIEL.

20. BIEL disclosed an accounting policy in its 10-K filed on March 31, 2010 that it "recognize[d] revenue when evidence of an arrangement exists, such as the presence of an executed sales agreement, pricing is fixed and determinable, collection is reasonably assured and shipment has occurred or title of the goods has been transferred to our buyers."

21. BIEL further disclosed its policy for bill-and-hold revenue recognition. "We recognize revenue on bill and hold arrangements when the following 7 criteria have been met: 1) the risk of ownership has passed to the buyer; 2) the buyer has made a fixed commitment to purchase the goods, preferably in writing; 3) the buyer, and not the seller, has requested that the transaction is on a bill and hold basis; 4) there is a fixed schedule for delivery of the goods, indicating a delivery date that is reasonable and consistent with the buyer's business purpose; 5) the buyer has not retained any specific performance obligations such that the earnings process is not complete; 6) the ordered goods are segregated from the seller's inventory and is not being used to fill other orders; and 7) the product must be complete and ready for shipment. In addition, payment must be received

"the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise." 17 C.F.R. § 230.405.

and/or fixed payment dates be agreed with the customer pursuant to which the risk of collection is reduced to a minimal level.”

22. Contrary to its disclosures and Generally Accepted Accounting Principles (“GAAP”), BIEL improperly recognized revenue on two bill and hold transactions. As BIEL’s President, CEO and principal financial officer, Whelan controlled BIEL and, specifically, its financial statements.

23. BIEL made the first of the two bill and hold transactions pursuant to a distribution agreement between BIEL and YesDTC. BIEL entered into a distribution agreement with YesDTC on December 31, 2009, the final day of BIEL’s fiscal year. This transaction failed to meet the criteria for recognizing revenue for multiple reasons. First, at the time the agreement was entered into and revenue was recognized by BIEL, the sale was not final and no fixed commitment to purchase the goods existed because YesDTC had a contractual right to cancel the distribution agreement for a period of six months. Second, YesDTC never met the contractual requirement that it obtain regulatory approval to sell BIEL’s products and, resultantly, BIEL would not turn over its product to YesDTC without that approval. Third, the agreement contained no fixed schedule for delivery of the goods. Specifically, YesDTC had not agreed to take delivery of any specific quantity of product at any specific date.

24. The second bill and hold transaction that failed to meet bill and hold revenue recognition criteria involved BIEL and eMarkets, a distributor of BIEL products. The agreement between BIEL and eMarkets contained no fixed schedule for delivery of the goods related to this transaction, either, *i.e.*, eMarkets had not agreed to take delivery of any specific quantity of product at any specific time. Also, at the time BIEL recognized revenue related to this transaction, certain finishing activities called for under the agreement, such as the application of adhesive strips, had not been completed.

25. Whelan, acting in his capacity as BIEL’s President, CEO and principal financial officer, oversaw the preparation of BIEL’s financial statements. At the time BIEL prepared its 2009 10-K, the company did not have an internal accounting staff, and Whelan had no accounting training or expertise. Despite his lack of expertise, but in consultation with outside accountants, Whelan provided BIEL’s auditors with information indicating that both the YesDTC and the eMarkets transactions satisfied the accounting guidelines for revenue recognition, despite having knowledge to the contrary.

26. Bedwell was the audit engagement partner responsible for the audit of BIEL’s financial statements included in its 2009 10-K.

27. PCAOB Auditing Standards require an auditor to exercise due professional care in the performance of work. AU § 150.02, Generally Accepted Auditing Standards, states that “due professional care is to be exercised in the performance of the audit and the preparation of the report.” Furthermore, “sufficient competent evidential matter is to be obtained ... to afford a reasonable basis for an opinion regarding the financial statements under audit.” AU § 230.06, Due Professional Care in the Performance of Work, states:

“Auditors should be assigned to tasks and supervised commensurate with their level of knowledge, skill, and ability so that they can evaluate the audit evidence they are examining. The auditor with final responsibility for the engagement should know, at a minimum, the relevant professional accounting and auditing standards and should be knowledgeable about the client.”

Bedwell’s Improper Professional Conduct

28. Bedwell did not make himself knowledgeable about the client through his own actions or the actions of those who worked under him. He failed to determine that BIEL was a high risk audit client as was evidenced by the lack of adequate accounting staff, the presence of related party transactions, and the hundreds of millions of shares BIEL had issued to the public despite its size and the share price. He further failed to determine that the two bill and hold transactions themselves exhibited additional red flags over and above being bill and hold transactions: the YesDTC transaction occurred on the final day of the annual reporting period, the two transactions amounted to a significant percentage, i.e., 47%, of BIEL’s revenue, and each was with either claimed as a related party in BIEL’s 10-K, i.e., eMarkets, or a party that had other dealings with BIEL, i.e., YesDTC through its president, who also provided consulting services to BIEL. Further, he failed to recognize that there was no fixed delivery schedule under either the YesDTC or the eMarkets transactions, he failed to observe the segregation of inventory related to these bill and hold transactions after he became aware of them, and he failed to properly evaluate whether revenue recognition was met given that BIEL’s agreement with YesDTC granted YesDTC a contractual right to cancel that agreement.

29. PCAOB Auditing Standards require an auditor to exercise professional skepticism. AU § 230.07, Due Professional Care in the Performance of Work, defines professional skepticism as “an attitude that includes a questioning mind and a critical assessment of audit evidence.” AU § 230.09, Due Professional Care in the Performance of Work, states that an “auditor neither assumes that management is dishonest nor assumes unquestioned honesty. In exercising professional skepticism, the auditor should not be satisfied with less than persuasive evidence because of a belief that management is honest.”

30. Bedwell’s acceptance of the statements in the bill and hold memorandum, particularly the statements concerning the fixed delivery schedules and the completed nature of the goods sold, without establishing sufficient independent audit evidence, demonstrates that Bedwell failed to exercise the required professional skepticism.

31. PCAOB Auditing Standards also require that an auditor obtain sufficient knowledge of the audited company to competently plan and perform the audit. AU § 311.06, Planning and Supervision, states: “[T]he auditor should obtain a level of knowledge of the entity's business that will enable him to plan and perform his audit in accordance with generally accepted auditing standards. That level of knowledge should enable him to obtain an understanding of the events, transactions, and practices that, in his judgment, may have a significant effect on the financial statements.” AU § 311.13, Planning and Supervision, states: “[T]he work performed by each assistant should be

reviewed to determine whether it was adequately performed and to evaluate whether the results are consistent with the conclusions to be presented in the auditor's report.”

32. As detailed above, Bedwell failed to obtain sufficient knowledge of BIEL, either directly or through his assistants, to recognize that it was a high risk client that entered into high risk transactions. His failure to obtain sufficient knowledge resulted in an audit that was inadequately planned and executed.

33. PCAOB Auditing Standards require that audit conclusions be supported by competent evidence. AU § 326.01, Evidential Matter, states that “[s]ufficient competent evidential matter is to be obtained through inspection, observation, inquiries, and confirmations to afford a reasonable basis for an opinion regarding the financial statements under audit.”

34. Examples of Bedwell’s failure to obtain sufficient competent evidence include his failure to obtain evidence of a fixed delivery schedule under either bill and hold transaction, his failure to obtain evidence that the inventory related to the two bill and hold transactions was segregated after the transactions came to light and his failure to establish evidence that the YesDTC transaction was final with a fixed commitment to purchase the goods and not cancellable.

35. PCAOB Auditing Standards require related party transactions be treated with heightened scrutiny. AU § 334.07, Related Parties, states that an “auditor should place emphasis on testing material transactions with parties he knows are related to the reporting entity.” Further, at AU § 334.09, Related Parties, provides specific procedures that should be considered when auditing related party transactions including examining “invoices, executes copies of agreements, contracts, and other pertinent documents, such as receiving reports and shipping documents” and “Test for reasonableness the compilation of amounts to be disclosed, or considered for disclosure, in the financial statements.”

36. Bedwell failed to properly test the eMarkets transaction, a related party transaction. Instead, he relied on the representations of management, through the bill and hold memorandum, and eMarkets, the related party, through customer confirmations that a fixed delivery schedule had been established, when, in fact, none had. Bedwell also failed to consider additional procedures contained in the standards to the eMarkets transaction.

VIOLATIONS

37. Section 5(a) of the Securities Act prohibits any person, directly or indirectly, to use the mails or other means of interstate commerce to sell a security unless pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act. In addition, Section 5(c) makes it unlawful for any person, directly or indirectly, to offer to sell or buy securities, through a prospectus or otherwise, unless a registration statement has been filed as to such security or pursuant to an exemption.

38. As a result of the conduct described above, BIEL, IBEX, and St. John's violated, and Whelan and Kelly Whelan willfully violated, Sections 5(a) and 5(c) of the Securities Act.

39. By virtue of the conduct described above, BIEL violated Section 13(a) of the Exchange Act and Rule 13a-1 thereunder, which require issuers of securities registered with the Commission to file with the Commission accurate annual reports. Whelan was a cause of these violations through his actions as President, CEO and principal financial officer of BIEL.

40. BIEL also violated Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act. It violated Section 13(b)(2)(A) by failing to make and keep books and records which accurately reflected the transactions of the company. It violated Section 13(b)(2)(B) by failing to design and maintain internal accounting controls sufficient to provide reasonable assurances that its revenue was not being overstated. Whelan was a cause of these violations as he knew, or should have known, his conduct or omissions would contribute to BIEL's violations.

41. Rule 13a-14 of the Exchange Act requires that each report filed on Form 10-K include certifications signed by the principal executive and principal financial officer of the issuer attesting to the accuracy of the filings and adequacy of internal controls. As BIEL's CEO, President and principal financial officer, Whelan signed certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 stating: (1) that BIEL's 2009 10-K fairly presented, in all material respects, BIEL's financial condition and results, (2) that BIEL's 2009 10-K was free of material misstatements and omissions, and (3) that he had designed, or caused to be designed, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Whelan willfully violated Rule 13a-14 by signing these false certifications with knowledge that the 2009 10-K did not fairly present BIEL's financial condition and results of operations in all material respects. Also, Whelan had knowledge that BIEL's 2009 10-K was not free of untrue statements of a material fact, or omitted to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not materially misleading. And he knew, or should have known, that he had not designed, or caused to be designed, internal controls over financial reporting that provided reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

42. Exchange Act Rule 13b2-1 prohibits any person from directly or indirectly falsifying or causing the falsification of any book, record, or account subject to Section 13(b)(2)(A). Exchange Act Rule 13b2-2 prohibits any director or officer of an issuer from making or causing to be made, directly or indirectly, any materially false or misleading statement to an accountant in connection with the preparation or filing of any required document or report with the Commission. Rule 13b2-2 can be violated by misrepresentations or omissions. Whelan willfully violated Rules 13b2-1 and 13b2-2 by signing the false certification, participating in the misconduct, directing the preparation of

the inflated revenue statements, and/or assisting in the creation of a memorandum to BIEL's auditor that misrepresented and omitted facts relevant to the bill and hold transactions.

43. Section 4C of the Exchange Act and Rule 102(e)(1) of the Commission's Rules of Practice provide that the Commission may censure or deny, temporarily or permanently, any person the privilege of appearing or practicing before it if that person engaged in unethical or improper professional conduct or willfully violated Federal securities laws or the rules and regulations thereunder.

44. In light of the conduct described above, Bedwell engaged in improper professional conduct in violation of Section 4C of the Exchange Act and Rule 102(e)(1)(ii) of the Commission's Rules of Practice.

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:

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

46. What, if any, remedial action is appropriate in the public interest against respondents Whelan and Kelly Whelan pursuant to Sections 15(b)(6) and 21B(a) of the Exchange Act, including, but not limited to, a censure, disgorgement, a civil penalty and a penny stock suspension or bar;

47. Whether, pursuant to Section 8A of the Securities Act, respondents BIEL, IBEX, St. John's, Whelan and Kelly Whelan should be ordered to cease-and-desist from committing or causing violations of and any future violations of Sections 5(a) and 5(c) of the Securities Act, whether respondents BIEL, IBEX, St. John's, Whelan and Kelly Whelan should be ordered to pay a civil penalty pursuant to Section 8A(g) of the Securities Act, and whether respondents BIEL, IBEX, St. John's, Whelan and Kelly Whelan should be ordered to pay disgorgement pursuant to Section 8A(e) of the Securities Act;

48. Whether, pursuant to Section 21C of the Exchange Act, respondents BIEL and Whelan should be ordered to cease-and-desist from committing or causing violations of and any future violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rule 13a-1 thereunder, and whether respondents BIEL and Whelan should be ordered to pay disgorgement pursuant to Sections 21B(e) and 21C(e) of the Exchange Act;

49. Whether, pursuant to Section 21C of the Exchange Act, respondent Whelan should be ordered to cease-and-desist from committing or causing violations of and any future violations of Exchange Act Rules 13a-14, 13b2-1 and 13b2-2, and whether

respondent Whelan should be ordered to pay disgorgement pursuant to Sections 21B(e) and 21C(e) of the Exchange Act; and

50. What, if any, remedial action is appropriate in the public interest against Bedwell under Section 4C of the Exchange Act and Rule 102(e)(1)(ii) of the Commission's Rules of Practice.

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 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 any respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, that 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 respondents as provided for in the Commission's Rules of Practice.

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. 17 C.F.R. § 201.360(a).

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.

Brent J. Fields
Secretary