

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

SECURITIES EXCHANGE ACT OF 1934  
Release No. 57637 / April 8, 2008

Admin. Proc. File No. 3-13004

**IN THE MATTER OF DOUGLAS G. FREDERICK**

On April 8, 2008, the Commission issued an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Notice of Hearing (Order) against Douglas G. Frederick of San Diego, California, based on the entry of a permanent injunction in the civil action SEC v. Tuco Trading, LLC, et al., Civil Action No. 08 CV 00400 DMS (BLM) in the U.S. District Court for the Southern District of California.

On March 17, 2008, the U.S. District Court for the Southern District of California entered a Judgment of Permanent Injunction by consent, permanently enjoining Frederick from violating Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder.

The Division of Enforcement alleges in the Order that the Commission's complaint alleges that, from at least December 2007, in connection with the purchase and sale of securities, Frederick made false and misleading statements to traders of Tuco Trading about the equity balances of their sub-accounts at TucoTrading. The complaint also alleges that Frederick knowingly provided substantial assistance to Tuco Trading regarding its acting as an unregistered broker-dealer.

A hearing will be scheduled before an Administrative Law Judge to determine whether the allegations contained in the Order are true, to provide Frederick an opportunity to dispute the allegations, and to determine what, if any, remedial action is appropriate and in the public interest, pursuant to Section 15(b) of the Exchange Act. The Order requires the Administrative Law Judge to issue an initial decision not later than 210 days from the date of service of the Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.