

SECURITIES EXCHANGE ACT OF 1934
Rel. No. 43569 / November 16, 2000

Admin. Proc. File No. 3-8955

In the Matter of
W. DAVID EAST, JR.

ORDER DISMISSING
PROCEEDING

The Division of Enforcement appeals from the decision of an administrative law judge dismissing a proceeding against W. David East, Jr., a former registered representative of PaineWebber, Inc. in its Birmingham, Alabama branch office. The law judge concluded that the Division failed to demonstrate that East aided and abetted violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, or Exchange Act Rule 10b-5 committed by John Albert DeCastro Day. In the alternative, the law judge concluded that an order to cease and desist or to disgorge funds would constitute a penalty against East and that the proceeding should be dismissed pursuant to 28 U.S.C. § 2462.

On April 4, 1997, we granted the Division's petition for review. On appeal, East argued that Day did not violate the antifraud provisions, that East did not act with scienter, and that he did not provide substantial assistance to Day. The Division disagreed with East's analysis of the

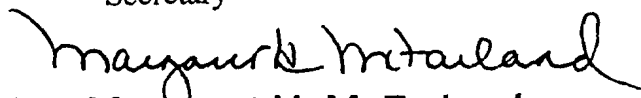
merits. East and the Division further disagreed on whether, under the circumstances presented, a cease-and-desist order or an order to disgorge ill-gotten gains would constitute a penalty.

We have considered the arguments advanced by the parties. Based on the record as a whole, we have determined to dismiss the proceeding. We are not expressing any view regarding the merits of the initial decision or with respect to any conclusions therein. */

Accordingly, it is ORDERED that this proceeding be, and it hereby is, dismissed.

By the Commission.

Jonathan G. Katz
Secretary


By: Margaret H. McFarland
Deputy Secretary

*/ Under Rule of Practice 360, 17 C.F.R. § 201.360, an initial decision does not become final if a petition for review is filed.