

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

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SECURITIES AND EXCHANGE COMMISSION v. PETER C. BUCCHIERI AND DAVID S. WEIL, 96 Civ. 8508 (LMM) (S.D.N.Y.)

The Securities and Exchange Commission announced the filing of a Complaint charging securities fraud against two men who operated Star Capital Management, Inc. ("Star"), an investment advisory firm that victimized a clientele consisting almost entirely of financially unsophisticated fashion models. The Commission alleged that the defendants stole at least \$1.2 million, which they used to pay various personal expenses, such as making overdue mortgage payments and purchasing a Porsche automobile. Named as defendants in the Complaint filed in the United States District Court for the Southern District of New York were:

PETER C. BUCCHIERI ("Bucchieri"), age 40, of Las Vegas, Nevada, who was president, a director, and sole owner of Star; and

DAVID S. WEIL ("Weil"), 33, of North Salem, New York, who was chief executive officer and a director of Star.

The Commission's Complaint alleges as follows:

From 1993 through early 1995, Star served as investment adviser and business manager to approximately 30 clients, almost all of whom were financially unsophisticated fashion models. Weil sought from each client, and in most cases obtained, complete control over the client's finances, including control of the client's bank accounts. Bucchieri and Weil engaged in the repeated theft of client assets through the sale of purported "pooled" real estate investments and the diversion of funds from bank accounts. In truth, the "pooled" real estate investments did not exist. Bucchieri and Weil diverted their clients' money to fund Star's operating expenses, to pay personal expenses of Weil and Bucchieri, to compensate victims of prior frauds, to make past due payments on a personal home mortgage and thereby avoid foreclosure, and to serve as collateral for a loan to purchase a Porsche automobile.

In addition, Star, Bucchieri, and Weil unlawfully acted as unregistered investment advisers, and failed to comply with certain disclosure and record-keeping requirements under the Investment Advisers Act of 1940 ("Advisers Act").

The Complaint seeks permanent injunctions against both defendants for violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 203(a), 206(1), 206(2), and

206(4) of the Advisers Act. The Complaint also seeks an order requiring Bucchieri and Weil to disgorge their ill-gotten gains plus prejudgment interest thereon, and imposing civil money penalties.