

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 41264 \ April 8, 1999

INVESTMENT ADVISERS ACT OF 1940
Release No. 1796 \ April 8, 1999

ADMINISTRATIVE PROCEEDING
File No. 3-9867

In the Matter of :
 :
 :
 : ORDER INSTITUTING
 : PUBLIC PROCEEDINGS, MAKING
 : FINDINGS, AND IMPOSING
 : REMEDIAL SANCTIONS
 :
 :
 :
 : Respondent. :
 :
 :

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be instituted against David S. Weil, ("Weil") pursuant to Sections 15(b)(6) and 19(h) of the Securities Exchange Act of 1934 ("Exchange Act") and Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act").

II.

In anticipation of the institution of this administrative proceeding, Weil has submitted an Offer of Settlement ("Offer") which the Commission has determined to accept. Solely for the purpose of this proceeding and any other proceeding brought by or on behalf of the Commission or to which the Commission is a party, and without admitting or denying the findings contained herein, except as to paragraphs III. A. and III. B. below, which Weil admits, Weil consents to the issuance of this Order Instituting Public Proceedings, Making Findings, And Imposing Remedial Sanctions ("Order").

Accordingly, IT IS ORDERED that an administrative proceeding be and hereby is instituted against Weil pursuant to Sections 15(b)(6) and 19(h) of the Exchange Act and Section 203(f) of the Advisers Act.

III.

On the basis of this Order and the Offer, the Commission finds that:[1]

A. Weil was a principal of Star Capital Management, Inc. ("Star"), a now defunct investment advisory firm. Star never was registered with the Commission in any capacity. From 1990 through November 1994, Weil was associated with Bucchieri Asset Management, a registered broker-dealer and investment adviser.

B. Weil pled guilty, on March 21, 1996, in the United States District Court for the Southern District of New York, to one felony count of bank fraud and one felony count of conspiracy to commit wire and securities fraud in connection with his role in Star. The Court entered the judgment of conviction on January 16, 1998. United States v. Weil, 95 Cr. 1102 (MBM).

C. The Information underlying the conviction charged, among other things, that while associated with Star, Weil represented to Star clients that he had made "pooled" real estate investments in Colorado on their behalf, and that he was engaged in collecting income and paying bills for their benefit. Contrary to these representations, Weil, and another person associated with Star, converted these Star clients' funds to their own uses, including paying the operating expenses of Star and other personal and business expenses.

D. On January 5, 1998, the Court sentenced Weil to serve 14 months in a federal penitentiary and to pay restitution of \$774,441.78.

E. On February 26, 1999, Weil was permanently enjoined by the United States District Court for the Southern District of New York in SEC v. Peter C. Bucchieri, et al., 96 Civ. 8508 (LMM) (S.D.N.Y) ("Injunctive Action"), from violating Section 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 203(a), 206(1), 206(2), and 206(4) of the Advisers Act.

F. The Commission's Complaint in the Injunctive Action alleged, in part, as follows: Beginning in January 1993, Weil, individually and through Star, acted as an investment adviser. Weil misappropriated advisory client funds by falsely representing to Star clients and others that their funds were being invested in "pooled" real estate investments, when, in fact, such funds were being converted to Weil's own personal use. In addition, in an attempt to conceal the scheme, Weil and others created and sent to advisory clients false account statements, backdated promissory notes, and other misleading documents. By this and similar means, Weil misappropriated \$1.2 million from his advisory clients. Weil also failed to register Star as an investment adviser with the Commission and to comply with certain record-keeping and audit provisions set forth in Rule 206(4)-2 under the Advisers Act which are required of investment advisers who maintain custody and possession of client funds or securities and certain disclosure provisions relating to the adviser's financial condition set forth in Rule 206(4)-4(a)(1) under the Advisers Act which are required of investment advisers who have discretionary authority or custody over client funds and securities.

IV.

Based upon the foregoing, it is in the public interest to impose the sanctions specified in the Offer.

Accordingly, IT IS HEREBY ORDERED, effective immediately, that Weil be, and hereby is, barred from association with any broker, dealer, municipal securities dealer, investment adviser, or investment company.

By the Commission.

Jonathan G. Katz
Secretary

****FOOTNOTES****

[1]: The findings herein are made pursuant to Respondent's Offer and are not binding on any other person or entity in this or any other proceeding.