



U.S. Securities and Exchange Commission

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 83871 / February 17, 2004

**ADMINISTRATIVE PROCEEDING
FILE NO. 3-11307**

In the Matter of

RESEARCH INVESTMENT
GROUP, INC., SCOTT H.
WILDING,
SMALLCAP SOLUTIONS,
INC., COMPLETE FINANCIAL
AND
OPERATIONS, LLC, and TYLER
T. FLEMING

ORDER MAKING FINDINGS
AND IMPOSING SANCTIONS
BY DEFAULT ON RESEARCH
INVESTMENT GROUP, INC.,
AND SCOTT H. WILDING

The Securities and Exchange Commission ("Commission") instituted this proceeding on October 23, 2003, pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"). The Order Instituting Proceeding ("OIP") alleges that Respondents violated Sections 5(a) and 5(c) of the Securities Act. A hearing is scheduled to begin on Monday, February 23, 2004.

On January 9, 2004, the Commission issued an Order Making Findings and Imposing a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933 as to SmallCap Solutions, Inc., Complete Financial and Operations, LLC, and Tyler T. Fleming. See Research Investment Group, Inc., Securities Act Rel. No. 8353 (Jan. 9, 2004). The proceeding remains open as to Respondents Research Investment Group, Inc. ("RIG") and Scott H. Wilding.

Respondents RIG and Wilding received the OIP on November 3, 2003. The Division of Enforcement filed a Motion for Default Judgment ("Motion") as to Respondents RIG and Wilding and a Declaration of Robert L. Mitchell in Support of the Motion on February 2, 2004.

The Commission's Rules of Practice provide that any respondent who fails to file an answer, appear at a prehearing conference, or answer a dispositive motion may be deemed to be in default and the allegations in the OIP may be deemed true. 17 C.F.R. §§ 201.155, .220. Respondents RIG and Wilding have not answered the allegations in the OIP, and have not responded to the Motion. Accordingly, I GRANT the Motion and find Respondents RIG and Wilding in default and that the following allegations in the OIP are true as to these Respondents.

FINDINGS

This matter involves a common abuse found among certain small publicly held companies. In recent years, many such companies have hired stock promoters to tout their shares on stock-picking websites and through mass-mailed e-mail messages (commonly known as "spam"). The promoter is often compensated in the form of purportedly unrestricted shares of the company's common stock, which the promoter sells after its touting has attracted investor interest in the company.

Under the federal securities laws, a public company cannot distribute unrestricted stock to public investors without first registering the offering with the Commission or having a valid exemption from registration for the transaction. Registration requires a company to provide important information about its finances and business to potential investors, and

allows the Commission to review the company's disclosures. In an attempt to circumvent those registration requirements, certain issuers have sought alternate sources of purportedly "free trading" company stock in order to compensate the stock promoters. In such arrangements, the issuers and promoters are nonetheless participating in an unregistered offering of securities to the public in violation of the federal securities laws, as described below.

Respondent Fleming, 33, of Las Vegas, Nevada, promoted small cap companies from 2000 through 2002 on his website, WallStreetWest.com, and through an electronic newsletter, Wall Street West Newswire. Respondent Fleming conducted his stock promotion business through two corporate entities he controls, SmallCap Solutions, Inc. ("SmallCap Solutions") and Complete Financial and Operations, LLC ("Complete Financial").

SmallCap Solutions is a Nevada corporation and Respondent Fleming is SmallCap Solutions's sole officer and director.

Complete Financial is a Colorado company, which registered the trade name WallStreetWest.com, LLC, with the State of Colorado. Respondent Fleming is the sole member of Complete Financial.

RIG, a Florida corporation, promotes small cap companies by hiring others to mass distribute e mail messages and faxes touting its corporate clients.

Respondent Wilding, 42, of Pembroke Pines, Florida, is the sole officer and director of RIG.

Research Capital, LLC ("Research Capital") is a Florida venture capital company that seeks to invest in genomics-based biotechnology companies.

IR Specialists, Inc. ("IR Specialists"), a Rhode Island corporation, promotes small cap companies on its website, TipReporter.com.

In or around November 2001, Research Capital hired RIG to promote an issuer, whose common stock was traded on the OTC Bulletin Board ("the Issuer").

Research Capital was affiliated with the Issuer. Research Capital's principals owned approximately eighteen percent of the Issuer's outstanding shares, and Research Capital agreed to provide the Issuer with \$1 million in working capital and to establish a public relations campaign for the Issuer. The Issuer had no significant revenue-generating activity and was nearly completely funded by, and dependent on, Research Capital.

Research Capital and RIG entered into an agreement under which RIG would establish a promotional campaign for the Issuer in exchange for an option to purchase up to 4,000,000 purportedly unrestricted shares of the Issuer from Research Capital and its principals at \$0.025 per share. At the time, the Issuer's stock was trading at approximately \$0.075 per share.

Shortly thereafter, RIG's sole officer and director, Respondent Wilding, exercised a portion of this option and purchased 3,300,000 shares of the Issuer. The shares, which came from Research Capital's principals, were deposited into Respondent Wilding's personal brokerage account.

RIG's Respondent Wilding subcontracted with Respondent Fleming and his company, SmallCap Solutions, to perform a portion of the promotional work in exchange for 150,000 purportedly unrestricted shares of the Issuer. One of Research Capital's principals transferred 150,000 of his shares of the Issuer to SmallCap Solutions on December 27, 2001. The shares were deposited into SmallCap Solutions's brokerage account. Respondent Fleming, as the sole officer and director of SmallCap Solutions, was the sole signatory on the company's brokerage account.

RIG also subcontracted with IR Specialists to perform a portion of the promotional work in exchange for 400,000 purportedly unrestricted shares of the Issuer. Under the agreement, IR Specialists would "e-mail blast" messages touting the Issuer to 8,000,000 potential investors, and arrange for profiles about the Issuer to be posted on its website and on other stock-promotion websites. As compensation, IR Specialists received 400,000 shares of the Issuer from one of Research Capital's principals on January 2, 2002. The shares were deposited into IR Specialists's brokerage account.

SmallCap Solutions posted a profile of the Issuer on the SmallCap Solutions website on or about January 5, 2002. That website was operated by

SmallCap Solutions's President, Respondent Fleming, under the business name Complete Financial. IR Specialists's promotion began at around the same time. Within several days, daily trading volume of the Issuer's shares rose over 600 percent above the volume in the preceding month.

Between January and April 2002, Respondent Fleming sold the shares of the Issuer that SmallCap Solutions had received from the Research Capital principal on the open market for \$6,005. Between March and July 2002, IR Specialists sold most of the stock it had received from the Research Capital principal on the open market for \$5,980. In addition, in the weeks following the promotional activities, Respondent Wilding sold the shares that RIG had received from the Research Capital principal for \$121,715.

No registration statement was filed with the Commission or was in effect as to the Issuer's shares sold by RIG, SmallCap Solutions, or IR Specialists. Because these stock promoters had obtained the shares from persons directly or indirectly controlling or controlled by the Issuer, or under direct or indirect common control with the Issuer, with a view to distributing the stock to the public, the stock was not exempt from registration. As a result, the securities were restricted and could not be sold to the public within a year after they were acquired by the promoters. The transactions constituted an illegal distribution of securities, and Respondents RIG and Wilding violated Sections 5(a) and 5(c) of the Securities Act.

As a result of the conduct described above, Respondents RIG and Wilding violated Sections 5(a) and 5(c) of the Securities Act, which prohibit the offer or sale of securities through the mails or in interstate commerce, unless a registration statement has been filed or is in effect as to such securities. I find, therefore, that it is in the public interest to impose the following sanctions.

ORDER

Pursuant to Section 8A of the Securities Act of 1933, I ORDER, that Research Investment Group, Inc. and Scott H. Wilding cease and desist from committing or causing any violations and any future violations of Sections 5(a) and 5(c) of the Securities Act.

Pursuant to Section 8A of the Securities Act of 1933, I FURTHER ORDER that Research Investment Group, Inc. and Scott H. Wilding shall, within ten days of the entry of this Order, pay disgorgement of \$121,715, and prejudgment interest from August 1, 2002, through the last day of the month preceding the month in which payment of disgorgement is made to the United States Treasury. Prejudgment interest shall be calculated as provided for in Rule 600 of the Commission's Rules of Practice. See 17 C.F.R. § 201.600. Such payment shall be (A) made by United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312; and (D) submitted under cover of a letter that identifies Research Investment Group, Inc. and Scott H. Wilding as Respondents in this proceeding, and the file number of the proceeding. A copy of the cover letter and check shall be sent to Helene L. Morrison, District Administrator, Securities and Exchange Commission, San Francisco District Office, 44 Montgomery Street, Suite 1100, San Francisco, California 94104-4691.

I FURTHER ORDER that the Motion to Withdraw as counsel for Respondent Wilding filed on February 4, 2004, by Nancy Brodzki, Esq., is GRANTED. See 17 C.F.R. § 201.102(d)(4).

I FURTHER ORDER that the hearing scheduled to begin on Monday, February 23, 2004, is canceled.

Brenda P. Murray
Chief Administrative Law Judge

<http://www.sec.gov/litigation/admin/33-83871.htm>