

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 45057 / November 15, 2001

ADMINISTRATIVE PROCEEDING  
File No. 3-10639

---

In the Matter of	:	ORDER INSTITUTING CEASE-AND-
	:	DESIST PROCEEDINGS, MAKING
THE CLASSICA GROUP, INC.	:	FINDINGS AND IMPOSING CEASE-
	:	AND-DESIST ORDER
	:	

---

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that public cease-and-desist proceedings be instituted pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act") against The Classica Group, Inc. ("The Classica Group" or "Respondent").

II.

In anticipation of these administrative proceedings, The Classica Group has submitted an Offer of Settlement, which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission or to which the Commission is a party, and without admitting or denying the facts, findings or conclusions herein, except as to jurisdiction of the Commission over The Classica Group and over the subject matter of this proceeding, which The Classica Group admits, the Classica Group consents to the entry of this Order Instituting Cease-and-Desist Proceedings, Making Findings and Imposing Cease-and-Desist Order ("Order"). Accordingly, IT IS ORDERED that proceedings, pursuant to Section 21C of the Exchange Act, against The Classica Group be, and hereby are, instituted.

### III.

On the basis of this Order and the Offer submitted by The Classica Group, the Commission makes the following findings:

A. Respondent:

Respondent The Classica Group is a New York corporation headquartered in Lakewood, New Jersey. The common stock of The Classica Group is registered pursuant to Section 12(g) of the Exchange Act, and has been so registered since at least December 31, 1999. Shares of The Classica Group's common stock are listed on the NASDAQ small-cap market.

B. The Classica Group's Public Statements:

1. On October 11, 2001, The Classica Group issued a press release that, among other things, stated that its microwave technology "is absolutely capable of killing anthrax." The press release further stated that the company was working on a system to process packages and mail that it believed "could prevent a biological disaster similar to the one that recently occurred in Florida."
2. On October 12, 2001, The Classica Group issued a press release that, among other things, stated that its staff "has completed the basic design of a system which we believe is capable of killing biological bacteria, including anthrax in mail."

C. Material Information Omitted:

The Classica Group press releases omitted to state that its microwave technology had not been tested for or shown to be practical, economical, or effective for killing anthrax in packages or in mail.

D. The Classica Group Violated Section 10(b) and Rule 10b-5 of the Exchange Act

Section 10(b) of the Exchange Act and Rule 10b-5 thereunder prohibit, in connection with the purchase or sale of any security, making any untrue statement of a material fact or omitting to state a material fact necessary to make the statements made in light of the circumstances under which they were made, not misleading

The Classica Group issued publicly the statements set forth above. The Classica Group knew, or was reckless in not knowing, that these statements were false and misleading at the time they were made.

Accordingly, the Commission finds that The Classica Group violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

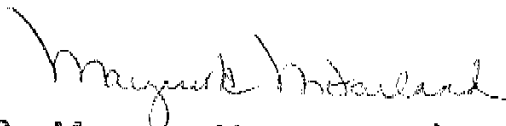
IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions specified in the Offer submitted by The Classica Group.

Accordingly, IT IS HEREBY ORDERED that The Classica Group be and hereby is ordered to cease and desist from committing or causing any violation and any future violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

By the Commission.

Jonathan G. Katz  
Secretary

  
By: Margaret H. McFarland  
Deputy Secretary