

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

Securities Exchange Act of 1934  
Release No. 59190 / December 31, 2008

Investment Advisers Act of 1940  
Release No. 2825 / December 31, 2008

Administrative Proceeding  
File No. 3-13322

IN THE MATTER OF JOSEPH LOVAGLIO

On December 31, 2008, The United States Securities and Exchange Commission (Commission) announced the issuance of an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, and Notice of Hearing (Order) against Joseph Lovaglio.

In the Order, the Division of Enforcement alleges that from at least August 2005 through November 2007, Respondent, age 26, was the managing director of Rabinovich & Associates, LP (the Fund or the Firm), an unregistered broker-dealer and investment company, and head of its sales operation. The Order further alleges that the Fund's general partner and portfolio manager, with whom Lovaglio also was associated, was Alex Rabinovich, an unregistered investment adviser, and that from March 2005 until October 2005, Lovaglio was a registered representative associated with a broker-dealer registered with the Commission.

The Order further alleges that on December 5, 2008, a final judgment was entered against Lovaglio, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, and Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled Securities and Exchange Commission v. Rabinovich & Associates, L.P., et al., Civil Action Number 07 Civ. 10547 (GEL), in the United States District Court for the Southern District of New York.

The final judgment was based upon findings of fact and conclusions of law made by the court in granting the Commission's motion for summary judgment against Lovaglio. Among other things, the court found that, from at least August 2005 through November 2007, Lovaglio and Alex Rabinovich operated the Fund, an unregistered investment company and broker-dealer, out of a storefront boiler room in Brooklyn; that during that period, Lovaglio and others raised approximately \$2,250,000 through the sale of limited partnership interests in the Fund from more than 150 investors by making fraudulent statements about the Fund's investment performance and other material facts; that Lovaglio repeatedly misrepresented to investors and prospects, both personally and through the salesmen that he supervised and the firm's website and account statements for which he was responsible, that the Fund was highly profitable, when in fact it had

done nothing but lose money throughout its existence and that the firm was located on Wall Street and was a member of the New York Stock Exchange, the National Association of Securities Dealers (NASD), and the Securities Investor Protection Corporation, when it was not, and failed to disclose that Rabinovich had been barred by the NASD from working for a member broker or dealer and that he himself was facing similar sanctions; and that Lovaglio had illegally offered and sold unregistered securities and illegally operated as an unregistered broker-dealer.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide the Respondent an opportunity to establish any defenses to such allegations, and to determine what, if any, remedial action is appropriate in the public interest.

The Order requires the Administrative Law Judge to issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.