

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

SECURITIES EXCHANGE ACT OF 1934
Release No. 55253 / February 8, 2007

Admin. Proceeding File No. 3-12563

In the Matter of James Cavaliere

The United States Securities and Exchange Commission (“Commission”) announced today that it issued an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Notice of Hearing (“Order”) against James Cavaliere (“Cavaliere”). In the Order, the Division of Enforcement alleges that Cavaliere has pled guilty to one count of conspiracy to commit securities fraud and wire fraud before the United States District Court for the District of New Jersey, United States v. James Cavaliere, 05 Cr. 49 (D.N.J.). The Order further alleges that sole count of the criminal information to which Cavaliere pled guilty alleged, among other things, that Cavaliere, using various instrumentalities of interstate commerce, while employed at Bryn Mawr Investment Group, Inc., a broker-dealer registered with the Commission pursuant to Section 15(b) of the Exchange Act, which later was known as Valley Forge Securities, Inc. (“Valley Forge”), defrauded investors by receiving undisclosed excessive cash commissions, which were not disclosed to customers. Cavaliere also paid excessive and undisclosed commissions to licensed and unlicensed brokers employed at Valley Forge. Cavaliere also employed deceptive sales practices to mislead customers into buying certain stocks.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide Cavaliere an opportunity to dispute these allegations, and to determine what, if any, remedial sanctions against Cavaliere are appropriate and in the public interest pursuant to the Securities Exchange Act of 1934. The Commission directed that an administrative law judge issue an initial decision in this matter within 210 days from the date of service of the Order Instituting Proceedings.