

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 2646 / September 11, 2007**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12755**

**In the Matter of**

**JAMES J.**  
**PEPERNO, JR.,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 203(f) OF THE**  
**INVESTMENT ADVISERS ACT OF 1940,**  
**MAKING FINDINGS, AND IMPOSING**  
**REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against James J. Peperno, Jr. (“Peperno” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) 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 findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. JAMES J. PEPERNO, JR., age 43, is an unregistered investment adviser and associated person of JJP Consulting, Ltd. ("JJP Consulting"), an unregistered investment adviser incorporated in the Commonwealth of Pennsylvania, with its principal place of business at 120 N. Main St., Old Forge, Pennsylvania 18518. Peperno was the president, chief executive officer, sole corporate officer and employee of JJP Consulting. Peperno held himself out as a financial consultant qualified to provide investment advice, and in fact provided such advice to clients.

2. On June 7, 2007, Peperno pled guilty to one count of mail fraud in connection with the scheme to defraud investors in violation of Section 1341, Title 18, United States Code, before the United States District Court for the Middle District of Pennsylvania, in United States v. James J. Peperno, No. 3:06 CR 135 (Vanaskie, J.).

3. The count of the criminal indictment to which Respondent pled guilty alleged that, from approximately March 2004 until in or about April 2006, while holding himself out as a financial consultant qualified to provide investment advice, Peperno obtained over \$600,000 from investors and, instead of investing those funds as promised, diverted funds for his own use and benefit or the benefit of others. The count further alleged that Peperno unlawfully, willingly, and knowingly by use of the means and instrumentalities of interstate commerce and of the mails, directly and indirectly, (a) employed devices, schemes, and artifices to defraud clients and (b) engaged in transactions, practices, and courses of business which operated as a fraud and deceit upon clients.

### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Peperno's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Peperno be, and hereby is barred from association with any investment adviser.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a

customer, whether or not related to the conduct that served as the basis for the Commission order;  
and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct  
that served as the basis for the Commission order.

By the Commission.

Nancy M. Morris  
Secretary