

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 2511 / April 19, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12268

In the Matter of

KIERAN J. DALE,

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 Kiernan J. Dale (“Dale” 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. Between 1997 and 2001, Dale was a managing director of a private venture capital fund called Keystone Venture V, LP (the "Fund"). During that time, Dale was an investment adviser, and provided investment advice to the Fund through three companies that he and two other individuals controlled. Dale, age 49, resides in the Philadelphia, Pennsylvania area.

2. On April 13, 2006, a final judgment was entered by consent against Dale, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Keystone V Management Co., Inc., et al., Civil Action Number 2:06-cv-1030-JD, in the United States District Court for the Eastern District of Pennsylvania.

3. The Commission's complaint alleged, among other things, that Dale defrauded the Fund and its investors of more than \$9 million by purportedly investing their funds in companies owned or controlled by an entrepreneur located in New England. The complaint further alleged that Dale diverted these funds to the entrepreneur and other third parties affiliated with him for their personal benefit and that Dale concealed the diversion of funds by creating false and misleading financial statements that were disseminated to existing and prospective investors. These false and misleading financial statements were disseminated in the offer and sale and in connection with the purchase and sale of securities in the form of capital calls to existing investors and defaulted limited partnership interests to new investors.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, Respondent Dale 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