

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 2585 / January 24, 2007**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12548**

<b>In the Matter of</b>	:	
	:	<b>ORDER INSTITUTING</b>
	:	<b>ADMINISTRATIVE PROCEEDINGS</b>
<b>JOSEPH J. SPIEGEL,</b>	:	<b>PURSUANT TO SECTION 203(f) OF THE</b>
	:	<b>INVESTMENT ADVISERS ACT OF 1940,</b>
<b>Respondent.</b>	:	<b>MAKING FINDINGS, AND IMPOSING</b>
	:	<b>REMEDIAL SANCTIONS</b>
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**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 Joseph J. Spiegel (“Spiegel” 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. Spiegel is a former portfolio manager for Spinner Asset Management LLC ("Spinner Asset Management"), an investment adviser that registered with the Commission on or about February 6, 2006. Spinner Asset Management serves as the investment adviser for the Spinner Global Technology Fund, Ltd. ("SGTF" or "Fund"), a \$200 million hedge fund. Spiegel is 35 years old and resides in New York, New York.

2. On January 5, 2007, a final judgment was entered by consent against Respondent, permanently enjoining him from future violations of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder, and Section 5 of the Securities Act of 1933 ("Securities Act") in a civil action entitled Securities and Exchange Commission v. Joseph J. Spiegel, Civil Action Number 1:07CV00008, in the United States District Court for the District of Columbia (the "Civil Action").

3. The Commission's complaint alleged that, during 2002, Spiegel, acting through Spinner Asset Management, engaged in an unlawful trading scheme on SGTF's behalf in violation of the antifraud and registration provisions of the federal securities laws in connection with three unregistered securities offerings, which are commonly referred to as "PIPEs" (Private Investment in Public Equity). Spiegel's illegal trading resulted in ill-gotten gains for the Fund.

4. The complaint also alleged that, after agreeing, on behalf of SGTF, to invest in the three PIPE transactions, Spiegel sold short the PIPE issuer's stock through "naked" short sales in Canada. Later, once the Commission declared the resale registration statement effective, Spiegel used SGTF's PIPE shares to close out some or all of the pre-effective date short positions — a practice Spiegel knew or was reckless in not knowing was prohibited by the registration provisions of the federal securities laws. In connection with each of the three PIPEs, to avoid detection and regulatory scrutiny, Spiegel employed wash sales and matched orders to make it appear that he was covering SGTF's pre-effective date short positions with open market stock purchases when in fact the covering transactions were not done with open market shares because SGTF was on both sides of the trades and covered the short positions with its PIPE shares.

5. The complaint further alleged that the unlawful PIPE investment strategy and trading scheme involved three issuers that sought PIPE financing (collectively, "the PIPE Issuers"). During the relevant period, the common stock of each PIPE Issuer was registered with the Commission pursuant to either Section 12(b) or Section 12(g) of the Exchange Act and either was quoted on NASDAQ or traded on the New York Stock Exchange.

6. The complaint also alleged that, in each of the transactions, Spiegel, on behalf of SGTF, also made materially false representations to the PIPE Issuers to induce them to sell securities to the Fund. As a precondition of participation in a PIPE, SGTF had to represent that it

would not sell, transfer or dispose of the PIPE shares other than in compliance with the registration provisions of the Securities Act. This representation was material to the PIPE Issuers, who, as the stock purchase agreements made clear, relied on the investors' representations in order to qualify for an exemption from the registration requirements for their private offering. At the time Spiegel, on behalf of SGTF, signed the securities purchase agreements, however, he intended to distribute the restricted PIPE securities in violation of the registration provisions of the Securities Act.

#### IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent be and hereby is barred from association with any investment adviser with the right to reapply for association after three (3) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

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