

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 2678 / November 29, 2007**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12894**

**In the Matter of**

**DAVID A. DADANTE,**

**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 David Dadante (“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. Respondent is fifty-two years old and resides in South Euclid, Ohio. From at least 1999 through November 2005, Respondent was the general partner of the IPOF Fund ("IPOF"), and he acted as an unregistered investment adviser to IPOF, an unregistered investment company.

2. On November 1, a judgment of permanent injunction was entered by consent against Respondent, permanently enjoining him from future violations of Sections 5(a), 5(c), and 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 (2) of the Advisers Act in the civil action entitled U.S. Securities and Exchange Commission v. David Dadante, et al., Civil Action Number 06-CV-0938, in the United States District Court for the Northern District of Ohio Eastern Division.

3. The Commission's complaint alleged that, from at least 1999 through November 2005, Dadante, acting by and through his unregistered investment company, IPOF, raised approximately \$50 million from at least 110 investors by soliciting them to purchase unregistered limited partnership interests in IPOF. Dadante lured investors with promises that he and IPOF would invest their funds in low risk and high return trading strategies. However, Dadante and IPOF never invested the funds as promised. Rather Dadante, acting as an unregistered investment adviser to IPOF, misappropriated investor funds for his own use, operated IPOF as a Ponzi scheme, and pursued an undisclosed high-risk investment strategy.

#### IV.

In view 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 that:

Pursuant to Section 203(f) of the Advisers Act that Respondent 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.

For the Commission, by its Secretary, pursuant to delegated authority.

Nancy M. Morris  
Secretary