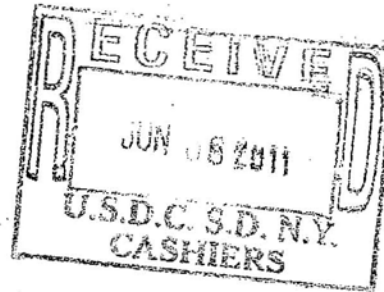


GEORGE S. CANELLOS
REGIONAL DIRECTOR
Andrew M. Calamari
Robert J. Burson (Not admitted in New York)
Alexander M. Vasilescu
Aaron Arnzen (Not admitted in New York)
Kristine M. Zaleskas
Attorneys for Plaintiff
SECURITIES AND EXCHANGE COMMISSION
New York Regional Office
3 World Financial Center
New York, NY 10281
(212) 336-1100



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

ERIC LIPKIN,

Defendant.
-----X

11 Civ. ____

COMPLAINT

Plaintiff Securities and Exchange Commission ("Commission"), for its Complaint against defendant Eric Lipkin ("Lipkin," or the "Defendant"), alleges:

SUMMARY

1. For over a decade, Lipkin assisted Bernard L. Madoff ("Madoff") in defrauding investors and misleading auditors and regulators. Lipkin worked alongside Frank DiPascali ("DiPascali") and other BMIS employees in Bernard Madoff Investment Securities LLC's ("BMIS") fraudulent, multi-billion dollar advisory operations. As an employee in the investment advisory ("IA") operations, Lipkin assisted DiPascali and other BMIS employees with carrying

out Madoff's entirely fictitious "split-strike conversion" strategy that BMIS claimed to be pursuing on behalf of its clients. Lipkin also made repeated material misrepresentations to a group of non-split-strike investors and created false records of the investors' account holdings. In so doing, Lipkin prepared numerous fictitious account statements and other documents that he knew or was reckless in not knowing would be shown to investors. Lipkin also aided and abetted other books and records violations by creating, at Madoff's direction, numerous fake Depository Trust Clearing Corporation ("DTCC") reports that he knew would be used to mislead auditors and regulators and by processing payroll records for "no-show" employees.

2. By virtue of the conduct alleged herein, Defendant directly or indirectly, singly or in concert, violated Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)]; violated and aided and abetted violations of Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], aided and abetted violations of Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 (the "Advisers Act") [15 U.S.C. §§ 80b-6(1) and (2)], Sections 15(c) and 17(a) of the Exchange Act [15 U.S.C. §§ 78o(c) and 78q(a)], and Rules 10b-3 and 17a-3 thereunder [17 C.F.R. §§ 240.10b-3 and 240.17a-3], and Section 204 of the Advisers Act [15 U.S.C. § 80b-4] and Rule 204-2 thereunder [17 C.F.R. § 275.204-2].

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

3. The Commission brings this action pursuant to the authority conferred upon it by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)], Section 21(d)(1) of the Exchange Act [15 U.S.C. § 78u(d)(1)], and Section 209(d) of the Advisers Act [15 U.S.C. § 80b-9(d)], seeking to restrain and enjoin permanently Defendant from engaging in the acts, practices and courses of business alleged herein.

4. In addition to the injunctive relief recited above, the Commission seeks: (i) a final judgment ordering Defendant to disgorge his ill-gotten gains with prejudgment interest thereon; (ii) a final judgment ordering Defendant to pay civil penalties; and (iii) such other relief as the Court deems just and appropriate.

JURISDICTION AND VENUE

5. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], Sections 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(e) and 78aa], and Section 214 of the Advisers Act [15 U.S.C. § 80b-14]. Venue is proper in the Southern District of New York pursuant to 28 U.S.C. § 1391. The Defendant, directly or indirectly, has made use of the means and instrumentalities of interstate commerce, or of the mails and wires, in connection with the transactions, acts, practices and courses of business alleged herein. A substantial part of the events comprising Defendant's wrongful conduct giving rise to the Commission's claims occurred in the Southern District of New York, and Defendant engaged in his wrongful conduct while working in a business office in this District.

THE DEFENDANT

6. **Lipkin**, age 37, had been an employee of BMIS since he was a teenager. Lipkin worked in the firm's payroll and benefits department beginning in May 1992, and in approximately 1996, began working in the IA operations of BMIS. Lipkin holds no professional licenses, is not registered as a representative of any broker-dealer, and has never had any registration in the securities industry.

OTHER INDIVIDUALS AND ENTITIES

7. **Madoff**, age 73, was the sole owner of BMIS. Until December 12, 2008, Madoff, a former chairman of the board of directors of the NASDAQ stock market, oversaw and

controlled the investment adviser services at BMIS as well as the overall finances of BMIS. On February 9, 2009, the District Court, with Madoff's consent, entered a partial judgment in the Commission's case against Madoff. On March 12, 2009, Madoff pled guilty to 11 felony counts relating to his orchestration of the Ponzi scheme. Madoff admitted in his allocution, among other things, that since at least the early 1990s, he had falsely indicated on customer documents that securities transactions had taken place when no such transactions had occurred for investor accounts. On June 29, 2009, Madoff was sentenced to 150 years in prison and ordered to forfeit his assets. Madoff is currently serving his prison term.

8. **BMIS** registered with the Commission as a broker-dealer in 1960 and as an investment adviser in September 2006 and used to occupy floors 17-19 of the Lipstick Building in New York City. BMIS purportedly engaged in three different operations: investment adviser services (housed on the 17th floor), market making services and proprietary trading (housed on the 18th and 19th floors). BMIS' many victims were both brokerage customers and IA clients of BMIS, which operated as both a broker-dealer and an investment adviser in relation to the investor accounts. BMIS is currently under the control of a SIPC trustee.

9. **Frank DiPascali**, age 54, was employed at BMIS from 1975 until the firm's collapse in December 2008. From the mid-1980s, at Madoff's direction, DiPascali became involved in, and eventually oversaw, the day-to-day operations of the bulk of BMIS' multi-billion dollar advisory business. On August 11, 2009, DiPascali pled guilty to ten felony counts relating to his role in Madoff's Ponzi scheme. See United States v. Frank DiPascali, Jr., No. 09 Cr. 764 (S.D.N.Y.) (RJS). DiPascali admitted in his allocution, among other things, that he and others were involved in creating false account statements and trade confirmations for customers and in lying to auditors and regulators who reviewed BMIS' operations and books and records,

and that he knew that purported trades in investor accounts never took place. In addition, the Commission filed civil charges against DiPascali on August 11, 2009. See S.E.C. v. Frank DiPascali, Jr., No. 09-CV-7085 (LLS). On August 13, 2009, the District Court, with DiPascali's consent, entered a partial judgment in the Commission's case against him.

FACTS

BMIS' Investment Advisory Accounts and Ponzi Scheme

10. For decades, Madoff and others orchestrated a massive Ponzi scheme through BMIS' IA operations. Madoff solicited funds from direct investors and feeder funds by promising to invest those funds in equity securities and hedge the related downside risk, thereby generating certain rates of return.

11. In fact, neither Madoff nor BMIS invested these funds in the manner described. Instead, Madoff directed that investor funds be kept in highly liquid form, including cash, certificates of deposit, and treasury bills. A large portion of these funds was used to pay investor redemption requests and to line Madoff's pockets and those of his family and certain employees and associates.

12. BMIS began managing investor accounts in the 1960's. Over time, the advisory operations expanded when various accountants and financial advisors began soliciting individual investors around the country and feeding the investors' money to BMIS. In most cases, Madoff set up aggregate, pooled accounts at BMIS for monies raised by each of these solicitors or "feeders," leaving it to the feeder to deal with the individual investors by issuing statements, making payments, and the like. Hardly any actual investments or trading ever occurred in these accounts on behalf of investors.

**Lipkin's Role in the Split-Strike Strategy
and the Creation of False Account Statements**

13. Lipkin first began working at BMIS as a teenager, performing clerical duties for his father, who worked for many years as BMIS' controller. Lipkin became a full-time employee of BMIS in May 1992 in the firm's payroll and benefits department. In 1996, Lipkin moved to the 17th floor and worked in the firm's IA operations while administrating the payroll and other benefits of BMIS. In addition to his salary at BMIS, Lipkin maintained a personal IA account at BMIS. Lipkin also received bonuses from the firm, at least one of which was tied to his assistance on a project designed to mislead auditors and examiners.

14. Lipkin participated in the mechanics of the fictitious "split-strike conversion strategy," the trading strategy in which many BMIS investor accounts were purportedly invested. This trading "strategy" purportedly entailed the purchase of a basket of stocks representing a subset of the stocks comprising the S&P 100 index ("S&P 100"), the performance of which was presumed to correlate very closely with the performance of the overall index. The downside risk of this phantom position was hedged by the "purchase" of fictitious put options on the S&P 100, which were supposedly funded by the "sale" of call options on the S&P 100. Lipkin researched historical stock prices on Bloomberg for the stocks used in the split-strike basket of trades. Further, Lipkin confirmed that the prices selected for the stocks fell within the actual price range for the relevant time period. Lipkin also processed account opening documents and answered calls from clients, and assisted on various projects for other 17th floor employees.

15. Lipkin and others also created false portfolio statements of held positions for several investor accounts that were provided to these account holders on a regular basis.

16. None of the positions reported in these portfolio statements actually existed; the reported trades and positions were entirely fictitious. Lipkin knew, or recklessly disregarded, that these portfolio statements were false and misleading.

Lipkin's Assistance in Misleading Regulators and Investors

17. Over the course of Madoff's extensive and far-reaching fraud, BMIS was subjected to several rounds of scrutiny by investor representatives and regulators. When Madoff received requests for information from these external reviewers, he responded not only with oral and written misrepresentations, but also with an impressive array of reports and data to corroborate BMIS' fictitious trading. These misrepresentations varied over time and depended on which external reviewer was posing questions.

18. Lipkin assisted Madoff, BMIS, DiPascali and other BMIS employees by preparing fake books and records for BMIS' use in the event that a regulator or investor requested them.

19. In particular, had BMIS ever actually traded or held securities positions for its IA clients, these positions would have been reflected in records maintained by the DTCC. As the central securities depository in the United States, DTCC maintains records of securities trades and positions for its members. Because BMIS hardly ever engaged in any trading or held any real securities positions for its IA clients, there were no real DTCC records that corresponded to the positions purportedly held by BMIS' IA clients and reflected on the clients' statements. Accordingly, Lipkin, at Madoff's direction, prepared fake DTCC records that reflected the fictional securities positions held by the IA clients, in the event that a regulator or investor ever

asked to review them. Lipkin prepared these fake DTCC reports on numerous occasions and knew, or recklessly disregarded, that these reports were false and misleading.

20. Another ruse employed by BMIS was the creation of fake statements and reports that were designed to fool any inquiring regulator or investor into believing that BMIS only served as an executing broker for its IA customers, and that the customers' securities were custodied at third-party institutions on an RVP/DVP basis ("receive versus payment" and "delivery versus payment"). To perpetrate this ruse, DiPascali and others changed the titles for a special group of accounts to indicate that the assets were custodied elsewhere. For example, an account in the name of "John Doe" was changed to "[European Bank] for the benefit of John Doe" on the fictitious set of account statements and trade reports given to auditors or regulators. This ruse was devised to mislead investors or regulators to believe that the assets were custodied at European Bank. Thus, investors or regulators would have no reason to ask DTCC for records that reflected BMIS holdings since the stock was purportedly held in street name at European Bank, not BMIS. Lipkin and others researched information regarding foreign banks to include in the false account titles.

21. Lipkin also helped BMIS mislead customers who sought the firm's proxy voting records. Because BMIS did not actually purchase stock on behalf of the IA clients, it did not participate in proxy voting. Lipkin researched proxy information on EDGAR or the Internet to see what issues were being voted on, and then drafted letters to inquiring clients that falsely stated that BMIS had voted with corporate management on these proxy votes.

22. Moreover, BMIS' payroll included many individuals – friends and family of BMIS insiders – who did not perform any work for the firm, but who nevertheless received salaries and benefits. In his role within the payroll department, Lipkin assisted BMIS in the

maintenance and processing of these “no show” employees’ payroll records. Lipkin knew, or was reckless in not knowing, that the payroll records that he maintained for these phantom “employees” were false and misleading.

Lipkin’s Financial Gain from BMIS’ Fraud

23. Lipkin benefitted financially from BMIS’s fraud. By 2008, Lipkin’s annual salary was \$225,000, and he frequently received bonuses from the firm, including the equivalent of five to six weeks’ salary for his assistance on a project designed to mislead auditors and examiners.

24. Lipkin also obtained a payment of \$720,000 from Madoff to purchase a house. Lipkin never signed a promissory note for this payment, never discussed the terms of the payment with Madoff, and never paid the amount back to Madoff.

FIRST CLAIM FOR RELIEF

Violations of Section 17(a)(1) of the Securities Act (Antifraud violations)

25. Paragraphs 1 through 24 are realleged and incorporated by reference as if set forth fully therein.

26. The Defendant, in the offer and sale of securities, by the use of the means and instruments of transportation and communication in interstate commerce or by the use of the mails and/or wires, directly or indirectly, employed devices, schemes and artifices to defraud.

27. By reason of the activities herein described, the Defendant violated Section 17(a)(1) of the Securities Act. [15 U.S.C. § 77q(a)(1).]

SECOND CLAIM FOR RELIEF

**Violations of Section 17(a)(2) and 17(a)(3) of the Securities Act
(Antifraud violations)**

28. Paragraphs 1 through 24 are realleged and incorporated by reference as if set forth fully therein.

29. From at least the 1990s through December 11, 2008, the Defendant, in the offer and sale of securities, by the use of the means and instruments of transportation and communication in interstate commerce or by the use of the mails and/or wires, directly or indirectly, has obtained money and property by means of untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and has engaged in transactions, practices or courses of business which have operated as a fraud and deceit upon investors.

30. By reason of the activities herein described, the Defendant has violated Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

THIRD CLAIM FOR RELIEF

**Violations of
Section 10(b) of the Exchange Act and Rule 10b-5
(Antifraud violations)**

31. Paragraphs 1 through 24 are realleged and incorporated by reference as if set forth fully therein.

32. Defendant, in connection with the purchase and sale of securities, directly or indirectly, by the use of the means and instrumentalities of interstate commerce or of the mails and/or wires, employed devices, schemes and artifices to defraud; made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and engaged in acts, practices and courses of business which operated as a fraud and deceit upon investors.

33. By reason of the activities herein described, Defendant violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. §§ 240.10b-5].

FOURTH CLAIM FOR RELIEF

**Aiding and Abetting Violations of Section 10(b) and Rule 10b-5
(Antifraud Violations)**

34. Paragraphs 1 through 24 are realleged and incorporated by reference as if set forth fully therein.

35. Madoff, DiPascali and BMIS, in connection with the purchase and sale of securities, directly or indirectly, by the use of the means and instrumentalities of interstate commerce or of the mails and/or wires, employed devices, schemes, and artifices to defraud; made untrue statements of material fact and omitted to state facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and engaged in acts, practices, and courses of business which operated as a fraud and a deceit upon investors.

36. As described in the paragraphs above, Madoff, DiPascali, and BMIS violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. §§ 240.10b-5].

37. By reason of the foregoing, and pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Defendant aided and abetted Madoff's, DiPascali's and BMIS' violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. §§ 240.10b-5]. Specifically, Defendant knowingly provided substantial assistance to Madoff, DiPascali, and BMIS in committing such violations.

FIFTH CLAIM FOR RELIEF

Aiding and Abetting Violations of Sections 206(1) and 206(2) of the Advisers Act (Fraud upon Advisory Clients and Breach of Fiduciary Duty by Investment Adviser)

38. Paragraphs 1 through 24 are realleged and incorporated by reference as if set forth fully therein.

39. Madoff and BMIS at all relevant times were investment advisers within the meaning of Section 202(11) of the Advisers Act [15 U.S.C. § 80b-2(11)].

40. Madoff and BMIS directly or indirectly, singly or in concert, knowingly or recklessly, through the use of the mails or any means or instrumentality of interstate commerce, while acting as investment advisers within the meaning of Section 202(11) of the Advisers Act [15 U.S.C. § 80b-2(11)]: (a) employed devices, schemes, and artifices to defraud any client or prospective client; or (b) engaged in acts, practices, or courses of business which operate as a fraud or deceit upon any client or prospective client.

41. As described in the paragraphs above, Madoff and BMIS violated Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1), (2)].

42. By reason of the activities described herein, and pursuant to Section 209(d) of the Advisers Act [15 U.S.C. § 80b-9(d)], Defendant aided and abetted Madoff's and BMIS' violations of Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and 80b-6(2)]. Specifically, Defendant knowingly provided substantial assistance to Madoff and BMIS in committing such violations.

SIXTH CLAIM FOR RELIEF

Aiding and Abetting Violations of Section 15(c) of the Exchange Act and Rule 10b-3 (Fraud Upon Customers by Broker-Dealer)

43. Paragraphs 1 through 24 are realleged and incorporated by reference as if set forth fully therein.

44. BMIS was a broker within the meaning of Section 3(a)(4) of the Exchange Act [15 U.S.C. § 78c(a)(4)].

45. BMIS, while a broker, by engaging in the conduct described above, made use of the mails or means or instrumentalities of interstate commerce to effect transactions in, or to induce or attempt to induce the purchase or sale of securities (other than commercial paper, bankers' acceptances or commercial bills) otherwise than on a national securities exchange of which BMIS was a member, by means of manipulative, deceptive, or other fraudulent devices or contrivances.

46. BMIS' manipulative, deceptive and fraudulent devices or contrivances included misrepresentations to customers that securities transactions with certain characteristics occurred, and securities were held, in their accounts when no such transactions occurred and no such securities were held in customers' accounts.

47. As described in the paragraphs above, BMIS violated Sections 15(c) of the Exchange Act [15 U.S.C. § 78o(c)] and Rule 10b-3 thereunder [17 C.F.R. § 240.10b-3].

48. By reason of the activities described herein, and pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Defendant aided and abetted BMIS' violations of Section 15(c) of the Exchange Act [15 U.S.C. § 78o(c)] and Rule 10b-3 thereunder [17 C.F.R. §

240.10b-3]. Specifically, Defendant knowingly provided substantial assistance to BMIS in committing such violations.

SEVENTH CLAIM FOR RELIEF

**Aiding and Abetting Violations of Section 17(a)
of the Exchange Act and Rule 17a-3
(Broker-Dealer Books and Records Violations)**

49. Paragraphs 1 through 24 are realleged and incorporated by reference as if set forth fully herein.

50. As a registered broker-dealer, BMIS was required to make and keep certain books and records current and accurate pursuant to Section 17(a) of the Exchange Act [15 U.S.C. § 78q(a)] and Rule 17a-3 thereunder [17 C.F.R. § 240.17a-3]. In particular, Rule 17a-3(a)(2) requires broker-dealers to keep current ledgers and all other records that reflect all assets and liabilities, and income and expense and capital accounts.

51. As set forth above, BMIS failed to make and keep certain books and records current and accurate. BMIS, among other things, manufactured and maintained records that falsely reflected BMIS' assets and liabilities, and income and expense and capital accounts.

52. As a result, BMIS violated Section 17(a) of the Exchange Act and Rule 17a-3 promulgated thereunder [15 U.S.C. § 78q(a) and 17 C.F.R. § 240.17a-3].

53. By reason of the foregoing, and pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Defendant aided and abetted the violations of Section 17(a) of the Exchange Act [15 U.S.C. § 78q(a)] and Rule 17a-3 thereunder [17 C.F.R. § 240.17a-3]. Specifically, Defendant knowingly provided substantial assistance to BMIS in committing such violations.

EIGHTH CLAIM FOR RELIEF

Aiding and abetting violations of Section 204 and Rule 204-2 of the Advisers Act (Adviser Books and Records Violations)

54. Paragraphs 1 through 24 are realleged and incorporated by reference as if set forth fully herein.

55. BMIS at all relevant times was an investment adviser within the meaning of Section 202(11) of the Advisers Act [15 U.S.C. § 80b-2(11)].

56. BMIS failed to make, maintain on its premises, or keep accurate, certain books and records required by law. For example, BMIS failed to make, maintain on its premises or keep accurate, true and accurate journals, including cash receipts and disbursement records. It also failed to make, maintain on its premises or keep accurate, true and accurate ledgers reflecting asset, liability, reserve, capital, income and expense accounts, and true and accurate check books, bank statements, cancelled checks and cash reconciliations. Among other things, BMIS manufactured and maintained fictitious securities holdings and fictitious securities transactions in investors' accounts, fake DTCC records, and false payroll records.

57. By reason of the foregoing, BMIS violated Section 204 of the Advisers Act [15 U.S.C. § 80b-4], and Rule 204-2 thereunder [17 C.F.R. § 275.204-2], and Defendant aided and abetted BMIS' violations. Specifically, Defendant knowingly provided substantial assistance to BMIS in committing such violations.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court enter a final judgment against Defendants granting the following relief:

I.

Finding that Defendant violated the securities laws and rules promulgated thereunder as alleged herein.

II.

Permanently restraining and enjoining Defendant, his agents, servants, employees and attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from committing or aiding and abetting future violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

III.

Permanently restraining and enjoining Defendant, his agents, servants, employees and attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from committing or aiding and abetting future violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

IV.

Permanently restraining and enjoining Defendant, his agents, servants, employees and attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from committing or aiding and abetting future violations of Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and (2)].

V.

Permanently restraining and enjoining Defendant, his agents, servants, employees and attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from committing or aiding and abetting future violations of Section 15(c) of the Exchange Act [15 U.S.C. § 78o(c)] and Rule 10b-3 thereunder [17 C.F.R. § 240.10b-3].

VI.

Permanently restraining and enjoining Defendant, his agents, servants, employees and attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from committing or aiding and abetting future violations of Section 17(a) of the Exchange Act [15 U.S.C. § 78q(a)] and Rule 17a-3 thereunder [17 C.F.R. § 240.17a-3].

VII.

Permanently restraining and enjoining Defendant, his agents, servants, employees and attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from committing or aiding and abetting future violations of Section 204 of the Advisers Act [15 U.S.C. § 80b-4], and Rule 204-2 thereunder [17 C.F.R. § 275.204-2].

VIII.

Directing Defendant to disgorge his ill-gotten gains, plus prejudgment interest thereon.

IX.

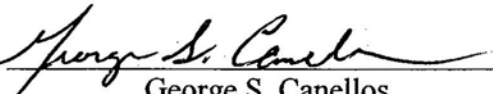
Directing Defendant to pay civil money penalties.

X.

Granting such other and further relief as to this Court seems just and proper.

Dated: New York, New York
June 6, 2011

SECURITIES AND EXCHANGE COMMISSION

By: 
George S. Canellos

Regional Director
Attorney for Plaintiff
SECURITIES AND EXCHANGE COMMISSION
3 World Financial Center
New York, NY 10281-1022
(212) 336-1100

Of Counsel:

Andrew M. Calamari
Robert J. Burson (*Not admitted in New York*)
Alexander M. Vasilescu
Aaron Arnzen (*Not admitted in New York*)
Kristine M. Zaleskas