

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 her and the subject matter of these proceedings, and the findings contained in Section III.3 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, 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. Kaplan, age 40, of Agoura Hills, California, became a certified public accountant licensed to practice in the State of California in 1996; her license expired in February 2005. Kaplan began work at Vitesse Semiconductor Corporation (“Vitesse” or the “Company”), in 1998 as Manager of Finance, and in 2004 she became the Company’s Director of Finance. She officially resigned from Vitesse on April 14, 2006.

2. Vitesse based in Camarillo, California, is a major producer of high-performance integrated circuits for use primarily by systems manufacturers in the storage and communications industries. Vitesse was incorporated in Delaware in 1987, is headquartered in Camarillo, California, and maintains a September 30th fiscal year-end. During the relevant period, the Company’s common stock was registered with the Commission pursuant to Section 12(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and traded on the Nasdaq National Market under the symbol VTSS. The Company’s common stock is currently traded on the Nasdaq National Market under the symbol “VTSS.”

3. On March 22, 2011, a final judgment was entered against Kaplan, permanently enjoining her from future violations of Section 17(a) of the Securities Act of 1933; Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13b2-1, and 13b2-2 thereunder, and aiding and abetting violations of Exchange Act Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) and Rules 12b-20, 13a-1, and 13a-13 thereunder, in the civil action entitled Securities and Exchange Commission v. Nicole R. Kaplan, et al., Civil Action Number 10-CV-9239, in the United States District Court for the Southern District of New York. Kaplan was also ordered to pay \$31,050 in disgorgement of ill-gotten gains and \$16,445 in prejudgment interest.

4. The Commission’s complaint alleged, among other things, that Vitesse engaged in fraudulent revenue recognition practices that resulted in the Company filing with the Commission materially false and misleading financial statements in annual reports on Form 10-K and quarterly reports on Forms 10-Q from at least late 2001 through early 2006. The complaint alleges that Kaplan participated in prematurely and improperly recording revenues on product shipments to Vitesse’s distributors and

customers; failed to timely and properly record customer credits from the return of unwanted product; and directed the misapplication of cash to account receivable balances in order to obscure the true age of the receivables. The complaint alleges that Kaplan engaged in the foregoing misconduct from late 2001 through 2005. As a result, the complaint alleges that Kaplan, among other violations: engaged in fraudulent accounting practices that materially misstated the company's annual and quarterly financial statements, which she reviewed or participated in preparing; knowingly circumvented or failed to implement Vitesse's system of internal accounting controls and falsified Vitesse's books, records, or accounts; and made material misrepresentations to Vitesse's independent auditor.

IV.

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

Accordingly, it is hereby ORDERED, effective immediately, that:

Kaplan is suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), on the Respondent and her legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
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