

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3243 / July 20, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14471

In the Matter of

**IMPERIUM INVESTMENT
ADVISORS, LLC,**

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(e) OF THE
INVESTMENT ADVISERS ACT OF 1940,
AND NOTICE OF HEARING**

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(e) of the Investment Advisers Act of 1940 (“Advisers Act”) against Imperium Investment Advisors, LLC (“Respondent” or “Imperium”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From August 2008 to at least May 2009, Imperium was registered as an investment adviser with the Commission. Imperium had three managing members during this period, Richard D. Mittasch, Christopher T. Paganos, and Glenn M. Barikmo.

B. ENTRY OF THE INJUNCTION

2. On June 30, 2011, a final judgment was entered against Imperium, permanently enjoining it from future violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and from aiding and abetting violations of Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled *Securities and Exchange Commission v. Imperium Investment Advisors, LLC, et al.*, Civil Action

Number 8:10-CV-02859-JDW-MAP, in the United States District Court for the Middle District of Florida.

3. The Commission's complaint alleged that, from August 2008 to at least May 2009, Imperium was the trustee for a Bradenton, Florida-based hedge fund, Vestium Equity Fund, LLC ("Vestium"). Respondent's principals signed a trust indenture agreement between Vestium and Imperium that obliged Imperium to hold investor funds in a custodial account and to monitor Vestium's investments to ensure the fund used investor proceeds only for uses specified in the fund's offering materials. The trust indenture was incorporated into Vestium's securities offering materials. Through its managing members, Imperium failed to ensure investor funds were safeguarded and used only for purposes specified in the offering documents and trust indenture. Imperium's principals disbursed investor funds for investments not permitted by Vestium's offering materials, or for investments in which one or more of the principals or the fund's managers had an undisclosed financial interest. In addition, Imperium's principals Barikmo and Paganes misappropriated a \$239,000 payment to the fund.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(e) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against it upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice, 17 C.F.R. § 360(a)(2).

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

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

Elizabeth M. Murphy
Secretary