

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 55535 / March 27, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12563

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In the Matter of : **ORDER MAKING FINDINGS AND**
: **IMPOSING REMEDIAL SANCTIONS**
: **PURSUANT TO**
JAMES CAVALIERE : **SECTION 15(b) OF THE**
: **SECURITIES EXCHANGE ACT OF 1934**
: **AS TO JAMES CAVALIERE**
Respondent. :
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I.

On February 8, 2007, the Securities and Exchange Commission (“Commission”) instituted administrative proceedings, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”), against James Cavaliere (“Cavaliere” or “Respondent”).

II.

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, which are admitted, Respondent consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934, as to James Cavaliere (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Cavaliere, 44, from July 1999 to August 2000, was a registered representative

associated with Bryn Mawr Investment Group, Inc., a broker-dealer registered with the Commission pursuant to Section 15(b) of the Exchange Act, which later was known as Valley Forge Securities, Inc. (“Valley Forge”).

2. On October 18, 2005, Cavaliere pled guilty to one count of conspiracy to commit securities fraud and wire fraud. United States v. James Cavaliere, 05 Cr. 49 (D.N.J.).

3. The sole count of the criminal information to which Cavaliere pled guilty alleged, inter alia, that Cavaliere, using various instrumentalities of interstate commerce, while employed at Valley Forge, defrauded investors by receiving undisclosed excessive cash commissions, which were not disclosed to customers. Cavaliere also paid excessive and undisclosed commissions to licensed and unlicensed brokers employed at Valley Forge’s Staten Island Office. Cavaliere also employed deceptive sales practices to mislead customers into buying certain stocks.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Cavaliere’s Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act that Cavaliere be, and hereby is barred from association with any broker or dealer.

Any reapplication for association by Cavaliere 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 Cavaliere, 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