

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 52392 / September 8, 2005

ADMINISTRATIVE PROCEEDING  
File No. 3-11948

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In the Matter of

JOSEPH FERRAGAMO

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ORDER MAKING FINDINGS  
AND IMPOSING REMEDIAL  
SANCTION BY DEFAULT

The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings (OIP) on June 10, 2005. Respondent Joseph Ferragamo (Ferragamo) received the OIP on June 18, 2005. Under the terms of the OIP and the Commission's Rules of Practice, Ferragamo's Answer was due July 8, 2005. The Division of Enforcement (Division) advised me that Ferragamo signed a settlement offer on July 7, 2005.

At the request of the Division, I then stayed these proceedings (Order dated July 12, 2005). At a telephonic prehearing conference on August 5, 2005, the Division advised that the settlement offer was defective and that it had been unable to contact Ferragamo to correct the defect. I then granted the Division's motion to vacate the stay.

On August 10, 2005, the Division filed a motion for the entry of an order making findings and imposing remedial sanctions by default. The Division's motion was accompanied by a memorandum and the declaration of Anthony T. Byrne, counsel for the Division. Ferragamo received the Division's motion on August 25, 2005.

Ferragamo has actual knowledge that his settlement offer was defective, that I vacated the stay order on August 5, 2005, and that the Division filed a default motion on August 10, 2005. Ferragamo has failed to file an Answer to the OIP, to oppose the Division's default motion, or to cure the defects in his settlement offer. I therefore find him in default pursuant to Rules 155(a)(2) and 220(f) of the Commission's Rules of Practice. I further find the following allegations of the OIP to be true.

Ferragamo is thirty-six years of age. From July 2000 to July 2001, he was a registered representative associated with Bryn Mawr Investment Group, Inc. (Bryn Mawr), a registered broker and dealer. Bryn Mawr was later known as Valley Forge Securities, Inc. (Valley Forge).

On May 19, 2005, Ferragamo pleaded guilty to two counts of securities fraud and one count of wire fraud. United States v. Ferragamo, No. 05 Cr. 399 (D.N.J.).

The count of the criminal information relating to wire fraud to which Ferragamo pleaded guilty alleged, among other things, that Ferragamo defrauded investors while working at Valley Forge by offering and paying undisclosed cash commissions to brokers employed at Valley Forge for selling stock and misleading customers concerning the suitability and value of the stock. The OIP characterizes the commissions as “excessive.”

Based on the foregoing, I find it appropriate in the public interest to bar Ferragamo from associating with any broker or dealer.

IT IS ORDERED THAT, pursuant to Section 15(b) of the Securities Exchange Act of 1934, Joseph Ferragamo is barred from associating with any broker or dealer.

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James T. Kelly  
Administrative Law Judge