

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**July 28, 2004**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-11567**

**In the Matter of**

**Dominique S. Alvieri,**  
  
**Respondent.**

**ORDER INSTITUTING PUBLIC**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 203(f) OF THE**  
**INVESTMENT ADVISERS ACT OF 1940**

**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(f) the Investment Advisers Act of 1940 (“Advisers Act”) against Dominique S. Alvieri (“Alvieri” or “Respondent”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**Respondent**

A. **Alvieri**, 36 years old, is a former resident of Little Ferry, New Jersey, and Toronto, Ontario, Canada. He is currently in the custody of the United States Bureau of Prisons. Between approximately January 1996 and April 1999, Alvieri, individually or acting through a corporation he controlled, Diversified Financial Corporation, engaged for compensation in the business of advising clients on investing in securities.

## **Criminal Conviction**

B. On July 31, 2003, Alvieri pleaded guilty to three felony counts of investment advisory fraud and one felony count of mail fraud in violation of Title 15 U.S.C. §§ 80b-6 and 80b-17 and Title 18 U.S.C. § 1341 before the United States District Court for the Southern District of New York, in United States v. Dominique S. Alvieri, 02 Cr. 084 (S.D.N.Y.) (GEL). On June 4, 2004, a judgment in the criminal case was entered against Alvieri. He was sentenced to a prison term of 42 months followed by three years of supervised release and ordered to make restitution in the amount of \$622,204.04.

C. The felony counts to which Alvieri pleaded guilty alleged, *inter alia*, that, between approximately January 1996 and April 1999, Alvieri (a) used fraudulent misrepresentations and omissions of material fact to induce three advisory clients to give him a total of at least \$660,804 to invest on their behalf when, in fact, Alvieri misappropriated and diverted for his personal use a substantial portion of the funds given to him by these advisory clients and (b) used the United States mails or commercial interstate carriers to perpetrate his fraud.

### **III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it appropriate and 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 Alvieri an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate and in the public interest against Alvieri pursuant to Section 203(f) 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 200 of the Commission's Rules of Practice, 17 C.F.R. § 201.200.

**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 Alvieri fails to file the directed answer and/or to appear at a hearing after being duly notified, Respondent Alvieri may be deemed in default and the proceedings may be determined against him 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.

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

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

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.

Jonathan G. Katz  
Secretary