

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS  
Release No. 3124 / September 14, 2015

ADMINISTRATIVE PROCEEDING  
File No. 3-15215

In the Matter of

JAMES S. TAGLIAFERRI

ORDER SCHEDULING PREHEARING  
CONFERENCE FOLLOWING AMENDMENT  
OF THE ORDER INSTITUTING PROCEEDINGS

The Securities and Exchange Commission instituted this administrative proceeding on February 21, 2013. This proceeding was stayed on March 11, 2013, pursuant to Rule of Practice 210(c)(3), and I lifted the stay on June 1, 2015. The Division of Enforcement then moved to amend the Order Instituting Proceedings (OIP). With the proposed amended OIP, the Division sought to add allegations regarding James S. Tagliaferri's criminal conviction, and remove the OIP's directive to determine whether civil money penalties and disgorgement would be appropriate in the public interest. On September 2, 2015, the Commission granted the Division's motion.

I construe the amendment of the OIP as converting this proceeding into a follow-on proceeding predicated on Tagliaferri's criminal conviction in *United States v. Tagliaferri*, 13-cr-115 (S.D.N.Y.). In a follow-on proceeding, the underlying court action has collateral estoppel effect and may not be re-litigated. *See Blinder, Robinson & Co. v. SEC*, 837 F.2d 1099, 1108-09 (D.C. Cir. 1988); *Joseph P. Galluzzi*, 55 S.E.C. 1100, 1115-16 (2002). The essential question is what, if any, remedial action is appropriate in the public interest against Tagliaferri under Section 15(b)(6) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940. The maximum available sanction is a permanent bar from associating with a broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, and from participating in an offering of penny stock. 15 U.S.C. §§ 78o(b)(6), 80b-3(f).

It is ORDERED that a telephonic prehearing conference shall be held on September 22, 2015, at 2:00 p.m. EDT. The parties shall be prepared to discuss a procedural schedule for motions for summary disposition. The Division shall make arrangements for Tagliaferri's participation in the conference.

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Cameron Elliot  
Administrative Law Judge