

investigation In the Matter of Chasson Group (Internal File No. NY-8920) (the “Chasson Investigation”).

2. On April 29, 2013, the Commission issued an Order Directing Private Investigation and Designating Officers to Take Testimony (the “Formal Order”) pursuant to Section 209(a) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. § 80b-9(a)]. The Formal Order designated certain individuals as officers of the Commission empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records deemed relevant or material to the investigation, pursuant to Section 209(b) of the Investment Advisers Act of 1940 [15 U.S.C. § 80b-9(b)].

3. Pursuant to the Formal Order, the Commission is investigating whether certain individuals, including Respondent and Chasson Group, Inc. (“Chasson Group”), an investment adviser formerly registered with the Commission, have violated or are violating anti-fraud and other provisions of the federal securities laws—including Advisers Act Sections 206(1) and 206(2)—by, among other things, misappropriating client funds, making false or misleading statements about assets under management in forms filed with the Commission, and acting as an unregistered broker-dealer.

4. On October 23, 2013, Commission staff designated as an officer of the Commission in the Formal Order properly issued an investigative subpoena (the “Subpoena”) to Respondent in connection with the Chasson Investigation. The Commission staff properly served the Subpoena on Respondent pursuant to the Commission’s Rules of Practice.

5. The Subpoena required Respondent to produce documents by October 30, 2013, and to appear for sworn testimony on November 4, 2013.

6. Respondent has neither produced any documents in response to the Subpoena, nor appeared for testimony. In addition, Respondent has not produced any documents or appeared for testimony in response to a prior Commission investigative subpoena issued to him in connection with the Chasson Investigation.

7. The Commission therefore submits this Application for an Order to Show Cause, in the form attached, requiring Respondent to show cause why he should not be ordered to produce documents responsive to the Subpoena to, and to appear for testimony before, the Commission staff at the Commission's New York Regional Office, 200 Vesey Street, Suite 400, New York, New York 10281.

8. The Commission further requests that, absent just cause for Respondent's failure to comply with the Subpoena, the Court enter an Order requiring Respondent to obey the Subpoena within thirty (30) days.

9. The Court has jurisdiction over this matter and venue properly lies within the Southern District of New York, pursuant to Section 209(c) of the Advisers Act, which provides that "[i]n case of . . . refusal to obey a subpoena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on . . . in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, contracts, agreements, and other records . . . and any failure to obey such order of the court may be punished by such court as a contempt thereof." 15 U.S.C. § 80b-9(c).

WHEREFORE, the Commission respectfully requests:

I.

That the Court enter an Order to Show Cause, directing Respondent to show cause why this Court should not enter an Order requiring him to produce documents and appear for testimony.

II.

That the Court enter an order requiring Respondent to comply fully with the Subpoena within thirty (30) days.

III.

That the Court order such other and further relief as may be necessary and appropriate to achieve compliance with the Subpoena within the time set forth in the proposed Order to Show Cause.

Dated: November 6, 2013
New York, York

By:



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Street, Suite 400, New York, New York no later than _____, 2013, or another date acceptable to Commission staff;

(b) directing Respondent to appear for testimony, to be held at the Commission's New York Regional Office, 200 Vesey Street, Suite 400, New York, New York, beginning at 10:00 a.m. on _____, 2013, or another date acceptable to Commission staff;

(c) directing that, in the event Respondent does not produce all non-privileged documents responsive to the subpoena within his possession, custody, or control to the Commission at the date set forth above in paragraph (a), or appear for testimony on the date and time set forth above in paragraph (b), by the dates specified above in those paragraphs

(i) the Commission will have established a *prima facie* case of civil contempt against Respondent for failing to comply with the Order directing the production of documents and to appear for testimony;

(ii) Respondent may be held in civil contempt for failure to comply with that Order without further notice or hearing; and

(d) granting the relief in the foregoing paragraphs (a) through (c) in the event that Respondent fails to appear before this Court at the date and time set forth above.

II.

IT IS FURTHER ORDERED that a copy of this Order and the papers supporting the Commission's application be served upon Respondent on or before _____, 2013 using United Parcel Service or any other overnight delivery service.

III.

IT IS FURTHER ORDERED that Respondent shall file and serve any opposing papers in response to the application no later than _____, 2013. Service shall be made by delivering the papers by that date to Alexander Janghorbani and Karen Lee at the Commission's New York Regional Office via email at JanghorbaniA@sec.gov and LeeKa@sec.gov, respectively. The Commission shall have until _____, 2013, to serve any reply papers on Respondent by mailing the papers on or before that date using United Parcel Service overnight delivery or any other overnight delivery service.

SO ORDERED.

Dated: _____, 2013
New York, New York

UNITED STATES DISTRICT JUDGE