

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 61867 / April 7, 2010**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3011 / April 7, 2010**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13849**

**In the Matter of**

**Nicholas Vulpis**

**Respondent.**

**ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO SECTION 15(b) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
AND SECTION 203(f) OF THE  
INVESTMENT ADVISERS ACT OF 1940,  
MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS**

**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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Nicholas Vulpis (“Respondent”).

**II.**

In anticipation of the institution of these proceedings, 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 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b)

of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

### III.

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

1. Vulpis, age 38, is a resident of Manhasset, New York. Between March 2003 and December 2005, Vulpis worked as the only trader for JLF Asset Management, LLC (“JLF”), an unregistered investment adviser to three hedge funds. In his capacity at JLF, Vulpis possessed and exercised the authority to purchase and sell securities for JLF’s fund clients and, generally, to select broker-dealers to execute those trades. During that period, Vulpis worked from office space in Manhattan, New York.

2. On March 26, 2010, a final judgment was entered by consent against Vulpis, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Brian Travis, et al., Civil Action Number 09-CV-2288 (PKC), in the United States District Court for the Southern District of New York.

3. The Commission’s complaint alleged that, while employed by JLF, Vulpis directed that hedge fund trades of securities, and the associated commissions, be routed to certain broker-dealers in exchange for the payment of personal expenses, including car service for Vulpis’ daily commute. Vulpis concealed the bribery scheme, and the material conflicts of interest that it created, from the investment adviser’s hedge fund clients, which operated as a fraud and deceit on investors.

### IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent Vulpis be, and hereby is barred from association with any broker, dealer, or investment adviser.

Any reapplication for association by the Respondent 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 the Respondent, 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.

By the Commission.

Elizabeth M. Murphy  
Secretary