

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 62351 / June 22, 2010

INVESTMENT ADVISERS ACT OF 1940
Release No. 3041 / June 22, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13944

In the Matter of	:	
	:	
JULIAN T. TZOLOV,	:	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,
Respondent.	:	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 Julian T. Tzolov (“Tzolov” or “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.4 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. From November 2003 until September 2007, Tzolov was a registered representative associated with Credit Suisse Securities (USA) LLC ("Credit Suisse") and was a Director in Credit Suisse's Private Banking Division. Tzolov, 37 years old, is a resident of New York, NY.

2. Credit Suisse is registered with the Commission as a broker-dealer and as an investment adviser, and has its principal place of business in New York, NY.

3. On September 3, 2008, the Commission filed a civil injunctive action against Tzolov and Eric Butler entitled *Securities and Exchange Commission v. Julian T. Tzolov and Eric S. Butler*, 08 Civ. 7699 (S.D.N.Y.)(SAS), charging Tzolov and Butler with violating Section 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. The Commission's complaint alleged that Tzolov and Butler, while registered representatives at Credit Suisse, made fraudulent misrepresentations; that Tzolov and Butler were authorized by certain corporate customers to purchase only auction rate securities collateralized by federally guaranteed student loans; that without authorization Tzolov and Butler purchased over \$1 billion in auction rate securities collateralized by subprime mortgages, collateralized debt obligations, mobile home contracts, and other non-federally guaranteed, non-student loan collateral; and that Tzolov and Butler concealed from certain customers these unauthorized purchases.

4. On July 22, 2009, Tzolov pled guilty to one count of conspiracy to commit securities fraud in violation of 18 U.S.C. §§ 371, 3551, *et seq.*, and one count of securities fraud in violation of 15 U.S.C. §§ 78j(b), 78ff and 18 U.S.C. §§ 2, 3551 *et seq.* in the indictment in *United States v. Julian Tzolov and Eric Butler*, 08 CR 370 (E.D.N.Y.) (JBW).

5. The counts of the indictment to which Tzolov pled guilty alleged, among other things, that Tzolov engaged in a fraudulent scheme which included using certain customers' funds to purchase other types of auction rate securities, instead of the securities that those customers requested; and that they transmitted and caused to be transmitted, wire communications in interstate and foreign commerce in furtherance of the fraudulent scheme.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Tzolov's 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 Tzolov 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.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary