

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.3 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, 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. Santarlas, age 33, is a resident of Hoboken, New Jersey.
2. Santarlas is and has been an attorney licensed to practice in the State of New York. Santarlas joined the law firm of Ropes & Gray LLP as an associate in 2005 where he continued to work as an associate until his resignation in September 2008.
3. On July 2, 2010, a final judgment was entered by consent against Santarlas, permanently enjoining him from future violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, in the civil action entitled *Securities and Exchange Commission v. Brien Santarlas*, Civil Action No. 09-CV-10100 (RJS), filed in the United States District Court for the Southern District of New York. The final judgment also ordered Santarlas to pay disgorgement and a civil penalty.
4. The Commission’s complaint alleged, *inter alia*, that Santarlas, as an attorney at Ropes & Gray, had access to, and learned of, material nonpublic information concerning corporate acquisitions in which Ropes & Gray represented acquirers or bidders in proposed acquisitions. The complaint further alleged that, in 2007, Santarlas and others entered into a scheme to trade on material, nonpublic information concerning upcoming corporate acquisitions involving Ropes & Gray’s clients. The Commission’s complaint also alleged that, as part of this scheme, and in breach of his fiduciary and other duties of trust and confidence owed to Ropes & Gray and its clients, Santarlas misappropriated and illegally tipped material, nonpublic acquisition information to others concerning the 2007 announced acquisitions of 3Com Corp. and Axcan Pharma Inc. Additionally, the complaint alleged that others traded on the basis of this information and that, in exchange for tipping the information, Santarlas received cash kickbacks.

IV.

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

Accordingly, it is hereby ORDERED, effective immediately, that:

Santarlas is suspended from appearing or practicing before the Commission as an attorney.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
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