UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10838 / September 14, 2020

SECURITIES EXCHANGE ACT OF 1934
Release No. 89855 / September 14, 2020

INVESTMENT COMPANY ACT OF 1940
Release No. 34008 / September 14, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-19997

In the Matter of **THOMAS VIGORITO,** **Respondent.**	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, SECTIONS 15(b), 15B(c), AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, AND SECTION 9(b) OF THE INVESTMENT COMPANY ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), Sections 15(b), 15B(c), and 21C of the Securities Exchange Act of 1934 ("Exchange Act"), and Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act") against Thomas Vigorito ("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, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 15(b), 15B(c), and 21C of the Securities Exchange Act of 1934, and Section 9(b) of the

Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds[1] that:

Summary

This matter involves improper conduct by Respondent, a registered representative with Roosevelt & Cross, Inc. ("Roosevelt"), in connection with the purchase and sale of new issue municipal bonds. Between January 2015 and July 2016, Respondent violated retail order period priority provisions in certain new issue municipal bond offerings by selling bonds intended for retail customers to an unregistered broker that was known in the industry as a "flipper." The flipper obtained bonds from Roosevelt, and then resold, or "flipped," the bonds to other broker-dealers typically at a profit. Although the flipper did not meet the issuer's eligibility criteria for participation in the retail order period, Respondent sold bonds to the flipper on a retail basis.

In addition, between January 2014 and October 2016, Respondent obtained certain new issue municipal bonds for Roosevelt's account by using the flipper to place customer orders – as opposed to dealer orders – on Roosevelt's behalf with the syndicate in certain primary offerings. These transactions circumvented the priority of orders and gave Roosevelt's orders higher priority in the bond allocation process.

Between September 2015 and May 2016, Respondent also on certain occasions engaged in "parking" activity with the flipper by arranging for the flipper to buy new issue municipal bonds in certain offerings underwritten by Roosevelt, with the understanding that the flipper would hold the bonds for a short period of time, and then sell the bonds back to Roosevelt at a price higher than the price paid by the flipper.

As a result of the conduct described herein, Respondent violated Sections 17(a)(1) and (3) of the Securities Act, and MSRB Rules G-11(b), G-11(k) and G-17, and caused violations of Sections 15(a)(1) and 15B(c)(1) of the Exchange Act.

Respondent

1. **Thomas Vigorito,** age 60, resides in Wayne, New Jersey and is a registered representative with Roosevelt. Since 1990, he has been a salesperson at Roosevelt, buying and selling municipal securities. Since 2013, he has been a member of Roosevelt's Board of Directors. In April 2017, he became Roosevelt's Chief Executive Officer and he currently holds this position and has Series 7, 24, 53 and 63 licenses.

[1] The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Other Relevant Entities

2. **Roosevelt & Cross, Inc.,** incorporated in New York and headquartered in New York, New York, is registered with the Commission as a broker-dealer and municipal advisor.

3. **RMR Asset Management Company ("RMR")** is a California corporation with its principal place of business in Chula Vista, California. RMR primarily bought and sold new issue municipal bonds. It was never registered with the Commission. The Commission filed an enforcement action against RMR and its associates in August 2018.[2]

Background on Municipal Underwriting Process

4. Municipalities often raise money by issuing bonds that are sold to the public through an underwriting process. In what is known as a "negotiated" offering, the municipal issuer chooses a broker-dealer to act either as sole underwriter or as the senior manager of an underwriting syndicate. An underwriting syndicate is a group of broker-dealers that joins together to purchase new issue municipal bonds from the issuer to distribute to the public.

5. Bonds in negotiated offerings are offered for sale during designated "order periods," which are windows of time during which the underwriters solicit orders from potential investors. Underwriters market offerings by distributing electronic "pricing wires" to their own customers, as well as to other broker-dealers, who may be interested in purchasing bonds for their inventory. The pricing wires describe the bonds being offered and applicable rules for the offering, including the "priority of orders," which establishes the sequence in which bonds will be allocated to specific types of customers. The priority of orders is important to potential purchasers because orders for bonds in a primary offering often exceed the amount of bonds available.

6. Typically, orders from individual retail customers have the highest priority in the allocation process. Issuers prioritize retail orders to maximize the volume of bonds placed with individuals who will buy and hold the bonds, rather than quickly re-trade their bonds. Retail investors may also reside in the issuer's jurisdiction, and therefore benefit from state- or locality- specific tax advantages. Issuers often require the submission of zip codes (or less frequently account numbers) with retail orders as a way to verify that the customer is a legitimate individual retail customer and/or resident of the issuer's jurisdiction.

7. An issuer may specify separate order periods for different categories of customers, typically holding an initial retail order period for only retail customers and a subsequent institutional order period for institutional customers. In some instances, there may be only one order period, with priority given to retail customers' orders during that period. Pricing wires typically contain issuer-approved provisions stating who is eligible to participate in the retail order period and receive retail order priority. Pricing wires also usually give the issuer the right to audit retail orders during or after the retail order period in order to verify that such orders represent legitimate retail orders. In addition, pricing wires also commonly specify that dealer orders "are not permitted to be entered during the

[2] SEC v. RMR Asset Management Company, *et al.*, 18-CV-01895-AJB-JMA (S.D. Cal. filed Aug. 14, 2018) (partially settled action against RMR and 13 associated individuals for acting as unregistered brokers and, as to 10 of them, for engaging in fraudulent practices in connection with flipping new issue municipal bonds).

retail order period." Dealer orders from syndicate members are often permitted during subsequent institutional order periods, but priority rules generally require underwriters to give dealer orders lower priority than all customer orders. Dealer orders from non- syndicate dealers are seldom, if ever, filled. The priority afforded to retail customers means that, when an offering is oversubscribed, those retail customers have the best chance of getting their orders filled.

Flipping Activity by RMR

8. As a result of the priority provisions in municipal bond offerings, non-syndicate member broker-dealers who want to purchase new issue municipal bonds for their own inventory are often unable to obtain them. To circumvent the priority provisions, some broker-dealers used RMR or other flippers to place customer orders for new issue municipal bonds on their behalf, with the expectation that the flippers would then shortly thereafter resell those bonds to the purchasing broker-dealers. RMR typically charged broker-dealers a set markup on the sale of the bonds.

9. When placing customer orders on behalf of broker-dealers, RMR often misrepresented itself as a retail customer, or as acting on behalf of a retail customer – sometimes from the same jurisdiction as the issuer – creating the misimpression that RMR's orders were entitled to the highest priority in the allocation process, and making it more likely RMR would obtain bonds. In fact, RMR's orders were not entitled to retail priority because it was not a retail customer in these transactions and was submitting orders on behalf of broker-dealers that wanted bonds for their own inventory. RMR also sometimes took steps to hide its misconduct from underwriting syndicates. For example, if RMR received a large allotment of bonds in an offering, it sometimes resold the bonds to broker-dealers in smaller lots, to disguise the immediate resale of those bonds.

Respondent Placed Retail Orders for RMR

10. Between January 2015 and July 2016, Respondent placed at least 31 retail orders for new issue municipal bonds on behalf of RMR – submitting those orders during retail order periods in some instances. In connection with 25 of these orders, Respondent submitted inaccurate zip codes and obtained bonds for RMR. In most instances, Respondent received those zip codes from RMR, but, in at least one instance, Respondent suggested that RMR make a zip code up. For all 25 retail orders submitted with a zip code, the zip code used with the order was from outside of the state where RMR was located, and always corresponded with the state of the issuer. Respondent included the inaccurate zip codes with RMR's orders when he should have known that they did not correspond to RMR's location. Because issuers often require zip codes with retail orders to verify that the customer is an individual residing in a specific jurisdiction, the inclusion of inaccurate zip codes with RMR's orders had the effect of giving the orders retail priority, and created the misimpression that those orders were bona fide retail orders.

11. Respondent should have known that RMR's orders did not qualify for retail priority because, as discussed below, he regularly placed orders for and bought new issue bonds from RMR for Roosevelt's own account. Respondent understood that Roosevelt's syndicate desk communicated the retail orders with inaccurate zip codes that he submitted with RMR's orders to the senior syndicate manager and issuer. He also understood that the senior syndicate manager and issuer relied on the zip codes to verify that orders submitted as retail qualified for retail priority

treatment.

12. When RMR received an allotment from the Roosevelt syndicate desk on a retail order, Respondent sometimes asked RMR to take steps to make it less likely that the issuer and lead underwriter would detect the later sale. For example, in some instances, the later sale was broken up into smaller lots or the trade tickets were delayed until other bonds were trading in the secondary market.

Respondent Placed Customer Orders with RMR For Roosevelt's Own Account

13. Respondent placed orders for certain new issue municipal bonds with RMR to obtain bonds for Roosevelt's inventory when he should have known, that RMR, in turn, would place the orders as a purported "customer" of the underwriting firm offering the bonds. Once RMR obtained the bonds that Roosevelt ordered, it sold the bonds to Roosevelt shortly thereafter.

14. Between January 2014 and October 2016, Respondent purchased new issue municipal bonds through RMR for Roosevelt's account 207 times – 65 times when Roosevelt was also in the underwriting syndicate for the offering. By placing orders through RMR for new issue municipal bonds, Respondent circumvented the priority provisions in those municipal offerings and obtained a higher priority for Roosevelt dealer orders. In some cases, Respondent submitted Roosevelt's orders to RMR during retail order periods, with the understanding that those orders would be submitted to the lead underwriter as retail orders. In such circumstances, some legitimate retail customers were denied the opportunity to purchase new issue bonds at the initial offering price.

15. When Roosevelt was in the syndicate or sole underwriter, Respondent understood that Roosevelt's dealer orders would ordinarily receive lowest priority in the allocation process. He also understood that Roosevelt had a higher likelihood of obtaining bonds through RMR, which would place customer orders, rather than through Roosevelt directly placing its dealer orders.

Respondent Parked Certain Bonds Underwritten by Roosevelt with RMR

16. For some municipal offerings underwritten by Roosevelt between September 2015 and May 2016, Respondent placed customer orders with the Roosevelt syndicate desk on behalf of RMR, with the understanding that, after RMR obtained the bonds, Respondent would then re-purchase those bonds a short time later for Roosevelt's account. Respondent always bought the bonds back at a higher price, such that RMR would always make a profit. The prearranged nature of these trades meant that the market risk of owning the bonds did not pass to RMR. By engaging in this parking scheme, Respondent was able to obtain new issue municipal bonds for Roosevelt's own inventory.[3]

17. For example, on May 18, 2016, RMR gave Respondent an order for $250,000 of new issue bonds in a New York offering in which Roosevelt was lead underwriter. After receiving this order, Respondent used RMR's $250,000 order and the New York zip code provided to him by RMR – after Respondent had suggested that RMR make it up (discussed in paragraph 10 above) – to enter

[3] "Parking" was expressly prohibited by Roosevelt's written supervisory procedures.

two orders for those bonds totaling $1,250,000 because Roosevelt wanted an additional $1,000,000 bonds for Roosevelt's own inventory. Based on RMR's order and the inaccurate zip code, the underwriter treated the order as a "NY professional retail order" and allotted $500,000 of the bonds to RMR – with $100,000 on one ticket and $400,000 on another ticket. On the May 23, 2016 sales ticket for these bonds, Respondent told RMR to expect to reoffer the bonds back to Roosevelt. On the following day, RMR sold $300,000 of the bonds it had received back to Roosevelt at a higher price than RMR had paid.

18. In some instances, Respondent engaged in this type of parking in offerings when Roosevelt was sole underwriter. Rather than put in a direct order with Roosevelt's own syndicate desk, Respondent placed RMR customer orders with the desk to obtain new issue municipal bonds for Roosevelt's own inventory. For example, on Friday, October 9, 2015, Respondent informed RMR that he had placed four orders with Roosevelt's syndicate desk for RMR to purchase $360,000, $370,000, $425,000 and $455,000 of four different maturities of bonds being issued in a North Country (New York) offering solely underwritten by Roosevelt. On that date, Respondent informed RMR, "on north country ur gonna get 360m 31, 370m 32, 425m 36, 455m 38 ticks may be later or tuesday, we will buy back day after." Later that day, Respondent updated RMR, "[time of execution] on north country 2 we will buy back[]wed." On Wednesday, October 14, 2015, RMR sold all the bonds back to Roosevelt at higher prices than it had paid.

Legal Discussion

Respondent Violated Section 17(a)(3) of the Securities Act by Placing Ineligible Retail Orders

19. Section 17(a)(3) of the Securities Act prohibits any person, in the offer or sale of a security, from directly or indirectly, engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser. 15 U.S.C. § 77q(a)(3). Negligence is sufficient to establish violations of Section 17(a)(3); no finding of scienter is required. Aaron v. SEC, 446 U.S. 680, 696-97 (1980).

20. Respondent willfully violated Section 17(a)(3) of the Securities Act by placing orders from RMR as eligible retail orders when he knew, or should have known, that they were not eligible for retail priority, and by including inaccurate zip codes with most of those orders. Respondent also took steps to make it less likely that the issuer and/or lead underwriter would detect the retail allotments. This practice, in some instances, resulted in legitimate retail purchasers being crowded out of the offering.

Respondent Violated Sections 17(a)(1) and (3) of the Securities Act by Parking Bonds

21. Section 17(a)(1) of the Securities Act prohibits any person, in the offer or sale of a security, from directly or indirectly, employing any device, scheme, or artifice to defraud. To establish a violation of Section 17(a)(1) of the Securities Act, the Commission must prove that the respondent acted with scienter. Aaron, 446 U.S. at 695-97. Scienter has been defined as "a mental state embracing intent to deceive, manipulate, or defraud." Ernst & Ernst v. Hochfelder, 425 U.S. 185, 193 (1976). Scienter can be established by recklessness. See Gonnella v. SEC, 954 F.3d 536, 548 (2d Cir. 2020) ("severely 'reckless conduct' is sufficient to constitute scienter") (quoting Rolf v. Blyth, Eastman, Dillon & Co., 570 F.2d 38, 47 (2d. Cir. 1978)).

22. "Parking" refers generally to an unlawful arrangement in which "a person 'sells' securities to a purchaser subject to an agreement or understanding that the seller will repurchase the securities at a later time at a price that leaves the economic risk with the seller," in violation of Section 17(a) of the Securities Act. Thomas C. Gonnella, Exch. Act. Rel. No. 34-78532, 2016 WL 4233837, at *17 n.26 (Aug. 10, 2016) (Commission Opinion).[4]

23. As a result of the parking conduct described above, Respondent willfully violated Sections 17(a)(1) and (a)(3) of the Securities Act.

Respondent Violated MSRB Rule G-17

24. MSRB Rule G-17 provides that, in the conduct of its municipal securities business, every broker, dealer, municipal securities dealer, and municipal advisor shall deal fairly with all persons and shall not engage in any deceptive, dishonest, or unfair practice.[5] Negligence is sufficient to establish a violation of MSRB Rule G-17; no finding of scienter is required. See Wheat, First Securities, Inc., 2003 WL 21990950, at *10.

25. As discussed above, Respondent submitted orders on behalf of RMR to the Roosevelt syndicate desk as eligible retail orders when he knew, or should have known, that those orders were not eligible for retail priority, and by including inaccurate zip codes with most of those orders. Respondent also circumvented the priority provisions of certain new issue municipal bond offerings by placing orders with RMR for Roosevelt's inventory, when knew, or should have known, that RMR would place customer orders with the underwriter in order to improperly obtain a higher priority for Roosevelt. In addition, Respondent engaged in parking with RMR, as discussed above.

26. By this conduct, Respondent willfully violated MSRB Rule G-17.

Respondent Violated MSRB Rule G-11(b)

27. MSRB Rule G-11(b) provides that every broker, dealer or municipal securities dealer that submits an order to a sole underwriter or syndicate or to a member of a syndicate for the purchase of municipal securities held by the syndicate shall disclose at the time of submission of such order if the securities are being purchased for its dealer account or for a related account of such broker, dealer or municipal securities dealer. Negligence is sufficient to establish a violation of MSRB Rule G-11(b); no finding of scienter is required.

28. When Respondent placed orders for new issue bonds for RMR, with the expectation of buying those bonds back for Roosevelt's own account, he failed to disclose, at the time of submission of the orders, that the orders were for Roosevelt's dealer account.

[4] The MSRB defines "parking" as a practice, in violation of securities industry rules, consisting of selling securities to a customer and, at the same time, agreeing to repurchase the securities at a future date with an unbooked transaction (with the transaction later booked as an ostensibly unrelated trade).

[5] Subject to certain exceptions not relevant here, MSRB Rule D-11 includes "associated persons" within the definitions of brokers, dealers, and municipal securities dealers for purposes of all other MSRB rules. See Wheat, First Securities, Inc., Exch. Act Release No. 48378, 2003 WL 21990950, at *8 n. 29 (Aug. 20, 2003).

29. By this conduct, Respondent willfully violated MSRB Rule G-11(b).

Respondent Violated MSRB Rule G-11(k)

30. MSRB Rule G-11(k) provides that each broker, dealer, or municipal securities dealer that submits an order during a retail order period to the senior syndicate manager or sole underwriter, as applicable, shall provide in writing the following information relating to each order designated as retail submitted during a retail order period: (i) whether the order is from a customer that meets the issuer's eligibility criteria for participation in the retail order period; (ii) whether the order is one for which a customer is already conditionally committed; (iii) whether the broker, dealer, or municipal securities dealer has received more than one order from such retail customer for a security for which the same CUSIP number has been assigned; (iv) any identifying information required by the issuer, or the senior syndicate manager on the issuer's behalf, in connection with such retail order (but not including customer names or social security numbers); and (v) the par amount of the order.[6] Negligence is sufficient to establish a violation of MSRB Rule G-11(k); no finding of scienter is required.

31. Respondent submitted orders for new issue municipal bonds to the Roosevelt syndicate desk (and ultimately to the senior syndicate manager or sole underwriter) during retail order periods for RMR that were improperly designated as retail orders because they did not meet the issuers' eligibility criteria. Respondent also included inaccurate identifying information (zip codes) required by the issuer, or the senior syndicate manager on the issuer's behalf, in connection with some of those orders. In addition, Respondent submitted retail orders during retail order periods in some instances without indicating whether RMR was already conditionally committed for those orders.

32. By this conduct, Respondent willfully violated MSRB Rule G-11(k).

Respondent Caused Violations of Section 15(a)(1) of the Exchange Act

33. To establish causing liability, the Commission must find: (1) a primary violation; (2) the respondent's act or omission contributed to the violation; and (3) the respondent knew or should have known that its act or omission would contribute to the violation. See 15 U.S.C. § 78u-3(a); Robert M. Fuller, 80 SEC Docket 3539, 3545, Exch. Act Release No. 48406 (Aug. 25, 2003) (Commission Opinion).

34. Under Section 15(a)(1) of the Exchange Act, it is unlawful for a broker or dealer "to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security… unless such broker or dealer is registered" with the Commission pursuant to Section 15(b) of the Exchange Act. Under Section 3(a)(4)(A) of the Exchange Act, a "broker" is "any person engaged in the business of effecting transactions in securities for the account of others." The Exchange Act's

[6] Rule G-11(k) further provides that the senior syndicate manager may rely on the information furnished by each broker, dealer, or municipal securities dealer that provided the information required by (i) - (v) unless the senior syndicate manager knows, or has reason to know, that the information is not true, accurate, or complete.

definition of "broker" "connote[s] a certain regularity of participation in securities transactions at key points in the chain of distribution." Mass. Fin. Serv., Inc. v. Sec. Inv. Prot. Corp., 411 F. Supp. 411, 415 (D. Mass. 1976), aff'd, 545 F.2d 754 (1st Cir. 1976); see also SEC v. Martino, 255 F. Supp. 2d 268, 283 (S.D.N.Y. 2003).

35. Negligence is sufficient to establish liability for causing a primary violation that does not require scienter, such as Section 15(a)(1) of the Exchange Act; no proof of scienter is required. See VanCook, Exch. Act Release No. 61039A, 2009 WL 4005083, at *14 n.65 (Nov. 20, 2009) (Commission Opinion) (quoting KPMG Peat Marwick LLP, 54 SEC 1135, 1175 (2001)).

36. RMR violated Section 15(a)(1) of the Exchange Act because it acted as a broker without being registered with the Commission. Respondent's purchases of bonds through RMR and Roosevelt's payment of transaction-based compensation to RMR in connection with those transactions contributed to RMR's violations. Respondent knew, or should have known, that RMR was not registered with the Commission. As a result, Respondent caused RMR's direct violations of Section 15(a)(1) of the Exchange Act.

Respondent Caused Violations of Section 15B(c)(1) of the Exchange Act

37. Section 15B(c)(1) of the Exchange Act prohibits a broker, dealer or municipal securities dealer from effecting interstate transactions in, or inducing or attempting to induce the purchase or sale of, any municipal security in contravention of any rule of the MSRB.

38. Roosevelt violated Section 15B(c)(1) of the Exchange Act because it violated MSRB Rules G-11 and G-17. Respondent knew, or should have known, that his conduct described above would contribute to Roosevelt's violations of these MSRB rules. As a result, Respondent caused Roosevelt's direct violations of Section 15B(c)(1) of the Exchange Act.

IV.

On the basis of the foregoing, the Commission deems it appropriate, in the public interest, to impose the sanctions agreed to in Respondent's Offer.

Accordingly, pursuant to Section 8A of the Securities Act, Sections 15(b), 15B(c), and 21C of the Exchange Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Respondent is censured.

B. Respondent cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act and Sections 15(a)(1) and 15B(c)(1) of the Exchange Act and MSRB Rules G-11 and G-17.

C. Respondent be, and hereby is:

suspended from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization;

prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter, and

suspended from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock,

for a period of twelve (12) months, effective immediately upon the entry of this Order.

D. Respondent shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of $40,000 to the Securities and Exchange Commission, of which a total of $8,571.43 shall be transferred to the MSRB in accordance with Section 15B(c)(9)(A) of the Exchange Act, and of which the remaining $31,428.57 shall be transferred to the general fund of the United States Treasury in accordance with Section 21F(g)(3) of the Exchange Act. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

E. Payments must be made in one of the following ways:

(1) Respondent may transmit payments electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Thomas Vigorito as a Respondent in these proceedings and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Assistant Regional Director Kevin B. Currid, Division of Enforcement, Securities and Exchange Commission, 33 Arch Street, 24th Floor, Boston, MA 02110.

F. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, Respondent shall not argue that he is entitled to, nor shall Respondent benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary