

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 68371 / December 6, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-15123

In the Matter of

DOMINIC O'DIERNO

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS,
PURSUANT TO SECTIONS 15(b) AND 21C
OF THE SECURITIES EXCHANGE ACT OF
1934, 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 Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Dominic O’Dierno (“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, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, 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 finds¹ that:

Respondent

1. Respondent O'Dierno, age 45, resides in Portland, Oregon. From 1989 to 1994, Respondent was a registered representative associated with an Oregon broker-dealer registered with the Commission. He held Series 7 and 63 licenses from about 1989 to 1996. He is not currently associated with a registered broker-dealer. Respondent is presently self-employed.

Other Relevant Person

2. Yusaf Jawed, age 44, resides in Portland, Oregon and is the principal, owner, and manager of Grifphon Asset Management, LLC ("GAM") and Grifphon Holdings, LLC ("Holdings"), both Portland-based investment advisory entities, which he used to manage various hedge funds he created and controlled, including Grifphon Alpha I Fund, L.P. and Grifphon Qualified Fund, L.P. (hereinafter, all Jawed managed hedge funds are referred to as the "Grifphon funds").

Background

3. On September 20, 2012, the Commission filed a lawsuit in federal district court for the District of Oregon against Yusaf Jawed, GAM, and Holdings, among others, for perpetrating a long-running Ponzi scheme that raised over \$37 million from more than 100 investors in the Pacific Northwest and across the country. In its complaint, the Commission alleged that Jawed used false marketing materials that boasted double-digit returns to lure people to invest their money into several hedge funds he managed. In reality, he invested very little of the \$37 million and, instead, used the money to pay back other investors, to fund his lifestyle, and to pay for the operations of the entities he controlled. The Commission further alleged that Jawed created phony assets, sent bogus account statements to investors, and manufactured a sham buyout of the funds to make investors believe their hedge fund interests would soon be redeemed. *See SEC v. Jawed, et al.*, Civ. Action No. 12-01696 (D. Oregon, Sep. 20, 2012).

O'Dierno's Conduct

4. Jawed retained O'Dierno as an independent consultant to help him raise money for his purported funds. From 2005 through 2008, O'Dierno placed seven investors, who invested about \$2.3 million in the Grifphon funds.

5. While acting as a broker, O'Dierno went beyond identifying potential investors who might be interested in purchasing interests in the Grifphon funds. For example,

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.

O'Dierno served as the point of contact between certain investors and the Grifphon funds. O'Dierno answered investor questions about the funds, including repeating the statements made by Jawed about Grifphon funds' investment strategy and the types of investments made, and provided Grifphon fund marketing materials to investors and potential investors.

6. During the relevant period, Jawed paid O'Dierno a percentage of any investment made by any investor for whom O'Dierno served as a broker. Jawed paid O'Dierno approximately \$118,770 in transaction-based compensation.

7. In early 2011, Jawed asked O'Dierno to pay for certain of Grifphon's expenses. Jawed claimed that a third-party would soon purchase the assets of the Grifphon funds and that the money was necessary to keep Grifphon funds afloat. O'Dierno agreed to pay for those expenses. From March through June 2011, O'Dierno paid, from his own resources, \$82,728 for the purported expenses of the Grifphon funds.

Violations

9. Section 15(a) of the Exchange Act makes it unlawful for any broker or dealer to use the means of interstate commerce 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. Section 3(a)(4) of the Exchange Act defines as "broker" as any person, other than a bank, "engaged in the business of effecting transaction in securities for the account of others."

10. Based on the conduct described above, O'Dierno acted as a broker without being registered or associated with a registered broker or dealer.

11. As a result, O'Dierno willfully violated Section 15(a) of the Exchange Act.²

Disgorgement and Civil Penalties

12. Respondent has submitted a sworn Statement of Financial Condition dated September 13, 2012, supplemented on September 28, 2012, and other evidence and has asserted his inability to pay a civil penalty.

IV.

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

Accordingly, pursuant to Sections 15(b) and 21C of the Exchange Act, it is hereby ORDERED that:

² A willful violation of the securities laws means merely "that the person charged with the duty knows what he is doing." *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." *Id.* (quoting *Gearhart & Otis, Inc. v. SEC*, 348 F.2d 798, 803 (D.C. Cir. 1965)).

A. Respondent O’Dierno cease and desist from committing or causing any violations and any future violations of Section 15(a) of the Exchange Act.

B. Respondent O’Dierno be, and hereby is:

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

barred 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;

with the right to apply for reentry after three (3) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

C. 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.

D. Respondent shall pay disgorgement of \$36,042 and prejudgment interest of \$9,519, for a total of \$45,561, to be paid in eight quarterly installments over a two-year period, in the following installments:

Payment Date	Amount
30 days after issuance of Order	\$5,695.12
120 days after issuance of Order	\$5,695.13
210 days after issuance of Order	\$5,695.12
300 days after issuance of Order	\$5,695.13
390 days after issuance of Order	\$5,695.12
480 days after issuance of Order	\$5,695.13
570 days after issuance of Order	\$5,695.12
660 days after issuance of Order	\$5,695.13
TOTAL	\$45,561.00

If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of disgorgement, prejudgment interest, plus any additional interest accrued pursuant to SEC Rule of Practice 600, shall be due and payable immediately, without further application. Payment must be made in one of the following ways:

- (1) Respondent may transmit payment 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 Dominic O'Dierno 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 Erin Schneider, Associate Director, Division of Enforcement, Securities and Exchange Commission, 44 Montgomery Street, Suite 2800, San Francisco, CA 94104.

E. Based upon Respondent's sworn representations in his Statement of Financial Condition dated September 13, 2012, supplemented on September 28, 2012, and other documents submitted to the Commission, the Commission is not imposing a penalty against Respondent.

F. The Division may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondent provided accurate and complete financial information at the time such representations were made; and (2) seek an order directing payment of the maximum civil penalty allowable under the law. No other issue shall be considered in connection with this petition other than whether the financial information provided by Respondent was fraudulent, misleading, inaccurate, or incomplete in any material respect. Respondent may not, by way of defense to any such petition: (1) contest the findings in this Order; (2) assert that payment of a penalty should not be ordered; (3) contest the imposition of the maximum penalty allowable under the law; or (4) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

By the Commission.

Elizabeth M. Murphy
Secretary