

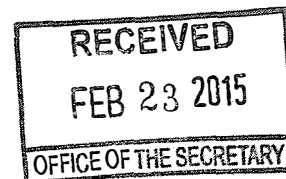
UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-15215

In the Matter of

JAMES S. TAGLIAFERRI,

Respondent.



STATUS REPORT

Pursuant to the Court's Order Staying Proceeding, dated March 11, 2013, and the Court's January 30, 2015 Order requiring the Division to notify the Court of any developments in the criminal proceedings still pending against the Respondent, James S. Tagliaferri (United States v. James Tagliaferri, 13 Cr. 115 (RA)(S.D.N.Y.) (the "Criminal Action")), the Division respectfully submits a status report.

On February 13, 2015, the Respondent appeared for a sentencing hearing in the Criminal Action. At that hearing, the court sentenced Respondent to 60 months in prison, and three years supervised release, and ordered him to forfeit \$2.5 million and certain property. (Ex. A (Transcript of February 13, 2015 Sentencing Hearing) at 82:12-20; 84:1-9; Ex. B (Order of Forfeiture, entered February 19, 2015).) However, the court reserved decision on the Government's request for restitution, citing the outstanding unresolved issues regarding determination of the "proper loss amount." (Ex. A (Transcript), at 4:12-20; 84:10-23.) The Government will file a submission on its

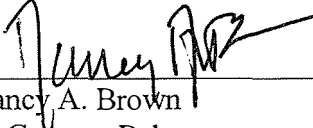
request for restitution within 90 days from February 13, 2015. (Ex. A (Transcript) at 84:18-22.)

No final judgment has yet been entered.

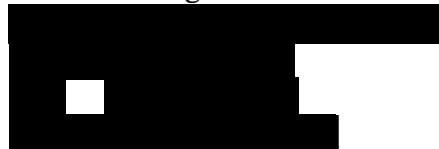
Because the entirety of criminal sanctions entered against Respondent in the Criminal Action, and the still-unresolved issue of the correct amount of losses suffered by investors, will affect the remedies sought by the Division in this proceeding, the Division respectfully requests that the Court continue the stay until after the final judgment and the final restitution order, if any, is entered in that action. If acceptable to the Court, the Division will submit a further status report on May 13, 2015, or within one week after the Criminal Action court enters its final judgment and final restitution order, whichever is earlier.

Dated: February 20, 2015
New York, NY

Respectfully submitted,

By: 

Nancy A. Brown
H. Gregory Baker
Attorneys for the Division of Enforcement
SECURITIES AND EXCHANGE
COMMISSION
New York Regional Office



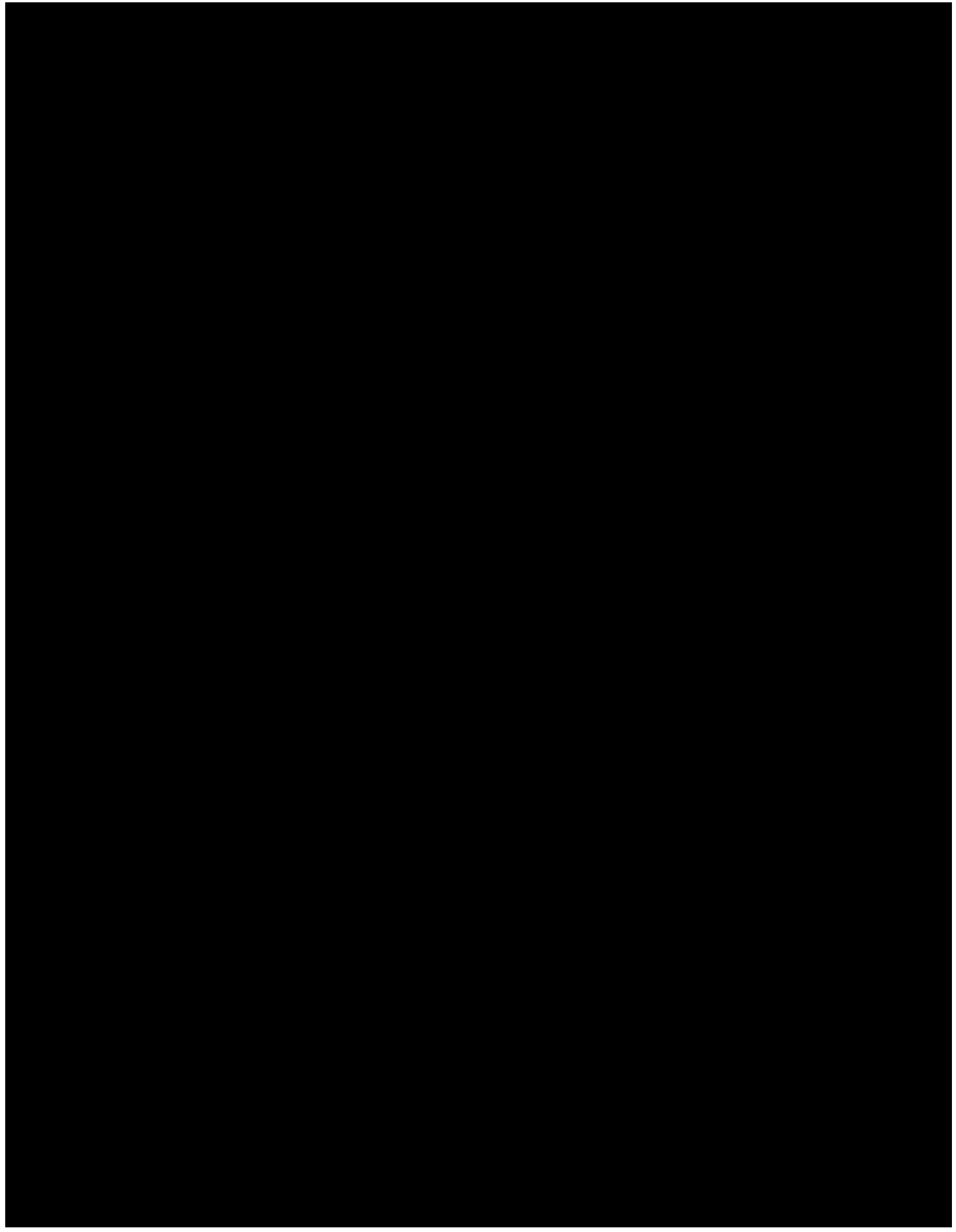


EXHIBIT A

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK
-----x

3 UNITED STATES OF AMERICA,

4 v. 13 CR 115 (RA)

5 JAMES TAGLIAFERRI,
6 Defendant.

7 -----x

New York, N.Y.
February 13, 2015
1:10 p.m.

10 Before:

11 HON. RONNIE ABRAMS,
12 District Judge

14 APPEARANCES

15 PREET BHARARA,
16 United States Attorney for the
17 Southern District of New York
18 JASON HARRIS COWLEY
19 PARVIN MOYNE
SAIMA S. AHMED
Assistant United States Attorney

20 SCOTT B. TULMAN
Attorney for Defendant

21
22
23
24
25

F2DKTAGS

1 they should be filed promptly with the appropriate redactions
2 of personal information and the like.

3 MR. COWLEY: Yes, your Honor.

4 One issue on that, your Honor. In regard to the
5 letter from the BOP official, I think there was an application
6 from the defense for permission to file that or to have that be
7 docketed under seal given the sensitivity of the medical
8 information there.

9 THE COURT: That application is granted, and I think
10 that's appropriate in light of the personal and medical items
11 that are discussed therein.

12 I think we all recognize that this is an extremely
13 complicated sentencing. So as an initial matter, I think what
14 we need to do is determine whether we need to have a Fatico
15 hearing. Before we discuss the presentence report and I hear
16 you out, why don't I outline some of the issues that I see here
17 mostly related to determining the proper loss amount and how
18 I'm inclined to rule on those issues, and that may help you in
19 deciding whether you think we need a Fatico hearing. I know
20 the defendant has indicated that he believes we do.

21 Given how high the guidelines are in this case, it may
22 be that the government would be willing to stipulate to a
23 particular loss range to avoid having a hearing on another day,
24 but I'm going to leave that to you to decide, and I will go
25 through the issues, and I will hear you out, and we will move

F2DKTAGS

1 promote respect for the law and to warn others in charge of
2 investing people's savings that their clients who place the
3 utmost trust in them, they place their money, they place their
4 futures, their children's futures, to ensure that those people
5 are not taken advantage of.

6 That said, I think the guidelines range here of 210 to
7 262 months is unfairly high in this particular case and not
8 appropriate in this case. So it's about finding the right
9 balance, and I've done my best to do so.

10 So please rise, Mr. Tagliaferri, for the imposition of
11 sentence.

12 It's the judgment of this Court that you be committed
13 to the custody of the Bureau of Prisons for a term of 60 months
14 on Count One, 72 months on Counts Two, Three, five, six, and
15 seven, and 60 months on Counts Eight through thirteen. They're
16 each to run concurrently. The sentence of imprisonment is to
17 be followed by a term of three years of supervised release on
18 each count, also to run concurrently. I believe that this
19 sentence is sufficient, but not greater than necessary to
20 comply with the purposes of sentences that I mentioned earlier.

21 I'll note that based on the facts before me, I would
22 have imposed the same sentence even if I had ruled differently
23 on those enhancements. Ultimately, there was a stipulation as
24 to the enhancements and the loss amount in dispute.

25 You can be seated while I describe the conditions of

F2DKTAGS

1 Let's talk about forfeiture. So, as I understand it,
2 on consent, you are consenting to a \$2.5 million order of
3 forfeiture along with forfeiture of your property in the Virgin
4 Islands, which is Parcel 3F, remainder estate, but care of,
5 Number 5 Frenchman's Bay Quarters, St. Thomas, U.S. Virgin
6 Islands.

7 Is that correct as to forfeiture, Mr. Cowley?

8 MR. COWLEY: It is for the government.

9 THE COURT: Yes.

10 And as to restitution, in a letter and proposed
11 preliminary order submitted to the Court yesterday, the
12 government indicates that it is seeking \$7,000,730 in a money
13 judgment as well as your interest in the property in the Virgin
14 Islands.

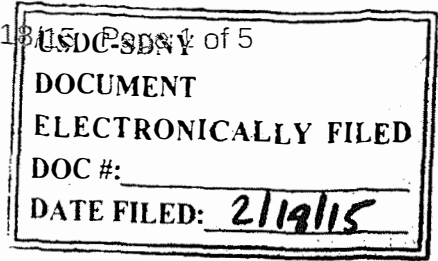
15 As to restitution -- sorry, we've gone through that.
16 As to restitution, do you intend to submit something in the
17 next 60 days?

18 MR. COWLEY: We do, your Honor. I think the statutory
19 provision allows for 90 days, and we will put our heads
20 together and talk with defense counsel as well about how to
21 proceed, but we do anticipate putting in a proposed restitution
22 order by that deadline.

23 THE COURT: All right. Thank you.

24 Before I read you your appellate rights,
25 Mr. Tagliaferri, let's talk about a surrender date

EXHIBIT B



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----	x	
UNITED STATES OF AMERICA	:	CONSENT PRELIMINARY ORDER
	:	OF FORFEITURE AS TO SPECIFIC
- v. -	:	<u>PROPERTY/MONEY JUDGMENT</u>
JAMES TAGLIAFERRI,	:	SI 13 Cr. 115 (RA)
	:	
Defendant.	:	
	:	
-----	x	

WHEREAS, on April 8, 2014, JAMES TAGLIAFERRI (the "Defendant") was charged in a fourteen-count Superseding Indictment, SI 13 Cr. 115 (RA) (the "Indictment"), with investment adviser fraud, in violation of Title 15, United States Code, Section 80b-6 & 80b-17 and Title 18, United States Code, Section 2 (Count One); securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff; Title 17, Code of Federal Regulations, Section 240.10b-5; and Title 18, United States Code, Section 2 (Count Two); wire fraud, in violation of Title 18, United States Code, Sections 1343 and 2 (Counts Three through Seven); and Travel Act violations, in violation of Title 18, United States Code, Sections 1952 and 2 (Counts Eight through Fourteen);

WHEREAS, the Indictment included a forfeiture allegation as to Counts One through Fourteen of the Indictment seeking, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, the forfeiture of all property, real or personal, that constitutes or is derived, directly and indirectly, from gross proceeds traceable to the commission of the offenses charged in Counts One through Fourteen of the Indictment;

WHEREAS, on July 24, 2014, the Defendant was found guilty, following a jury trial, of Counts One through Three and Five through Thirteen of the Indictment; and

WHEREAS, on February 13, 2015, the Defendant was sentenced and ordered to forfeit: (i) \$2,500,000 in United States currency, representing proceeds that the Defendant obtained as a result of the offenses charged in Counts One through Three and Five through Thirteen of the Indictment, and (ii) all of his right, title and interest in all that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, known and described as Parcel 3F Remainder Estate Bakkerø, No. 5 Frenchman's Bay Quarter, St. Thomas, U.S. Virgin Islands (the "Specific Property");

NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED THAT:

1. As a result of the offenses charged in Counts One through Three and Five through Thirteen of the Indictment, of which the Defendant was found guilty, a money judgment in the amount of \$2,500,000 in United States currency (the "Money Judgment") shall be entered against the Defendant.

2. As a result of the offenses charged in Counts One through Three and Five through Thirteen of the Indictment, of which the Defendant was found guilty, all of the Defendant's right, title and interest in the Specific Property hereby forfeited to the United States for disposition in accordance with the law, subject to the provisions of Title 21, United States Code, Section 853.

3. Pursuant to Rule 32.2(b)(4) of the Federal Rules of Criminal Procedure, upon entry of this Preliminary Order of Forfeiture as to Specific Property/Money Judgment, this Preliminary Order of Forfeiture as to Specific Property/Money Judgment is final as to the Defendant, JAMES TAGLIAFERRI, and shall be deemed part of the sentence of the Defendant, and shall be included in the judgment of conviction therewith.

4. Upon entry of this Preliminary Order of Forfeiture as to Specific Property/Money Judgment, the United States Marshals Service (or its designee) is authorized to seize the Specific Property and hold the Specific Property in its secure custody and control.

5. Pursuant to Title 21, United States Code, Section 853(n)(1), Rule 32.2(b)(6) of the Federal Rules of Criminal Procedure, and Rules G(4)(a)(iv)(C) and G(5)(a)(ii) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, the United States shall publish for at least thirty (30) consecutive days on the official government internet forfeiture site, www.forfeiture.gov, notice of this Preliminary Order of Forfeiture as to Specific Property/Money Judgment. Any person, other than the Defendant in this case, claiming an interest in the Specific Property must file a petition within sixty (60) days from the first day of publication of the notice on this official government internet site, or no later than thirty-five (35) days from the mailing of actual notice, whichever is earlier.

6. This notice shall state that the petition shall be for a hearing to adjudicate the validity of the petitioner's alleged interest in the Specific Property, shall be signed by the petitioner under penalty of perjury, and shall set forth the nature and extent of the petitioner's right, title and interest in the Specific Property and any additional facts supporting the petitioner's claim and the relief sought, pursuant to Title 21, United States Code, Section 853(n).

7. Pursuant to Rule 32.2(b)(6)(A) of the Federal Rules of Criminal Procedure, the Government shall send notice to any person who reasonably appears to be a potential claimant with standing to contest the forfeiture in the ancillary proceeding.

8. Upon adjudication of all third-party interests, this Court will enter a Final Order of Forfeiture with respect to the Specific Property pursuant to Title 21, United States

Code, Section 853(n) and Rule 32.2(c)(2) of the Federal Rules of Criminal Procedure, in which all third-party interests will be addressed.

9. All payments on the outstanding Money Judgment shall be made by postal money order, bank or certified check, made payable, in this instance, to the "United States Marshals Service," and delivered by mail to the United States Attorney's Office, Southern District of New York, Attn: Money Laundering and Asset Forfeiture Unit, One St. Andrew's Plaza, New York, New York 10007, and shall indicate the Defendant's name and case number.

10. Upon entry of this Preliminary Order of Forfeiture as to Specific Property/Money Judgment and pursuant to Title 21, United States Code, Section 853, the United States Marshals Service shall be authorized to deposit the payments on the Money Judgment in the Assets Forfeiture Fund, and the United States shall have clear title to such forfeited property.

11. Pursuant to Rule 32.2(b)(3) of the Federal Rules of Criminal Procedure, upon entry of this Preliminary Order of Forfeiture as to Specific Property/Money Judgment, the United States Attorney's Office is authorized to conduct any discovery needed to identify, locate or dispose of forfeitable property, including depositions, interrogatories, requests for production of documents and the issuance of subpoenas, pursuant to Rule 45 of the Federal Rules of Civil Procedure.

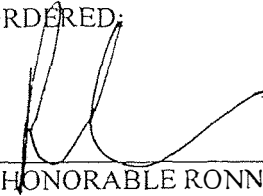
12. The Court shall retain jurisdiction to enforce this Preliminary Order of Forfeiture as to Specific Property/Money Judgment, and to amend it as necessary, pursuant to Rule 32.2(e) of the Federal Rules of Criminal Procedure.

13. The Clerk of the Court shall forward three certified copies of this Preliminary Order of Forfeiture as to Specific Property/Money Judgment to Assistant United

States Attorney Sharon Cohen Levin, Chief of the Money Laundering and Asset Forfeiture Unit,
One St. Andrew's Plaza, New York, New York 10007.

Dated: New York, New York
February 16, 2015

SO ORDERED:

A handwritten signature in black ink, appearing to be 'Ronnie Abrams', written over a horizontal line.

THE HONORABLE RONNIE ABRAMS
UNITED STATES DISTRICT JUDGE