

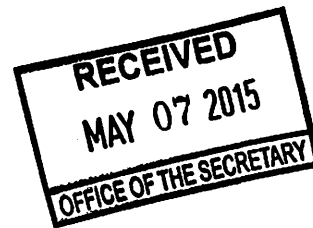
**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**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.

As previously reported in the Division's February 20, 2015 Status Report, on February 13, 2015, Respondent was sentenced to 60 months in prison, and three years supervised release, and ordered to forfeit \$2.5 million and certain property. (Feb. 20, 2015 Status Report, Ex. A at 82:12-20; 84:1-9; Ex. B.) However, the court reserved decision on the Government's request for restitution, citing the outstanding unresolved issues regarding determination of the "proper loss amount" and set a schedule for determination of the appropriate restitution amount after the

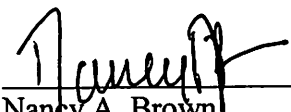
Government and Respondent made their respective submissions in May 2015. (Id., Ex. A, at 4:12-20; 84:10-23.)

Yesterday, the court in the Criminal Action reset the schedule for the parties to make their restitution submissions, and set July 2, 2015 as the hearing date on the application. (A copy of the Court's Order entered May 5, 2015, is submitted herewith.)

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 restitution order is entered in that action. If acceptable to the Court, the Division will submit a further status report on July 13, 2015, or within one week after the Criminal Action court enters its final restitution order and amended judgment, whichever is earlier.

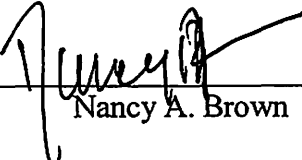
Dated: May 6, 2015  
New York, NY

Respectfully submitted,

By:   
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**CERTIFICATE OF SERVICE**

I hereby certify that I served the foregoing Status Report by sending a copy of it to Respondent on this 6th day of May by email to [REDACTED] and [REDACTED]

  
\_\_\_\_\_  
Nancy A. Brown



USDC-SDNY  
DOCUMENT  
ELECTRONICALLY FILED  
DOC #:  
DATE FILED: MAY 05 2015

U.S. Department of Justice

United States Attorney  
Southern District of New York

The Silvio J. Mollo Building  
One Saint Andrew's Plaza  
New York, New York 10007

NOT RECORDED

May 4, 2015

The Court adopts the schedule provided herein. The parties shall appear for a hearing on July 2, 2015 at 11:00 a.m. Mr. Tagliaferri's surrender date is postponed until July 6, 2015 so that he may advocate on his own behalf at the restitution hearing. As to his request for data, the Government has represented that all relevant data has already been produced to him. To the extent he is requesting additional data, Mr. Tagliaferri shall communicate to the Government, with specificity, exactly what information he is seeking and confer with the Government in order to obtain it. If and only if there is a disagreement between the parties thereafter may the parties petition the Court for relief.

SO ORDERED:

**By Email**

The Honorable Ronnie Abrams  
United States District Judge  
Southern District of New York  
500 Pearl Street  
New York, New York 10007

Re: United States v. James Tagliaferri, SI 13 Cr. 115 (RA)

HON. RONNIE ABRAMS  
UNITED STATES DISTRICT JUDGE

Dear Judge Abrams:

The Government writes in regard to the defendant's letter of April 23, 2015 and pursuant to the Court's Order of April 28, 2015. 5/5/15

In regard to the defendant's request for "data," as explained at the sentencing hearing, the Government has already produced all of the relevant data in its possession on these issues to the defendant (and did so long before the trial in this matter). See, e.g. Sentencing Tr. at 10-11.

The Government is analyzing the relevant records in order to address the rulings and questions raised by the Court at the sentencing hearing regarding certain categories of loss (i.e. investment advisory fees and losses relating to particular notes) that are relevant to a restitution calculation. The Government anticipates submitting a declaration to the Court that will set forth the relevant information, as well as a proposed restitution order.

To ensure the most accurate restitution calculation, the Government has elected to perform an independent loss analysis for a four-year time period (2007-2010) for each account affiliated with all former TAG clients who have submitted claims for restitution. Approximately 40 former clients, who collectively had approximately 70 accounts that were TAG-managed, have submitted restitution information forms. The Government is undertaking this analysis to confirm the accuracy of the loss figures submitted by former TAG clients and in response to issues raised by the defendant during the sentencing hearing regarding loss estimates submitted by former TAG clients. This process is detailed and time consuming, but will ensure the most accurate restitution figures.

In regard to timing, pursuant to the Court's order, the parties have conferred and agree that the current deadline to resolve restitution matters should be extended beyond May 14, 2015

so that the Court can determine the appropriate amount of restitution, consistent with the relevant legal authority allowing the Court to do so as cited in the Court's Order.

The parties jointly propose the following schedule regarding restitution issues:

The Government submits a proposed restitution order and accompanying documents by June 1, 2015.

The Defendant submits any response by June 15, 2015.<sup>1</sup>

The Government submits a reply, if any, by June 19, 2015.

The Court schedules a hearing if needed to resolve any issues and hear argument.<sup>2</sup>

The parties will also attempt to confer prior to the filing of the Government's submission in order to determine if a proposed order may be filed on consent. At this time, however, the parties do not believe that any proposed order will be on consent. The defendant has informed the Government that he plans to argue that any losses were not foreseeable and/or were not directly caused by his actions. He also plans to argue that his financial condition should preclude any order of restitution. The Government disagrees with the defendant in regard to these issues.

[Additional Text On Following Page]

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<sup>1</sup> To the extent that the defendant's incarceration makes it difficult to adhere to this deadline, the Government would consent to an application by the defendant for a reasonable extension of this deadline.

<sup>2</sup> For avoidance of doubt, the defendant has emphasized his desire to personally appear at any such hearing.

The defendant has reviewed this letter and represented that it accurately reflects his position on these issues.

Respectfully submitted,

PREET BHARARA  
United States Attorney

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James Tagliaferri, Defendant