

[REDACTED] - TAGLIAFERRI, JAMES - [REDACTED]

FROM: [REDACTED]

SUBJECT: COVER LETTER TO MR> FIELDS, SECRETARY
DATE: 07/30/2015 06:42:37 PM

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James Tagliaferri

[REDACTED]
Beaver, West Virginia [REDACTED]
July 31, 2015

Brent J. Fields, Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557

Re: James S. Tagliaferri (Admin. Proc. File No. 3-15215)

Dear Mr. Fields:

Enclosed please find an original and three copies of Respondent's Opposition to the Division's Motion to Amend the Order Instituting Proceedings.

Respectfully submitted,
James Tagliaferri, pro se
Respondent

cc: Ms. Nancy A. Brown, Esq.
Senior Trial Counsel
Division of Enforcement

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[REDACTED] - TAGLIAFERRI, JAMES - [REDACTED]

FROM: [REDACTED]
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SUBJECT: COVER PAGE TO OPPOSITION
DATE: 07/30/2015 05:37:18 PM

ADMINISTRATIVE PROCEEDING
File No. 3-15215

In the Matter of

JAMES TAGLIAFERRI,

Respondent.

RESPONDENT'S OPPOSITION TO DIVISION OF ENFORCEMENT'S MOTION
TO AMEND THE ORDER INITIATING PROCEEDINGS AND RECOMMENDATION
TO REVISE AMENDMENT


James Tagliaferri, pro se
Respondent

July 31, 2015

[REDACTED] - TAGLIAFERRI, JAMES - [REDACTED]

FROM [REDACTED]

SUBJECT: OPPOSITION TO SEC MOTION TO AMEND OIP

DATE: 07/30/2015 02:35:37 PM

The Division of Enforcement (Division) seeks to amend its OIP initially filed on February 21, 2013. Respondent opposes the Amendment, as submitted, and respectively suggests a minor revision to the proposed Amendment.

Among the changes it proposes, the Division seeks to add Respondent's conviction. In principle, Respondent does not object to the inclusion if the conviction in the proposed, Amended OIP. However, the wording proposed by the Division goes beyond its mere inclusion. Specifically, the Division alleges Respondent's criminal conviction was based upon "substantially the same allegations as alleged in this case" (See Division's Exhibit G, page 2, #5). Respondent emphatically disagrees with this characterization.

ARGUMENT

THE AMENDED OIP DIFFERS SUBSTANTIALLY FROM THE ALLEGATIONS IN THE SUPERCEDING INDICTMENT

In its Motion, the Division avers the facts giving rise to the superceding indictment and the OIP are the same. However, the allegations based upon these facts differ sharply between the superceding indictment and the OIP. For example,

- > there is no allegation in the indictment that Respondent operated a "Ponzi-like scheme";
- > there is no allegation in the indictment that respondent "misappropriated" \$5 million in client funds;
- > there is no description in the indictment of Conversion Services International;
- > there is no allegation in the indictment Respondent acted as a broker-dealer;
- > there is no description in the indictment Respondent invested in "blue chips" on behalf on clients;
- > there is no description in the indictment of the 13 entities listed in point 14 of the OIP;
- > there is no mention in the indictment of Gerova, Rineon, Recovery Energy or the amount invested in 1920 Bel Air;
- > there is no allegation in the indictment Respondent participated in at least one offering of a penny stock.

In addition to the above, there are numerous other differences between the allegations in the indictment and the OIP. The documents, attached to the Ms. Brown's Declaration as Exhibits "B" and Exhibit "G", speak for themselves.

RESPONDENT WOULD BE PREJUDICED

Clearly, the allegations in the superceding indictment differ sharply from those put forth in the Amended OIP. To permit the Division to allege they are substantially the same would be adversely prejudicial to the Respondent. This would allow the Division to argue at trial the criminal conviction is sufficient to find this Respondent guilty even though the allegations differ substantially.

SUGGESTED REMEDY

To resolve this issue and reach consensus, the Respondent respectfully suggests the Division revise the wording on page 2, ll, #5 of its proposed, Amended Order by merely eliminating the phrase "on substantially the same allegations as alleged in this case".

CONCLUSION

The Respondent opposes the Division's's Motion to Amend the OIP because it would be prejudicial against him. However, Respondent respectfully suggests the elimination of a single phrase (indicated above) would resolve this issue and permit the Division's Motion to proceed without opposition.

Respectfully submitted,


James Tagliaferri, pro se
Respondent

Cc: Ms. Nancy A. Brown, Esq.