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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

MISC 13 683

UNITED STATES SECURITIES AND EXCHANGE
COMMISSION,

13 MC

Petitioner,

- against -

ANTHONY T. VICIDOMINE and
NORTH EAST CAPITAL, LLC,

Respondents.

**APPLICATION FOR ENFORCEMENT OF
CONSENT ORDER ISSUED BY THE
UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Respondents reached a settlement with Petitioner United States Securities and Exchange Commission (the "Commission") and agreed to pay more than \$346,000 in a Commission proceeding based on their violations of the federal securities laws. The Commission then issued a consent order requiring prompt payment of the agreed-upon amount. The deadline for payment has passed, yet Respondents have not paid a cent. The Commission therefore respectfully applies to the Court for an order pursuant to Section 20(c) of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. § 77t(c), and Section 21(e)(1) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78u(e)(1), to enforce compliance by Respondents with the final Commission order entered against them on August 16, 2013. In support, the Commission states as follows:

INTRODUCTION

1. On August 16, 2013, as a result of a settlement, the Commission entered an order (the "Commission Order") on consent against Respondents Anthony T. Vicidomine ("Vicidomine") and North East Capital, LLC ("North East") (collectively, "Respondents") in a Commission proceeding captioned *In the Matter of North East Capital, LLC and Anthony T. Vicidomine*, Administrative Proceeding File No. 3-15429. As set forth in the Commission Order, the Commission found that Respondents misappropriated investor funds and willfully committed securities fraud in violation of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder, among other violations. A copy of the Commission Order is attached as Exhibit 1.

2. The Commission Order required Respondents to pay, jointly and severally, a total of \$346,132.04 by August 21, 2013, three business days from entry of the order. This amount comprised disgorgement of \$189,415, prejudgment interest of \$6,717.04, and a civil monetary penalty of \$150,000.

3. The deadline to pay has passed, and neither Vicidomine nor North East has made any payment. The Commission therefore seeks an order from this Court to enforce the Commission Order.

JURISDICTION AND VENUE

4. This Court has jurisdiction under Sections 20(c) and 22(a) of the Securities Act, 15 U.S.C. §§ 77t(c) and 77v(a), and Sections 21(e)(1) and 27(a) of the Exchange Act, 15 U.S.C. §§ 78u(e)(1) and 78aa(a).

5. Venue lies in the Eastern District of New York under Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a), and Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a). Each Respondent is “found” or “is an inhabitant” of this District.

PARTIES

6. The Commission is an agency of the United States Government, with its principal office located at 100 F Street, NW, Washington, D.C. 20549. The Commission’s New York Regional Office is located at 3 World Financial Center, Room 400, New York, NY 10281.

7. Vicidomine, age 34, resides in Staten Island (Richmond County), New York. He is the founder and sole principal of North East.

8. North East is a limited liability company organized under the laws of the State of Delaware and authorized to transact business in the State of New York. From at least November 2011 through March 2012, North East was an unregistered investment adviser to an investment fund, North East Capital Fund LP (the “Fund”), offered to investors. North East’s principal office is located at Vicidomine’s residence in Staten Island (Richmond County), New York.

FACTS

9. On August 16, 2013, the Commission instituted settled administrative and cease-and-desist proceedings against Respondents by issuing the Commission Order. As set forth in the Commission Order, the proceedings were brought pursuant to:

- a. Section 8A of the Securities Act, 15 U.S.C. §77h-1;
- b. Section 21C of the Exchange Act, 15 U.S.C. § 78u-3;
- c. Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”), 15 U.S.C. §§ 80b-3(f) and 80b-3(k); and

- d. Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”), 15 U.S.C. § 80-9(b).

10. The Commission issued the Commission Order based on Respondents’ signed, notarized settlement offer. In their written settlement offer, Respondents each consented to the terms of the Commission Order without admitting or denying any of the Commission’s factual or legal findings (other than personal and subject matter jurisdiction in the proceeding, which Respondents each admitted). A copy of the Respondents’ offer is attached as Exhibit 2.

11. In the Commission Order, the Commission, based on the consent of the Respondents, found that from November 2011 through March 2012, Vicidomine misappropriated \$189,415 of the Fund’s assets through unearned “incentive fees” and used the money to pay his own personal expenses and finance his business ventures. Respondents also made false statements to investors in the offer and sale of limited partnership interests in the Fund, including misrepresentations about Vicidomine’s own investment in the Fund, his use of procedures to mitigate investors’ risk of loss, and an independent audit of the Fund. The Commission Order found that Respondents had violated numerous securities law provisions, specifically that they had:

- a. violated Section 5 of the Securities Act, 15 U.S.C. § 77e, which prohibits any person from selling a security through interstate commerce “[u]nless a registration statement is in effect as to [such] security,” or from offering to sell or offering to buy a security “unless a registration statement has been filed as to such security;”
- b. willfully violated Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), Section 10(b) of the Exchange Act, 15 U.S.C. § 77j(b), and Rule 10b-5

thereunder, 17 C.F.R. § 240.10b-5, which prohibit fraudulent conduct in the offer or sale of securities and in connection with the purchase or sale of securities; and

- c. willfully violated Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) and 80b-6(2), which prohibit fraudulent and deceptive conduct by an investment adviser with respect to any client or prospective client, and Section 206(4) of the Advisers Act, 15 U.S.C. § 80b-6(4), and Rule 206(4)-8 thereunder, 17 C.F.R. § 275.206(4)-8, which prohibit making an untrue statement of a material fact or omitting any material fact to any investor or prospective investor in a pooled investment vehicle and engaging in any act, practice, or course of business that is fraudulent or deceptive with respect to any investor or prospective investor in the pooled investment vehicle.

12. The Commission Order:

- a. ordered Respondents, jointly and severally, to pay disgorgement in the amount of \$189,415, plus prejudgment interest in the amount of \$6,717.04;
- b. ordered Respondents, jointly and severally, to pay a civil monetary penalty of \$150,000;
- c. directed Respondents to cease and desist from committing or causing directly or indirectly any violations and any future violations of Sections 5 and 17(a) of the Securities Act, 15 U.S.C. §§ 77e and 77q(a); Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b); and Rule 10b-5 thereunder,

17 C.F.R. § 240.10b-5, and Sections 206(1), 206(2), and 206(4) of the Advisers Act, 15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b-6(4), and Rule 206(4)-8 thereunder, 17 C.F.R. §275.206(4)-8;

- d. barred Vicidomine from association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, with the right to apply for reentry after five years;
- e. prohibited Vicidomine for five years 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
- f. included Respondents' voluntary undertaking not to engage in or participate in any unregistered offering of securities conducted in reliance on Rule 506 of Regulation D, 17 C.F.R. § 230.506, for a period of five years from the date of the Order.

13. The Commission Order further provides that all disgorgement, prejudgment interest, and civil monetary penalties are to be placed in a "Fair Fund" pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, 15 U.S.C. § 7246(a). Therefore, any amounts paid by or collected from the Respondents can be made available to compensate defrauded investors.

14. With Respondents' consent, the Commission Order required Respondents to pay the full disgorgement, prejudgment interest, and civil monetary penalty — totaling \$346,132.04 — within three days of the Commission Order. Rule 160(a) of the Commission's Rules of

Practice, 17 C.F.R. § 201.160(a), provides that intermediate Saturdays, Sundays, and legal holidays shall be excluded from the computation of time where the period prescribed is seven days or less. The full payment amount therefore became due on Wednesday, August 21, 2013.

15. Vicidomine and North East have not paid any portion of these amounts. The entire balance of \$346,132.04 remains due and owing, together with additional interest on the disgorgement pursuant to Rule 600 of the Commission's Rules of Practice, 17 C.F.R. § 201.600, and interest on the civil monetary penalty pursuant to 31 U.S.C. § 3137.

CLAIM FOR RELIEF

16. Section 20(c) of the Securities Act, 15 U.S.C. § 77t(c), provides:

Upon application of the Commission, the district courts of the United States ... shall have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this subchapter or any order of the Commission made in pursuance thereof.

17. Section 21(e)(1) of the Exchange Act, 15 U.S.C. § 78u(e)(1), provides:

Upon application of the Commission the district courts of the United States ... shall have jurisdiction to issue writs of mandamus, injunctions, and orders commanding (1) any person to comply with the provisions of this chapter, the rules, regulations, and orders thereunder.

18. These provisions authorize the use of summary proceedings, rather than plenary civil actions, to enforce Commission orders in district courts.

WHEREFORE, the Commission respectfully requests:

I.

That the Court enter an Order to Show Cause, directing each of the Respondents to show cause why this Court should not enter an Order enforcing Respondents' compliance with the Commission Order.

II.

That the Court thereafter enter an Order enforcing the Commission Order and requiring Respondents to pay, jointly and severally, (a) disgorgement in the amount of \$189,415 plus prejudgment interest in the amount of \$6,717.04, (b) a civil monetary penalty of \$150,000, (c) additional interest on the disgorgement pursuant to Rule 600 of the Commission's Rules of Practice, 17 C.F.R. § 201.600, and (d) interest on the civil monetary penalty pursuant to 31 U.S.C. § 3137.

III.

That the Court order such relief as may be necessary for enforcement of any order of this Court as to disgorgement and prejudgment interest through civil contempt and/or other collection procedures authorized by law.

IV.

That the Court order such relief as may be necessary for enforcement of any order of this Court as to the civil monetary penalty pursuant to the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3001 – 3205.

V.

That the Court retain jurisdiction as appropriate to assure and effect compliance with the orders entered herein.

VI.

That the Court order such other and further relief as may be just and proper.

Dated: New York, New York
August 22, 2013

ANDREW M. CALAMARI,
Regional Director

BY: 
ROBERT J. KEYES,

Associate Regional Director
PREETHI KRISHNAMURTHY,
Senior Trial Counsel

JOHN J. GRAUBARD, (JG-4854)
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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9442 / August 16, 2013

SECURITIES EXCHANGE ACT OF 1934
Release No. 70223 / August 16, 2013

INVESTMENT ADVISERS ACT OF 1940
Release No. 3651 / August 16, 2013

INVESTMENT COMPANY ACT OF 1940
Release No. 30651 / August 16, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15429

In the Matter of

**North East Capital, LLC
and Anthony T. Vicidomine**

Respondents.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS,
PURSUANT TO SECTION 8A OF THE
SECURITIES ACT OF 1933, SECTION 21C
OF THE SECURITIES EXCHANGE ACT OF
1934, SECTIONS 203(f) AND 203(k) OF THE
INVESTMENT ADVISERS ACT OF 1940,
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 against North East Capital, LLC ("North East") and Anthony T. Vicidomine ("Vicidomine") (collectively, "Respondents"), pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act"), and Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act") as to Vicidomine, and pursuant to Section 8A of the Securities Act, Section 21C of the Exchange Act, Section 203(k) of the Advisers Act and Section 9(b) of the Investment Company Act as to North East.

II.

In anticipation of the institution of these proceedings, Respondents have 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 them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, 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 Respondents' Offer, the Commission finds that:

Summary

These proceedings arise from Vicidomine's receipt of unauthorized fees from the North East Capital Fund LP (the "Fund"), a pooled investment vehicle that Vicidomine created and offered to investors through North East Capital, LLC ("North East"), an unregistered investment adviser that he owned and controlled. From November 2011 through March 2012, Vicidomine misappropriated \$189,415 of the Fund's assets in the form of unearned "incentive fees" and used the money to pay his own personal expenses and to finance his business ventures. In addition, Vicidomine and North East made false statements to current and prospective investors in connection with the offer and sale of limited partnership interests in the Fund, including misrepresentations about Vicidomine's own investment in the Fund, his use of procedures to mitigate investors' risk of loss, and an independent audit of the Fund.

Respondents

1. Anthony T. Vicidomine ("Vicidomine"), age 34, resides in Staten Island, New York. He is the founder of North East, an unregistered investment adviser, and the Fund, a pooled investment vehicle. North East is the general partner of and investment adviser to the Fund, and Vicidomine is North East's sole principal and control person.

2. North East Capital, LLC ("North East") is a Delaware limited liability corporation that Vicidomine formed in February 2011. North East's principal place of business is in New York, New York. North East is an unregistered investment adviser and general partner of the Fund. Vicidomine is North East's sole principal and control person.

Other Relevant Entity

3. North East Capital Fund LP (“Fund”) is a Delaware limited partnership formed by Vicidomine in February 2011 with its principal place of business in New York, New York. The Fund is not registered with the Commission or associated with any entity registered with the Commission. The Fund ceased accepting investments in June 2012 and is no longer active.

Background

4. Beginning in March 2011 and continuing through May 2012, Vicidomine, through North East, solicited at least 19 investors, including his relatives and friends, as well as acquaintances of his friends, to invest in the Fund. He met with each investor in person, orally described the Fund, and provided each investor with the Fund’s Private Offering Memorandum (“Offering Memo”) and subscription agreements. Vicidomine signed subscription agreements on behalf of North East to accept purchases of limited partnership interests in the Fund. In April 2012, Vicidomine solicited an additional \$320,000 in investments from existing Fund investors, including \$120,000 from a close family member on April 4, 2012. The close family member also made an additional \$90,000 payment to the Fund in April 2012, which represented reimbursement to the Fund of certain excessive fees withdrawn by Vicidomine rather than a follow-on investment in the Fund. In total, Vicidomine succeeded in raising \$1,900,000 from his friends and family, including \$919,000 from the close family member, who was the Fund’s largest investor. The close family member fully redeemed his interest in the Fund between approximately August 2011 and June 2012.

5. No registration statement was on file with the Commission or in effect as to the limited partnership interests in the Fund. At least several of the purchasers of interests in the Fund were unsophisticated and/or unaccredited, and several investors did not have a pre-existing relationship with Vicidomine. In addition, Vicidomine and North East did not provide investors audited financial information concerning the Fund.

Vicidomine’s Misappropriation of Fund Assets and Misrepresentations Made by Vicidomine and North East

6. The Fund’s Offering Memo stated that the Fund’s general partner was entitled to 50% of the Fund’s net profits at the end of every three-month period following the first capital contribution to the Fund and then on a quarterly basis as of December 31, 2011.

7. The Offering Memo further stated that this 50% “Incentive Allocation” would be calculated separately for each capital contribution from each limited partner. However, neither Vicidomine nor anyone else at North East followed such procedures when calculating the allowable Incentive Allocation.

8. The amount Vicidomine took in incentive fees exceeded the amount to which he was entitled. Beginning in June 2011, Vicidomine made numerous withdrawals from

the Fund's bank account each month rather than one allocation payment every three months, as was represented in the Offering Memo. Vicidomine disbursed these funds directly into his own personal account, to his other business ventures, or to North East to pay his personal expenses. In this manner, Vicidomine misappropriated a total of \$189,415 from the Fund.

9. Vicidomine and North East misrepresented to prospective Fund investors that Vicidomine would invest his own money in the Fund. Specifically, the Fund's Offering Memo represented that Vicidomine would "make an initial investment in the Partnership of \$500,000." Vicidomine never invested any of his own money in the Fund.

10. Vicidomine and North East made misrepresentations to current and prospective investors concerning the safety of their investments in the Fund. The Fund's Offering Memo represented that the Fund would "utilize trading strategies that circumvent risk and maximize returns despite general market conditions." It further disclosed that the Fund would invest "mainly in large cap multi-national corporations" and would limit its risk exposure by "following strict investment guidelines and utilizing an assortment of mathematical models... monitored by experienced personnel." Vicidomine also orally represented to certain Fund investors that he would prevent stock losses in after-hours trading by "closing-out" (or selling) all of his positions at the end of each trading day.

11. Contrary to his and North East's representations, Vicidomine often caused the Fund to carry investments for longer than a day or, in the case of two large positions, for months. The Fund did not employ mathematical models, and no one monitored Vicidomine's trading on behalf of the Fund to ensure compliance with Fund guidelines.

12. The Fund's Offering Memo further represented that the Fund would undergo an annual audit conducted by an independent auditor. No such audit was performed.

Violations

13. As a result of the conduct described above, Respondents violated Section 5 of the Securities Act, which prohibits any person from selling a security through interstate commerce "[u]nless a registration statement is in effect as to [such] security," or from offering to sell or offering to buy a security "unless a registration statement has been filed as to such security."

14. As a result of the conduct described above, Respondents willfully violated Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in the offer or sale of securities and in connection with the purchase or sale of securities.

15. As a result of the conduct described above, Respondents willfully violated Sections 206(1) and 206(2) of the Advisers Act, which prohibit fraudulent and deceptive conduct by an investment adviser with respect to any client or prospective client, and Section 206(4) of the Advisers Act and Rule 206(4)-8 promulgated thereunder, which prohibit making an untrue

statement of a material fact or omitting any material fact to any investor or prospective investor in a pooled investment vehicle and engaging in any act, practice, or course of business that is fraudulent or deceptive with respect to any investor or prospective investor in the pooled investment vehicle.

Undertaking

Respondents have undertaken to:

16. For a period of five years from the date of this Order, Respondents shall not engage in or participate in any unregistered offering of securities conducted in reliance on Rule 506 of Regulation D (17 C.F.R. § 230.506), including by occupying any position with, ownership of, or relationship to the issuer enumerated in 17 C.F.R. § 230.506(d)(1) (“Bad Actor” disqualification”).

In determining whether to accept the Offer, the Commission has considered this undertaking.

IV.

In view of the foregoing, the Commission deems it appropriate, in the public interest, and for the protection of investors to impose the sanctions agreed to in Respondents’ Offer.

Accordingly, pursuant to Section 8A of the Securities Act, Section 21C of the Exchange Act, Sections 203(f) and 203(k) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Respondents cease and desist from committing or causing directly or indirectly any violations and any future violations of Sections 5 and 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1), 206(2), 206(4) of the Advisers Act and Rule 206(4)-8 promulgated thereunder.

B. Respondent Vicidomine 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; and

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;

with the right to apply for reentry after five (5) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

C. Any reapplication for association by Respondent Vicidomine 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 Respondents, 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. Respondents shall, within 3 days of the entry of this Order, pay disgorgement of \$189,415, prejudgment interest of \$6,717.04, and a civil money penalty of \$150,000, for which Respondents are jointly and severally liable, to the Securities and Exchange Commission. If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600 and 31 U.S.C. 3717. Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondents 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) Respondents 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 Vicidomine and North East as Respondents 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 Marshall Sprung, Co-Chief, Asset Management Unit, Division of Enforcement, Securities and Exchange Commission, 5670 Wilshire Blvd., Los Angeles, CA 90036.

E. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, a Fair Fund is created for the disgorgement, interest and penalties referenced in paragraph D above. Regardless of whether any such Fair Fund distribution is made, 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, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If

the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they 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 United States Treasury or to a Fair Fund, as the Commission directs. 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 Respondents 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.

By the Commission.

Elizabeth M. Murphy
Secretary

EXHIBIT 2

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING

File No.

In the Matter of	:	
	:	
	:	
North East Capital, LLC	:	OFFER OF SETTLEMENT
and Anthony T. Vicidomine	:	OF ANTHONY T. VICIDOMINE
	:	AND NORTH EAST CAPITAL, LLC
	:	
Respondents.	:	
	:	

I.

Anthony T. Vicidomine and North East Capital, LLC (collectively, "Respondents"), pursuant to Rule 240(a) of the Rules of Practice of the Securities and Exchange Commission ("Commission") [17 C.F.R. § 201.240(a)] submit this Offer of Settlement ("Offer") in anticipation of public administrative and cease-and-desist proceedings to be instituted against them by the Commission, pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act"), and Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act") as to Vicidomine, and pursuant to Section 8A of the Securities Act, Section 21C of the Exchange Act, Section 203(k) of the Advisers Act and Section 9(b) of the Investment Company Act as to North East.

II.

This Offer is submitted solely for the purpose of settling these proceedings, with the express understanding that it will not be used in any way in these or any other proceedings, unless the Offer is accepted by the Commission. If the Offer is not accepted by the Commission, the Offer is withdrawn without prejudice to the Respondents and shall not become a part of the record in these or any other proceedings, except for the waiver expressed in Section V with respect to Rule 240(c)(5) of the Commission's Rules of Practice [17 C.F.R. § 201.240(c)(5)].

III.

On the basis of the foregoing, Respondents hereby:

A. Admit the jurisdiction of the Commission over them and over the matters set forth in the Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”);

B. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission or in which the Commission is a party and without admitting or denying the findings contained in the Order, except as to the Commission’s jurisdiction over them and the subject matter of these proceedings, which are admitted, consent to the entry of an Order by the Commission containing the following findings¹ and remedial sanctions set forth below:

Summary

These proceedings arise from Vicidomine’s receipt of unauthorized fees from the North East Capital Fund LP (the “Fund”), a pooled investment vehicle that Vicidomine created and offered to investors through North East Capital, LLC (“North East”), an unregistered investment adviser that he owned and controlled. From November 2011 through March 2012, Vicidomine misappropriated \$189,415 of the Fund’s assets in the form of unearned “incentive fees” and used the money to pay his own personal expenses and to finance his business ventures. In addition, Vicidomine and North East made false statements to current and prospective investors in connection with the offer and sale of limited partnership interests in the Fund, including misrepresentations about Vicidomine’s own investment in the Fund, his use of procedures to mitigate investors’ risk of loss, and an independent audit of the Fund.

Respondents

1. Anthony T. Vicidomine (“Vicidomine”), age 34, resides in Staten Island, New York. He is the founder of North East, an unregistered investment adviser, and the Fund, a pooled investment vehicle. North East is the general partner of and investment adviser to the Fund, and Vicidomine is North East’s sole principal and control person.

2. North East Capital, LLC (“North East”) is a Delaware limited liability

¹ The findings herein are made pursuant to Respondents’ Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

corporation that Vicidomine formed in February 2011. North East's principal place of business is in New York, New York. North East is an unregistered investment adviser and general partner of the Fund. Vicidomine is North East's sole principal and control person.

Other Relevant Entity

3. North East Capital Fund LP ("Fund") is a Delaware limited partnership formed by Vicidomine in February 2011 with its principal place of business in New York, New York. The Fund is not registered with the Commission or associated with any entity registered with the Commission. The Fund ceased accepting investments in June 2012 and is no longer active.

Background

4. Beginning in March 2011 and continuing through May 2012, Vicidomine, through North East, solicited at least 19 investors, including his relatives and friends, as well as acquaintances of his friends, to invest in the Fund. He met with each investor in person, orally described the Fund, and provided each investor with the Fund's Private Offering Memorandum ("Offering Memo") and subscription agreements. Vicidomine signed subscription agreements on behalf of North East to accept purchases of limited partnership interests in the Fund. In April 2012, Vicidomine solicited an additional \$320,000 in investments from existing Fund investors, including \$120,000 from a close family member on April 4, 2012. The close family member also made an additional \$90,000 payment to the Fund in April 2012, which represented reimbursement to the Fund of certain excessive fees withdrawn by Vicidomine rather than a follow-on investment in the Fund. In total, Vicidomine succeeded in raising \$1,900,000 from his friends and family, including \$919,000 from the close family member, who was the Fund's largest investor. The close family member fully redeemed his interest in the Fund between approximately August 2011 and June 2012.

5. No registration statement was on file with the Commission or in effect as to the limited partnership interests in the Fund. At least several of the purchasers of interests in the Fund were unsophisticated and/or unaccredited, and several investors did not have a pre-existing relationship with Vicidomine. In addition, Vicidomine and North East did not provide investors audited financial information concerning the Fund.

Vicidomine's Misappropriation of Fund Assets and Misrepresentations Made by Vicidomine and North East

6. The Fund's Offering Memo stated that the Fund's general partner was entitled to 50% of the Fund's net profits at the end of every three-month period following the first capital contribution to the Fund and then on a quarterly basis as of December 31, 2011.

7. The Offering Memo further stated that this 50% "Incentive Allocation" would be calculated separately for each capital contribution from each limited partner. However, neither Vicidomine nor anyone else at North East followed such procedures when calculating the

allowable Incentive Allocation.

8. The amount Vicidomine took in incentive fees exceeded the amount to which he was entitled. Beginning in June 2011, Vicidomine made numerous withdrawals from the Fund's bank account each month rather than one allocation payment every three months, as was represented in the Offering Memo. Vicidomine disbursed these funds directly into his own personal account, to his other business ventures, or to North East to pay his personal expenses. In this manner, Vicidomine misappropriated a total of \$189,415 from the Fund.

9. Vicidomine and North East misrepresented to prospective Fund investors that Vicidomine would invest his own money in the Fund. Specifically, the Fund's Offering Memo represented that Vicidomine would "make an initial investment in the Partnership of \$500,000." Vicidomine never invested any of his own money in the Fund.

10. Vicidomine and North East made misrepresentations to current and prospective investors concerning the safety of their investments in the Fund. The Fund's Offering Memo represented that the Fund would "utilize trading strategies that circumvent risk and maximize returns despite general market conditions." It further disclosed that the Fund would invest "mainly in large cap multi-national corporations" and would limit its risk exposure by "following strict investment guidelines and utilizing an assortment of mathematical models... monitored by experienced personnel." Vicidomine also orally represented to certain Fund investors that he would prevent stock losses in after-hours trading by "closing-out" (or selling) all of his positions at the end of each trading day.

11. Contrary to his and North East's representations, Vicidomine often caused the Fund to carry investments for longer than a day or, in the case of two large positions, for months. The Fund did not employ mathematical models, and no one monitored Vicidomine's trading on behalf of the Fund to ensure compliance with Fund guidelines.

12. The Fund's Offering Memo further represented that the Fund would undergo an annual audit conducted by an independent auditor. No such audit was performed.

Violations

13. As a result of the conduct described above, Respondents violated Section 5 of the Securities Act, which prohibits any person from selling a security through interstate commerce "[u]nless a registration statement is in effect as to [such] security," or from offering to sell or offering to buy a security "unless a registration statement has been filed as to such security."

14. As a result of the conduct described above, Respondents willfully violated Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in the offer or sale of securities and in connection with the purchase or sale of securities.

15. As a result of the conduct described above, Respondents willfully violated Sections 206(1) and 206(2) of the Advisers Act, which prohibit fraudulent and deceptive conduct by an investment adviser with respect to any client or prospective client, and Section 206(4) of the Advisers Act and Rule 206(4)-8 promulgated thereunder, which prohibit making an untrue statement of a material fact or omitting any material fact to any investor or prospective investor in a pooled investment vehicle and engaging in any act, practice, or course of business that is fraudulent or deceptive with respect to any investor or prospective investor in the pooled investment vehicle.

Undertaking

Respondents undertake to:

16. For a period of five years from the date of this Order, Respondents shall not engage in or participate in any unregistered offering of securities conducted in reliance on Rule 506 of Regulation D (17 C.F.R. § 230.506), including by occupying any position with, ownership of, or relationship to the issuer enumerated in 17 C.F.R. § 230.506(d)(1) (“Bad Actor’ disqualification”).

IV.

On the basis of the foregoing, Respondents hereby consent to the entry of an Order by the Commission imposing the following sanctions pursuant to Section 8A of the Securities Act, Section 21C of the Exchange Act, Sections 203(f) and 203(k) of the Advisers Act, and Section 9(b) of the Investment Company Act.

A. Respondents shall cease and desist from committing or causing directly or indirectly any violations and any future violations of Sections 5 and 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder.

B. Respondent Vicidomine 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; and

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;

with the right to apply for reentry after five (5) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

C. Any reapplication for association by Respondents 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 Respondents, 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. Respondents shall within 3 days of the entry of this Order, pay disgorgement of \$189,415, prejudgment interest of \$6,717.04, and a civil money penalty of \$150,000, for which Respondents are jointly and severally liable, to the Securities and Exchange Commission. If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600 and 31 U.S.C. 3717. Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondents 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) Respondents 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 Vicidomine and North East as Respondents 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 Marshall Sprung, Co-Chief, Asset Management Unit, Division of Enforcement, Securities and Exchange Commission, 5670 Wilshire Blvd., Los Angeles, CA 90036.

E. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, a Fair Fund is created for the disgorgement, interest and penalties referenced in paragraph D above. Regardless of whether any such Fair Fund distribution is made, 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, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset").

If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they 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 United States Treasury or to a Fair Fund, as the Commission directs. 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 Respondents 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.

By submitting this Offer, Respondents hereby acknowledge their waiver of those rights specified in Rules 240(c)(4) and (5) [17 C.F.R. §201.240(c)(4) and (5)] of the Commission's Rules of Practice. Respondents also hereby waive service of the Order.

VI.

Respondents understand and agree to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings," and "a refusal to admit the allegations is equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies the allegations." As part of Respondents' agreement to comply with the terms of Section 202.5(e), Respondents: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any finding in the Order or creating the impression that the Order is without factual basis; (ii) will not make or permit to be made any public statement to the effect that Respondents do not admit the findings of the Order, or that the Offer contains no admission of the findings, without also stating that the Respondents do not deny the findings; and (iii) upon the filing of this Offer of Settlement, Respondents hereby withdraw any papers previously filed in this proceeding to the extent that they deny, directly or indirectly, any finding in the Order. If Respondents breach this agreement, the Division of Enforcement may petition the Commission to vacate the Order and restore this proceeding to its active docket. Nothing in this provision affects Respondents': (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

VII.

Consistent with the provisions of 17 C.F.R. § 202.5(f), Respondents waive any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein.

VIII.

Respondents hereby waive any rights under the Equal Access to Justice Act, the Small

Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Respondents to defend against this action. For these purposes, Respondents agree that Respondents are not the prevailing party in this action since the parties have reached a good faith settlement.

IX.

Respondents understand that by settling to a bar with the right to reapply as specified in the Commission's Order, Respondents will be able to make an application to reapply after the specified time period. This application, however, does not guarantee reentry. Rather, Respondents' application will be subject to the applicable law governing the reentry process and Respondent's reentry will be subject to the discretion of the Commission. An application made to a self-regulatory organization will be reviewed by the self-regulatory organization and the Commission pursuant to Rule 19h-1 [17 C.F.R. 240.19h.1] and applicable rules of the self-regulatory organization. An application made directly to the Commission will be reviewed under the processes specified in Rule 193 of the Commission's Rules of Practice [17 C.F.R. 201.193], or as specified in the order in this proceeding. To the extent a state licensing authority may require reapplication for a state license, state law may apply.

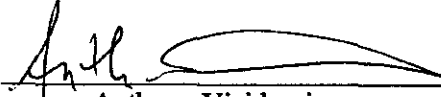
X.

Respondents agree that they shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source including, but not limited to, payment made pursuant to any insurance policy, with regard to any penalty amounts that Respondents shall pay pursuant to this Order, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors. Respondents further agree that they shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state or local tax for any penalty amounts that Respondents shall pay pursuant to this Order, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

XI.

Respondents state that they have read and understand the foregoing Offer, that this Offer is made voluntarily, and that no promises, offers, threats, or inducements of any kind or nature whatsoever have been made by the Commission or any member, officer, employee, agent, or representative of the Commission in consideration of this Offer or otherwise to induce Respondents to submit to this Offer.

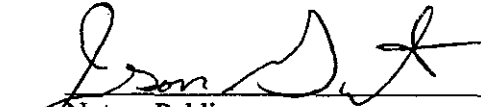
7 Day of August

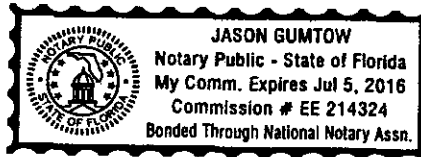

Anthony Vicidomine

STATE OF FLORIDA }
 }
COUNTY OF LEE }

SS:

The foregoing instrument was acknowledged before me this 7 day of August, 2013 by ANTHONY VICIDOMINE, who is personally known to me or X who has produced a New Jersey driver's license as identification and who did take an oath.


Notary Public
State of Florida



7 Day of August

Anthony Vicidomine
Anthony Vicidomine, as Manager and Principal
of North East Capital, LLC

STATE OF FLORIDA }
 }
 }
COUNTY OF LEE }
 }
 } SS:

The foregoing instrument was acknowledged before me this 7 day of August, 2013 by ANTHONY VICIDOMINE, who is personally known to me or who has produced a New Jersey driver's license as identification and who did take an oath.

Jason Guntow
Notary Public
State of Florida



MTCC 13 683

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

MISCELLANEOUS CASE INFORMATION SHEET

<p><u>PLAINTIFF:</u> UNITED STATES SECURITIES AND EXCHANGE COMMISSION</p>	<p><u>DEFENDANT:</u> ANTHONY T. VICIDOMINE and NORTH EAST CAPITAL, LLC</p>
<p><u>IN THE MATTER OF:</u> UNITED STATES SECURITIES AND EXCHANGE COMMISSION v. ANTHONY T. VICIDOMINE and NORTH EAST CAPITAL, LLC.</p>	
<p><u>CAUSE OF ACTION:</u> Enforcement pursuant to 15 U.S.C. §§ 77t(c) and 78u(e)(1) of consent order issued by the Securities and Exchange Commission on August 16, 2013</p>	
<p><u>RELIEF SOUGHT:</u> Order compelling Respondents to pay \$346,132.04, plus accrued interest, and other relief as appropriate</p>	
<p><u>ATTORNEY FOR PLAINTIFF:</u> ROBERT J. KEYES, Securities and Exchange Commission New York Regional Office 3 World Financial Center, Room 400 New York, NY 10281-1022 Tel.: 212-336-0109; Fax: 212-336-1353 E-mail: keyesr@sec.gov</p>	<p><u>ATTORNEY FOR DEFENDANT:</u></p>

I am currently a member in good standing of the bar of this Court: YES NO

Signature of Attorney of Record: Robert J. Keyes Date: 08/22/2013

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