

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 96853 / February 9, 2023

INVESTMENT ADVISERS ACT OF 1940
Release No. 6234 / February 9, 2023

Admin. Proc. File No. 3-21030

In the Matter of

LEON VACCARELLI

ORDER DISCHARGING ORDER TO SHOW CAUSE AND DIRECTING PREHEARING
CONFERENCE

On September 2, 2022, the Securities and Exchange Commission issued an order instituting administrative proceedings (“OIP”) against Leon Vaccarelli pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940.¹ On October 26, 2022, after Vaccarelli did not file an answer or otherwise respond to the OIP, the Division of Enforcement filed a motion for default and sanctions against Vaccarelli. Vaccarelli did not respond to the motion.

On December 1, 2022, the Commission ordered Vaccarelli to show cause why he should not be deemed in default and the proceeding determined against him.² The show cause order required Vaccarelli to explain his failure to timely file an answer to the OIP or a response to the Division’s motion and to address the substance of the Division’s request for sanctions.

On January 26, 2023, the Office of the Secretary received Vaccarelli’s response to the show cause order. In that response, Vaccarelli, who is currently incarcerated, stated that he had not previously responded to the OIP because he had believed that an attorney would “handle” this proceeding³ and that Vaccarelli needed to learn the “protocol” for the Federal Bureau of Prisons and the Commission. Vaccarelli also disputed that remedial sanctions were appropriate,

¹ *Leon Vaccarelli*, Exchange Act Release No. 95671, 2022 WL 4011090 (Sept. 2, 2022).

² *Leon Vaccarelli*, Exchange Act Release No. 96420, 2022 WL 17401534 (Dec. 1, 2022).

³ Vaccarelli does not assert that the attorney agreed to represent him in this proceeding, and no attorney has entered a notice of appearance on Vaccarelli’s behalf before the Commission.

enclosed a “Statement of Apology” addressing his conduct, and provided a certification of his inability to transmit documents electronically due to his incarceration.⁴

In light of Vaccarelli’s response, IT IS ORDERED that the order to show cause be discharged and that Vaccarelli will not be deemed in default at this time. We will construe Vaccarelli’s response to the order to show cause as his answer to the OIP.

Furthermore, IT IS ORDERED that Vaccarelli and the Division conduct a prehearing conference within twenty-eight (28) days of service of this order.⁵ The parties may meet in person or participate by telephone or other remote means. Following the conference, the parties shall file a statement with the Office of the Secretary advising the Commission of any agreements reached at the conference. If a prehearing conference is not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer. If Vaccarelli fails to participate in the prehearing conference as

⁴ See Rules of Practice 150(c)(1), 152(a)(1), 17 C.F.R. §§ 201.150(c)(1), .152(a)(1) (addressing, respectively, certification of inability to serve and file electronically). Accordingly, Vaccarelli may serve and file documents by sending them through alternative methods specified in the Commission’s Rules of Practice, including through the U.S. Postal Service by first class, certified, registered, or express mail delivery. See Rules of Practice 150(d), 152(a)(2), 17 C.F.R. §§ 201.150(d), .152(a)(2). Concurrently with this order, respondent will be provided with a copy of the Rules of Practice. See *Allan Michael Roth*, Exchange Act Release No. 84469, 2018 WL 5262756, at *1 (Oct. 22, 2018).

⁵ Rule of Practice 221, 17 C.F.R. § 201.221.

directed by this order, he may be deemed in default and the proceeding may be determined against him.⁶

For the Commission, by the Office of the General Counsel, pursuant to delegated authority.

Vanessa A. Countryman
Secretary

⁶ Rules of Practice 155(a), 221(f), 17 C.F.R. §§ 201.155(a), .221(f); *see also Vaccarelli*, 2022 WL 4011090, at *2 (“If Respondent fails to . . . appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him.”).