

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
August 12, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13579

In the Matter of

James C. Dawson,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940
AND NOTICE OF HEARING

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”), against James C. Dawson.

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Since 1982, Dawson has been the sole general partner of, and investment adviser to Victoria Investors, LP. As of June 2006, Victoria Investors had assets of approximately \$13 million, and approximately twenty individual and institutional investors. The investors are also limited partners of Victoria Investors. Between 2003 and 2005, Dawson also provided investment advisory services to three individual clients, with combined assets under management of approximately \$2.8 million. Dawson, 63, resides in Rye, New York.

B. ENTRY OF THE INJUNCTION

2. On July 24, 2009, a final judgment was entered by consent against Dawson, permanently enjoining him from future violations of Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, and Sections 206(1) and 206(2) of the Advisers Act in the civil action entitled Securities and Exchange Commission v. James C. Dawson, 08 CV 7841 (S.D.N.Y.), and ordering Dawson to pay \$303,472 in disgorgement plus \$102,975 in pre-judgment interest, and a \$100,000 civil penalty.

3. The Commission's complaint alleged that Dawson intentionally engaged in a cherry-picking scheme between April 2003 and October 2005. It alleged that Dawson intentionally cherry-picked profitable trades for his own account by purchasing securities in a suspense account and then disproportionately allocating the profitable trades to his personal account, and allocating unprofitable trades to his advisory clients, by transmitting his allocation decisions to his prime broker at some time after the close of the market. It further alleged that between April 2003 and October 2005, Dawson allocated approximately 400 trades to his personal account, approximately 393 of which were profitable on the first day, for a success rate of approximately 98.3%. In contrast, Dawson allocated approximately 2,880 trades to his hedge fund and individual client accounts, approximately 1,489 of which were profitable on the first day, for a success rate of approximately 51.7%. The Commission's complaint also alleged that between 2003 and 2005, Dawson also used Victoria Investors' funds to pay for personal and family expenses.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent Dawson pursuant to Section 203(f) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or 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 upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary