

II.

In anticipation of the institution of these proceedings, Respondent has 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 him and the subject matter of these proceedings, and the findings contained in Section III.3 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Mody, age 48, of Agoura Hills, California, has been a certified public accountant licensed to practice in the State of California since 1990; the status of his license is currently inactive. Mody began work at Vitesse Semiconductor Corporation (“Vitesse” or the “Company”) in 1992 and served as Controller from 1993 through November 1998, at which time he was promoted to Vice President and Controller. Mody’s job title changed slightly in 2002 to Vice President, Finance and Controller. In April 2005, he was promoted to Chief Financial Officer and thereafter served as Vice President, Finance and Chief Financial Officer. On May 17, 2006, Vitesse’s Board of Directors terminated Mody due to concerns regarding the integrity of documents evidencing the Company’s stock option grant practices.

2. Vitesse based in Camarillo, California, is a major producer of high-performance integrated circuits for use primarily by systems manufacturers in the storage and communications industries. Vitesse was incorporated in Delaware in 1987, is headquartered in Camarillo, California, and maintains a September 30th fiscal year-end. During the relevant period, the Company’s common stock was registered with the Commission pursuant to Section 12(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and traded on the Nasdaq National Market under the symbol VTSS. The Company’s common stock is currently traded on the Nasdaq National Market under the symbol “VTSS.”

3. On March 22, 2011, a final judgment was entered against Mody, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933; Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13a-14, 13b2-1, and 13b2-2 thereunder, and aiding and abetting violations of Exchange Act Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) and Rules 12b-20, 13a-1, and 13a-13 thereunder, in the civil action entitled Securities and Exchange Commission v. Yatin D. Mody, et al., Civil Action Number 10-CV-9239, in the United States District Court for the Southern District of New York. Mody was also ordered to pay \$105,604 in disgorgement of ill-gotten gains and \$56,716 in prejudgment interest, for a total of \$162,320.

4. The Commission's complaint alleged, among other things, that Vitesse engaged in fraudulent revenue recognition practices that resulted in the Company filing with the Commission materially false and misleading financial statements in annual reports on Form 10-K and quarterly reports on Forms 10-Q from at least late 2001 through early 2006. The complaint alleges that Mody participated in prematurely and improperly recording revenues on product shipments to Vitesse's distributors and customers and failed to timely and properly record customer credits from the return of unwanted product. The complaint alleges that Mody engaged in the foregoing misconduct from late 2001 through 2005. As a result, the complaint alleges that Mody, among other violations: engaged in fraudulent accounting practices that materially misstated the company's annual and quarterly financial statements, which he reviewed and participated in preparing; knowingly circumvented or failed to implement Vitesse's system of internal accounting controls and falsified Vitesse's books, records, or accounts; and made material misrepresentations to Vitesse's independent auditor. The complaint further alleges that, as part of his misconduct, Mody signed and certified annual and quarterly reports containing false and misleading financial statements, including Vitesse's 2005 Form 10-K filed on December 13, 2005 and three Vitesse Forms 10-Q filed between May 2005 and February 2006, and that Mody signed in 2005 and 2006 certain Vitesse registration statements filed on Form S-8 and Form S-3 that incorporated by reference materially false and misleading Forms 10-K and/or Forms 10-Q.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Mody's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

Mody is suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
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