

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 67949 / September 28, 2012

INVESTMENT ADVISERS ACT OF 1940
Release No. 3481 / September 28, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-15057

<p>In the Matter of</p> <p style="text-align:center">PETER SIRIS,</p> <p>Respondent.</p>

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND 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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Peter Siris (“Respondent” or “Siris”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From at least 2007 through the present, Siris has been the managing director of Guerrilla Capital Management, LLC, an investment adviser to two funds that Siris manages, Guerrilla Partners, LP and Hua Mei 21st Century Partners, LP. Siris, through his funds, is an active investor in Chinese reverse merger companies. Siris also acts as managing director of a consulting firm, Hua Mei 21st Century, LLC, which provides consulting services to Chinese reverse merger companies. Siris and his firms are not registered with the Commission in any capacity. In addition to his work as an investment adviser, Siris has authored several books and was an investment columnist for a New York publication where he often promoted various Chinese companies in which his funds invested. For a portion of the time in which Siris engaged in the conduct

underlying the complaint described below, Siris also acted as an unregistered securities broker. Further, Siris participated in an offering for China Yingxia International, Inc. (“China Yingxia”), which was a penny stock. Siris, 68, resides in New York, New York.

B. ENTRY OF THE INJUNCTION

2. On September 18, 2012, a final judgment was entered by consent against Siris and his firms Guerrilla Capital Management, LLC and Hua Mei 21st Century, LLC. The final judgment permanently enjoins Siris from future violations of Sections 5 and 17(a) of the Securities Act of 1933, Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, Rule 105 of Regulation M, and Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled Securities and Exchange Commission v. Siris, et al., Civil Action Number 12-CV-5810 (S.D.N.Y.). Siris and his firms were ordered to pay \$592,942.39 in disgorgement, \$70,488.83 in prejudgment interest, and post judgment interest on any unpaid amounts due after entry of final judgment. Siris further was ordered to pay a civil penalty in the amount of \$464,011.93.

3. The Commission’s complaint alleged that, from at least 2007 until 2010, Siris violated numerous federal securities laws in connection with his dealings with Chinese reverse merger companies. It alleged that, relating to China Yingxia, a company with which Siris maintained a consulting relationship, Siris engaged in illegal insider trading in its securities shortly before the company collapsed; acted as an unregistered securities broker by raising over \$2 million for China Yingxia in exchange for transaction-based compensation; sold unregistered securities of China Yingxia that one of his firms received through an end-run around registration provisions of the federal securities laws; and made material misrepresentations and omissions to investors in his funds concerning his dealings with China Yingxia. Specifically, Siris wrote to his investors after the company collapsed and placed blame on others he claimed were responsible for the company’s Commission filings and key hiring decisions, among other things, and against whom he wanted to initiate legal action. Siris omitted from disclosure, however, his significant role in those very same tasks, depriving his investors of information concerning his role with the failed company. The complaint further alleged that in advance of ten confidential securities offerings, after agreeing to go “over-the-wall,” Siris engaged in repeated insider trading in breach of his duty to keep certain information confidential and not trade on such information; committed fraud in a securities purchase agreement by falsely representing that his funds had not engaged in any trading after being contacted about a deal, when in fact his funds had effected short sales in that issuer’s securities; and violated Rule 105 of Regulation M by participating in two offerings of equity securities after directing short sales in those issuers’ securities.

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 hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and

C. What, if any, remedial action is appropriate in the public interest against Respondent 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