

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 77486 / March 31, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17188

In the Matter of

JAMES E. NEILSEN

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

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”) against James E. Neilsen (“Neilsen” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) that 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, Respondent consents to the Commission’s jurisdiction over him and the subject matter of these proceedings and to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, 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. James E. Neilsen , age 55 and a resident of Norwalk, Connecticut, was a registered representative of multiple brokerage firms registered with the Commission during the period July 2004-June 2007 and August 2008-December 2010, including Tradition Asiel Securities Inc., with which he was associated from July 2004 through June 2007; Sound Securities LLC, with which he was associated from August 2008 through December 2009; and Longship Alternative Asset Management, with which he was associated from January 2010 through December 2010. Neilsen was a certified public accountant with the State of Connecticut until he became inactive in or around 2012.

2. On September 24, 2015, in United States v. James E. Neilsen, 3:15-CR-00166-RNC (D. Conn.), the United States Attorney's Office for the District of Connecticut charged Neilsen via criminal information with, and Neilsen pleaded guilty to, one count of wire fraud in violation of 18 U.S.C. § 1343 in connection with his knowing and willful perpetration of a scheme to defraud or to obtain money or property by materially false and fraudulent pretenses, representations or promises with knowledge of its fraudulent nature and with specific intent to defraud and while using or causing to be used the interstate wires. On January 28, 2016, Neilsen was sentenced to 97 months' imprisonment, to be followed by three years' supervised release. Neilsen agreed in his plea to pay restitution to his victims, and a restitution hearing is to be scheduled at a later time.

3. The count of the criminal information to which Neilsen pleaded guilty alleged, inter alia, that, from approximately 2006 through at least June 2015, he solicited and received more than \$1.6 million from clients of his tax and accounting businesses, family and friends, including his 93 year great aunt, and minor children beneficiaries of a trust established after their father's death to invest with Ulysses Partners, LLC ("Ulysses"), an unregistered entity in which Neilsen was a partner and chief financial officer, and/or Neilsen Financial Services ("Neilsen Financial"), an unregistered entity that Neilsen owned and controlled. Neilsen further admitted that he promised investors a guaranteed rate of return of 9 to 10.5 percent on their investments in Ulysses and/or Neilsen Financial, which he claimed would, in turn, invest their money in various businesses or business ventures. Instead, Neilsen used much of that money to pay back earlier investors and to make various personal expenditures. Neilsen also admitted that, in furtherance of the scheme, which occurred in significant part when he was a registered representative, he submitted fabricated account statements to his victims and sent lulling emails to multiple victims.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act Respondent Neilsen 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

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Neilsen be, and hereby is, barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent 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 Respondent, 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.

By the Commission.

Brent J. Fields
Secretary