

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 5468 / March 24, 2020**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19733**

**In the Matter of**

**NICHOLAS J. GENOVESE,**

**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 Nicholas J. Genovese (“Respondent” or “Genovese”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. RESPONDENT**

1. From at least 2015 to February 2018, Genovese owned and operated Willow Creek Advisors, LLC, an investment advisor located in New York, NY. Genovese, age 55, formerly a resident of New York, NY, is currently incarcerated at the Metropolitan Detention Center in Brooklyn, NY.

**B. RESPONDENT’S CRIMINAL CONVICTION**

2. On October 19, 2018, Genovese pled guilty to one count of securities fraud in violation of Title 17, United States Code, Sections 78j(b) and 78ff, Title 17 of the Code of Federal Regulations, Section 240.10b-5 and Title 18 of the United States Code, Section 2, before the United States District Court for the Southern District of New York, in *United States v. Nicholas Joseph Genovese*, Crim. No. 1:18-CR-183. On February 12, 2020, a judgment in the criminal case was entered against Genovese. He was sentenced to a prison term of 140 months followed by 3 years of supervised release and ordered to pay restitution in the amount of \$11,271,704.00.

3. The count of the criminal indictment to which Genovese pled guilty alleged, that in or about January 2015 through at least on or about February 2018, Genovese engaged in a scheme to defraud investors whereby he solicited millions of dollars in investments based on material misrepresentations and omissions concerning, among other things, his background, his educational and professional experience, and his credentials and qualifications for managing a hedge fund, that he used instruments of interstate communication to transmit false statements, and that he misused and misappropriated investor funds. These misrepresentations included Genovese's claim that he was part of the Genovese family that owned the Genovese Drug Store chain in New York and was an heir to that family's fortune, his claim that he earned a master's degree in business administration from Dartmouth College's Tuck School of Business, and that he was formerly a partner at the investment bank Goldman Sachs & Company and a portfolio manager at the investment bank Bear Stearns. Along with making affirmative false representations, Genovese also withheld material information from investors, including, among other things, that he had previously been convicted of several fraud-related felony criminal offenses, and that he had filed for, and was granted, bankruptcy protection pursuant to Chapter 7 of the United States Bankruptcy Code.

### **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 sets forth in Section II hereof 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 pursuant to Section 203(f) of the Advisers Act.

### **IV.**

IT IS ORDERED that a public hearing before the Commission 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 by further order of the Commission, pursuant to 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(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.220(b).

IT IS FURTHER ORDERED that the Division of Enforcement and Respondent shall conduct a prehearing conference pursuant to Rule 221 of the Commission's Rules of Practice, 17 C.F.R. § 201.221, within fourteen (14) days of service of the Answer. The parties may meet in person or participate by telephone or other remote means; following the conference, they shall file a statement with the Office of Secretary advising the Commission of any agreements reached at said conference. If a prehearing conference was not held, a statement shall be filed with the

Office of Secretary advising the Commission of that fact and of the efforts made to meet and confer.

If Respondent fails to file the directed Answer, or fails to appear at a hearing or conference 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), 201.22(f), and 201.310.

This Order shall be served forthwith upon Respondent by any means permitted by the Commission's Rules of Practice.

Attention is called to Rule 151(b) and (c) of the Commission's Rules of Practice, 17 C.F.R. § 201.151(b) and (c), providing that when, as here, a proceeding is set before the Commission, all papers (including those listed in the following paragraph) shall be filed with the Office of the Secretary and all motions, objections, or applications will be decided by the Commission. The Commission requests that an electronic courtesy copy of each filing should be emailed to [APFilings@sec.gov](mailto:APFilings@sec.gov) in PDF text-searchable format. Any exhibits should be sent as separate attachments, not a combined PDF.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to filing with or disposition by a hearing officer, all filings, including those under Rules 210, 221, 222, 230, 231, 232, 233, and 250 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.210, 221, 222, 230, 231, 232, 233, and 250, shall be directed to and, as appropriate, decided by the Commission. This proceeding shall be deemed to be one under the 75-day timeframe specified in Rule of Practice 360(a)(2)(i), 17 C.F.R. § 201.360(a)(2)(i), for the purposes of applying Rules of Practice 233 and 250, 17 C.F.R. §§ 201.233 and 250.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that the Commission shall issue a decision on the basis of the record in this proceeding, which shall consist of the items listed at Rule 350(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.350(a), and any other document or item filed with the Office of the Secretary and accepted into the record by the Commission. The provisions of Rule 351 of the Commission's Rules of Practice, 17 C.F.R. § 201.351, relating to preparation and certification of a record index by the Office of the Secretary or the hearing officer are not applicable to this proceeding.

The Commission will issue a final order resolving the proceeding after one of the following: (A) The completion of post-hearing briefing in a proceeding where the public hearing has been completed; (B) The completion of briefing on a motion for a ruling on the pleadings or a motion for summary disposition pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250, where the Commission has determined that no public hearing is necessary; or

(C) The determination that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155, and no public hearing is necessary.

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.

Vanessa A. Countryman  
Secretary