UNITED STATES OF AMERICA Before the SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934 Release No. 78350 / July 15, 2016

ADMINISTRATIVE PROCEEDING File No. 3-17347

:

In the Matter of : ORDER INSTITUTING ADMINISTRATIVE

PROCEEDINGS PURSUANT TO RULE

JAMES ANTHONY : 102(e) OF THE COMMISSION'S RULES OF

PRACTICE, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS

Respondent.

CATIPAY, Esq.,

:

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against James Anthony Catitpay ("Catipay" or "Respondent") pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice.¹

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

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any attorney . . . who has been by name (A) [p]ermanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder; or (B) [f]ound by any court of competent jurisdiction in an action brought by the Commission to which he or she is a party ... to have violated (unless the violation was found not to have been willful) or aided and abetted the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

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.2. 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. Catipay, age 39, resides in Los Angeles, California. Catipay is a member of the Michigan State Bar. Catipay operates the Law Offices of James Catipay, PLLC, a Michigan professional corporation where he represents clients in federal income tax disputes. Catipay has never held any securities licenses and is not registered with the Commission in any capacity.
- 2. On April 15, 2016, the Commission filed a complaint against Catipay in <u>SEC v. PLCMGMT LLC dba Prometheus Law et al.</u> (Civil Action No. 2:16-cv-02594-TJH-FFM), in the United States District Court for the Central District of California. On May 27, 2016, the court entered an order permanently enjoining Catipay by consent, from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, and Sections 10(b) and 15(a) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.
- 3. The Commission's complaint alleged, among other things, that Catipay, on behalf of PLCMGMT LLC dba Prometheus Law ("Prometheus") raised \$11.7 million from more than 250 investors located nationwide through the sales of securities in Prometheus, a litigation marketing company. In connection with the sale of Prometheus securities Catipay knowingly, or with reckless disregard, made misrepresentations and misleading statements regarding: (1) the low risk nature of Prometheus securities, including claims about: (a) existing or imminent settlement funds, (b) guaranteed investment returns, (c) guaranteed principal returns, and (d) security interests, (2) misusing at least \$1.87 million of investor funds, and (3) the risks associated with a prohibited attorney-fee sharing relationship. In addition, Catipay violated the registration and broker-dealer provisions of the federal securities in connection with the sale of Prometheus securities.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice, effective immediately, that:

Catipay is suspended from appearing or practicing before the Commission as an attorney.

By the Commission.

Brent J. Fields Secretary