

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. IA-1594 / October 16, 1996**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-9166**

**IN THE MATTER OF CALAMOS ASSET MANAGEMENT, INC. AND JOHN P. CALAMOS,**  
**RESPONDENTS.**

**ORDER INSTITUTING PUBLIC ADMINISTRATIVE PROCEEDINGS PURSUANT TO SECTIONS 203(e) and 203(k) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS, IMPOSING REMEDIAL SANCTIONS AND ORDERING RESPONDENTS TO CEASE AND DESIST**

**I.**

The Securities and Exchange Commission (Commission) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be instituted pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 (Advisers Act) against Calamos Asset Management, Inc. (Calamos) and John P. Calamos (J. Calamos).

In anticipation of the institution of these administrative and cease-and-desist proceedings, Calamos and J. Calamos have submitted an Offer of Settlement (Offer) which the Commission has determined to accept. Solely for the purpose of this proceeding and any other proceeding brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the Commission's findings, except as to jurisdiction and those findings contained in III.a and III.b below, which are admitted, Calamos and J. Calamos, by their Offer, consent to the entry of this Order Instituting Public Administrative Proceedings Pursuant To Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, Imposing Remedial Sanctions And Ordering Respondents To Cease And Desist (Order).

**II.**

Accordingly, IT IS ORDERED that public administrative and cease and desist proceedings pursuant to Sections 203(e) and 203(k) of the Advisers Act be, and hereby are, instituted.

**III.**

On the basis of this Order and the Offer submitted by Calamos and J. Calamos, the Commission finds-[1]- that:

a. Calamos is an Illinois corporation located in Naperville, Illinois. It has been registered with the Commission as an investment adviser since May 29, 1987. At all relevant times, Calamos Financial Services, Inc. (Financial Services) was registered with the Commission as a broker-dealer and under common control with Calamos.

b. J. Calamos, an Illinois resident, is the president, chief investment officer and sole shareholder of Calamos. He is also the president and sole shareholder of Financial Services.

c. During 1993 and 1994, Calamos, at the direction of J. Calamos, executed at least 1608 principal transactions with its advisory clients through Financial Services, a broker-dealer under common control with it, without disclosing the capacity in which it was acting and without obtaining such clients' consent prior to the transactions. As a result of the above described activity, Calamos willfully violated Section

206(3) of the Advisers Act, and J. Calamos caused Calamos violations of Section 206(3) of the Advisers Act.

d. Calamos also failed to disclose on its 1993 and 1994 amendments to Form ADV and Schedule F that these principal transactions were being executed with clients through Financial Services, a broker-dealer under common control with it. As a result, Calamos willfully violated Section 207 of the Advisers Act, and J. Calamos caused Calamos' violations of Section 207 of the Advisers Act.

#### **IV.**

In view of the foregoing, it is in the public interest to impose the sanctions specified in the Offer.

Accordingly, IT IS ORDERED:

a. that Calamos cease and desist from committing or causing any violation or any future violation of Sections 206(3) or 207 of the Advisers Act;

b. that J. Calamos cease and desist from committing or causing any violation or any future violation of Sections 206(3) or 207 of the Advisers Act;

c. that, within ten days of the entry of the Order, Calamos pay a civil penalty of \$25,000 to the United States Treasury, pursuant to Section 203(i) of the Advisers Act. Such payment shall be: (a) made by United States postal money order, certified check, bank cashier's check or bank money order; (b) made payable to the U.S. Securities and Exchange Commission; (c) hand delivered to the Comptroller, Securities and Exchange Commission, 450 5th Street, N.W., Stop 2-5, Washington, D.C. 20549; and (d) submitted under cover letter which identifies Calamos Asset Management, Inc. as the respondent in these proceedings, as well as the Commission's case number. A copy of that cover letter and money order or check shall be sent to Mary E. Keefe, Regional Director, Midwest Regional Office, Securities and Exchange Commission, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661; and

d. that Calamos comply with the following undertakings within sixty days of the issuance of this Order:

1. to retain a director of compliance with responsibility for monitoring, among other things, Calamos compliance with Sections 206(3) and 207 of the Advisers Act;

2. to implement policies and procedures to ensure compliance with the provisions of Sections 206(3) and 207 of the Advisers Act;

3. to provide an affidavit evidencing compliance with the undertakings listed in IV.d.1. and 2. above.

By the Commission.

Jonathan G. Katz

Secretary

#### **Footnote**

-[1]- The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.