

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 99054 / November 30, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21295

In the Matter of	:	
	:	
	:	
Centaurus Financial, Inc., Ricky A.	:	EXTENSION ORDER
Mantei, and Atul Makharia,	:	
	:	
Respondents.	:	

The Division of Enforcement (“Division”) has requested an extension of time until April 17, 2024, to submit a Proposed Plan of Distribution under Rule 1101(a) of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1101(a).

On February 6, 2023, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 15(b) and 21C of the Securities Exchange Act of 1934, and Sections 203(e) and 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)¹ against Centaurus Financial, Inc. (“CFI”), a California corporation with its principal place of business in Anaheim, California; Ricky A. Mantei (“Mantei”), a registered representative of CFI; and Atul Makharia (“Makharia”), a supervisory principal associated with CFI (collectively, the “Respondents”). In the Order, the Commission found that between June 2016 and July 2019, Makharia and seven other registered

¹ Securities Act Rel. No. 11153 (Feb. 6, 2023).

representatives from CFI's Lexington, South Carolina branch office (collectively, the “CFI RRs”) recommended the sale of complex variable interest rate structured products (“VRSPs”) to ninety-four retail customers for whom they knew, or reasonably should have known, such investments were unsuitable in light of each of the specific customers’ financial situation and needs. The Commission further found that CFI and Mantei, the branch manager and owner of CFI’s Lexington, South Carolina branch office, also failed reasonably to supervise the CFI RRs, and CFI failed to make and keep certain required records relating to certain customer accounts.

The Commission ordered CFI to pay disgorgement of \$4,876.00, prejudgment interest of \$623.00, and a civil money penalty of \$750,000.00; Mantei to pay disgorgement of \$92,650.00, prejudgment interest of \$11,842, and a civil money penalty of \$206,000.00; and Makharia to pay a civil money penalty in the amount of \$35,000.00, for a collective total of \$1,100,991.00 to the Commission. In the Order, the Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties collected, along with the disgorgement and interest collected, can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund consists of the \$1,100,991.00 collected from the Respondents. The Fair Fund has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any accrued interest will be added to the Fair Fund.

In its request for an extension of time, the Division states that additional time is needed to complete the fund administrator solicitation and appointment process, develop the distribution methodology, and prepare the proposed plan of distribution.

Accordingly, for good cause shown, IT IS HEREBY ORDERED that the Division's request for an extension of time until April 17, 2024, to submit a Proposed Plan of Distribution is granted.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.²

Vanessa A. Countryman
Secretary

² 17 C.F.R. § 200.30-4(a)(21)(i).