

The staff revised the Plan to include DeLorenzo as an additional distributee (“Proposed Amended Plan of Distribution”). The Proposed Amended Plan of Distribution provided for the distribution of the disgorgement, prejudgment interest, additional interest, and civil penalties paid by Respondents, less any reserve for taxes, fees, or other expenses of administering the Amended Plan of Distribution (“Net Fair Fund”) to eligible investors according to the methodology set forth in the Proposed Amended Plan of Distribution.

On April 26, 2016, the Commission published a Notice of Proposed Amended Plan of Distribution and Opportunity for Comment² pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans. The Commission received no comments on the Proposed Amended Plan of Distribution.

On June 17, 2016, the Commission issued an Order Approving Amended Plan of Distribution.³

The Fair Fund is comprised of \$346,671.45 with the Net Fair Fund being \$340,870. As set forth in paragraph 5, the Amended Plan of Distribution seeks to distribute the Net Fair Fund to certain investors identified by Commission staff during its investigation who were harmed by Respondents’ misappropriation of the unearned “incentive fees” described in the Order.⁴ The methodology for calculating an eligible investors’ estimated net distribution amounts is set forth in paragraph 7 of the Amended Plan of Distribution.

The Fund Administrator, Nancy Chase Burton, Supervisory Assistant Chief Litigation Counsel in the Commission’s Division of Enforcement’s Office of Distributions, represents that

² Exchange Act Rel. No. 77712 (Apr. 26, 2016).

³ Exchange Act Rel. No. 78100 (June 17, 2016).

⁴ See Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (Securities Act Rel. No. 9442 (August 16, 2013)).

a verified payment file has been prepared pursuant to the Amended Plan of Distribution, with a list of payees and the amount to be paid to each person, with \$340,870 being the total amount to be disbursed. Commission staff have reviewed the payment file and request that, pursuant to Rule 1101(b)(6) of the Commission's Rules on Fair Fund and Disgorgement Plans,⁵ the Commission direct the payment of \$340,870 from the Fair Fund for distribution by the Fund Administrator according to the Amended Plan of Distribution. Any remaining monies in the Fair Fund will be transferred to the U.S. Treasury after a final accounting is approved by the Commission, pursuant to paragraph 15 of the Amended Plan of Distribution.

Accordingly, it is ORDERED that the Commission staff direct the payment of \$340,870 from the Fair Fund to be distributed to injured investors pursuant to the Amended Plan of Distribution.

By the Commission.

Brent J. Fields
Secretary

⁵ 17 C.F.R. § 201.1101(b)(6).