

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 85891 / May 20, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-16846

In the Matter of	:	ORDER APPROVING
	:	APPLICATION OF FUND
UBS FINANCIAL SERVICES	:	ADMINISTRATOR FOR
INCORPORATED OF PUERTO RICO	:	PAYMENT OF FEES AND
	:	EXPENSES AND APPROVAL
Respondent.	:	OF FUTURE FEES AND
	:	EXPENSES

ADMINISTRATIVE PROCEEDING
File No. 3-16847

In the Matter of	:
	:
	:
RAMIRO L. COLON, III	:
	:
	:
Respondent.	:
	:

On September 29, 2015, the Commission issued separate, but related, settled Orders Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (collectively, the “Orders”)¹ against UBS Financial Services Incorporated of Puerto Rico (“UBSPR”) and, UBSPR’s Guaynabo branch office manager, Ramiro L. Colon, III (“Colon”) (collectively, the “Respondents”). Each Order found that UBSPR, through Colon, violated Section 15(b)(4)(E) of the Securities Exchange Act of 1934 (“Exchange Act”) by failing to supervise Jose Ramirez, Jr., a registered representative and associated person of UBSPR and UBSPR’s Guaynabo branch, who engaged in conduct that violated the anti-fraud provisions of Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. The Orders required UBSPR to pay disgorgement of \$1,188,149.41, prejudgment interest of \$174,196.97, and a \$13,637,653.62 civil money penalty and Colon to pay a \$25,000 civil money penalty. UBSPR and Colon paid the amounts ordered in their respective orders, which total \$15,025,000.00. In UBSPR’s order, the Commission created a Fair Fund (the “Fair

¹ Exchange Act Rel. No. 76013 (Sept. 29, 2015), Admin. Proc. File No. 3-16846, and Exchange Act Rel. No. 76014 (Sept. 29, 2015), Admin. Proc. File No. 3-16847.

Fund”), pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 so the civil penalty, along with the disgorgement and prejudgment interest, paid by UBSPR could be distributed to harmed investors.

On February 12, 2016, pursuant to delegated authority, the Commission issued an order appointing Damasco & Associates LLP as the Tax Administrator for the Fair Fund. On November 3, 2016, the Commission issued an order appointing Rust Consulting, Inc. as the fund administrator and ordered that the administrator’s bond be set at \$15,025,000.²

On July 7, 2017, the Secretary, pursuant to delegated authority, issued an order that approved the plan of distribution (“Plan”), which provided for Colon’s funds to be consolidated with the Fair Fund, for purposes of distribution administration, for a total of \$15,025,000, plus accumulated interest, available for distribution to harmed investors.³

The Plan provides for the payment of the Fund Administrator’s fees and expenses from the Fair Fund. In accordance with Rule 1105(d) of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”), 17 C.F.R. § 201.1105(d), the Fund Administrator has submitted invoices for services rendered from March 23, 2017 to September 26, 2018, totaling \$81,146.27 to Commission staff. The Commission staff has reviewed the Fund Administrator’s invoices, confirmed that the services have been provided, and finds the fees and expenses of \$81,146.27 to be reasonable and in accordance with the Plan. The Commission staff has requested that the Commission authorize the Office of Financial Management (“OFM”) to pay the Fund Administrator’s current fees and expenses of \$81,146.27 from the Fair Fund.

Additionally, to expedite and streamline the process for future payments, the Commission staff has requested that the Commission authorize OFM, at the direction of the Assistant Director of the Office of Distributions, to pay the Fund Administrator’s future fees and expenses, so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission’s Rules, 17 C.F.R. § 201.1105(d), that OFM pay the Fund Administrator’s current fees and expenses of \$81,146.27 from the Fair Fund. Further, OFM is authorized to pay, at the direction of the Assistant Director of the Office of Distributions, any future fees and expenses of the Fund Administrator, so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

By the Commission.

Vanessa A. Countryman
Acting Secretary

² Order Appointing Fund Plan Administrator and Setting Administrator Bond Amount, Exchange Act Rel. No. 79227 (Nov. 3, 2016).

³ Order Approving Plan of Distribution and Consolidating Settlement Funds for Administration, Exchange Act Rel. No. 81100 (July 7, 2017).