

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 80582 / May 3, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-16670

In the Matter of

**ALPHABRIDGE CAPITAL
MANAGEMENT, LLC,
THOMAS T. KUTZEN, and
MICHAEL J. CARINO,**

Respondents.

**ORDER AUTHORIZING THE TRANSFER
OF REMAINING FUNDS AND ANY FUTURE
FUNDS RETURNED TO THE FAIR FUND
TO THE UNITED STATES TREASURY
AND TERMINATING THE FAIR FUND**

On July 1, 2015, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”) and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”) against AlphaBridge Capital Management, LLC, Thomas T. Kutzen, and Michael J. Carino (“Respondents”) (Advisers Act Rel. No. 4135 (July 1, 2015)).

The Order found, among other things, that Respondents engaged in a scheme to inflate the valuations of certain mortgage-backed securities held in the portfolios of private investment funds they managed, thereby increasing the funds’ net asset values and the management and performance fees the funds paid. Pursuant to the Order, Respondents were required to cease and desist from committing or causing any violations and any future violations of various charged provisions of the Advisers Act. The Commission further ordered Respondents to pay \$4,025,000 in disgorgement and a total of \$975,000 in civil penalties, and created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 to distribute the disgorgement and civil penalties, totaling \$5 million, paid by Respondents to harmed investors (“Fair Fund”).

Pursuant to the Order, Respondents were responsible for administering the Fair Fund at their own expense pursuant to a distribution plan approved by the Commission staff. Respondents have completed their distribution-related obligations. The distribution resulted in 33 accounts receiving \$4,988,020.83 or 99.96% of the funds in the Fair Fund. Of the amount distributed, approximately \$3.6 million reimbursed investors for performance fees paid at the end of 2011. The balance of approximately \$1.4 million reimbursed investors, on a pro rata basis, for

a portion of the estimated overpayment of management fees in 2011 and 2012. A residual amount of \$5,029 remains in the Fair Fund representing an amount that the Respondents were unable to distribute to an additional account plus interest that accrued on the Fair Fund while it was in an escrow account.

The Order further provides that: (1) a final accounting will be submitted and approved by the Commission; and (2) any amount remaining in the Fair Fund will be transmitted to the Commission for transfer to the U.S. Treasury. A final accounting has been submitted to the Commission for approval, as required by Rule 1105(f) of the Commission's Rules on Fair Fund and Disgorgement Plans and as set forth in the Distribution Plan, and is approved.

Accordingly, IT IS ORDERED that:

- A. Respondents shall transmit the \$5,029 remaining in the Fair Fund within ten (10) days of the entry of this Order, and any future funds received by or returned to the Fair Fund, to the Commission for transfer to the U.S. Treasury; and
- B. The Fair Fund is terminated.

By the Commission.

Brent J. Fields
Secretary