

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 83162 / May 3, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-17315

In the Matter of

**ROSS, SINCLAIRE & ASSOCIATES,
LLC AND MURRAY SINCLAIRE,
JR.,**

Respondents.

**NOTICE OF PROPOSED PLAN OF
DISTRIBUTION AND
OPPORTUNITY FOR COMMENT**

Notice is hereby given, pursuant to Rule 1103 of the United States Securities and Exchange Commission's ("Commission") Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a Proposed Plan of Distribution (the "Plan") for the distribution of monies paid by Ross, Sinclair & Associates, LLC ("RSA") and Murray Sinclair, Jr. ("Sinclair") (collectively, the "Respondents") in the above-captioned matter.

On June 23, 2016, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, Sections 203(e) and 203(f) 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 ("Order")¹ against the Respondents. The Order found that, from at least January 2007 through December 2012 (the "Relevant Period"), the Respondents allowed Nicholas L. Fry II ("Fry"), president of registered investment adviser Fry Hensley and Company ("FHC"), to take advantage of his close relationship with RSA to carry out a fraudulent scheme whereby Fry charged his advisory clients inflated markups, markdowns, and commissions ("inflated transaction charges") through RSA.

The Order found that during the Relevant Period, RSA permitted Fry to be involved in effecting equity securities trades for FHC clients at RSA, despite knowing that Fry did not have the required license to do this work. The Respondents permitted Fry and FHC to directly benefit from the higher charges by paying Jane Fry, Fry's spouse, half of the transaction charges that RSA collected on Fry's equity trades, even though Jane Fry did essentially no work for RSA and was not generally involved in Fry's equity trading for FHC's clients. RSA also benefited by keeping the other half of the transaction charges.

¹ Exchange Act Rel. No. 78147 (June 23, 2016).

As a result of the Respondents' misconduct, the Order found that RSA violated Section 15(b)(7) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 15b7-1 thereunder and Sinclair willfully aided and abetted and caused RSA's violations of Section 15(b)(7) of the Exchange Act and Rule 15b7-1 thereunder. The Order required RSA to pay a total of \$902,574.70 in disgorgement, prejudgment interest, and a civil money penalty; Sinclair was ordered to pay a \$50,000.00 civil money penalty to the Commission. The Order also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended (the "Fair Fund"), so the civil money penalties, along with the disgorgement and prejudgment interest, could be distributed to those harmed by the Respondents' conduct described in the Order.

The Respondents have paid a total of \$952,574.70, the full amount ordered, into the Fair Fund for distribution to harmed investors. The Fair Fund is subject to the continuing jurisdiction and control of the Commission and has been deposited into an interest-bearing account at the United States Department of Treasury.

OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission's public website at <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Plan by submitting a written request to Susan Pecaro, Senior Counsel, United States Securities and Exchange Commission, Office of Distributions, 100 F. Street, NE, Washington, DC 20549-5876. All persons who desire to comment on the Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission's Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to rule-comments@sec.gov.

Comments submitted should include "Administrative Proceeding File No. 3-17315" in the subject line. Comments received will be publicly available. Persons should submit only information that they wish to make publicly available.

THE PLAN

The Fair Fund is comprised of the \$952,574.70 in disgorgement, prejudgment interest, and civil money penalties paid by the Respondents. The Plan provides for distribution of the Net Fair Fund² to eligible investors, who suffered a Recognized Loss. The Plan proposes to distribute the Net Fair Fund in accordance with the methodology described in the Plan.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary

² All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Plan.