

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 88964 / May 28, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-19227

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In the Matter of	:	
	:	
FIELDSTONE FINANCIAL	:	ORDER DIRECTING
MANAGEMENT GROUP, LLC, and	:	DISBURSEMENT OF FAIR FUND
KRISTOFOR R. BEHN	:	
	:	
Respondents.	:	
_____	:	

On December 23, 2019, the Commission published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”),¹ pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”).² The Notice advised interested persons that they could obtain a copy of the Proposed Plan of Distribution (“Proposed Plan”) from the Commission’s public website or by submitting a written request to Noel Gittens, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876. The Notice also advised that all persons desiring to comment on the Proposed Plan could submit their comments, in writing, within 30 days of the Notice. The Commission received no comments on the Proposed Plan during the comment period. On February 20, 2020, the Commission issued an order approving the Proposed Plan,³ and posted the approved Plan of Distribution (the “Plan”).

¹ Exchange Act Rel. No. 87854 (Dec. 23, 2019).

² 17 C.F.R. § 201.1103.

³ See Order Approving Plan of Distribution, Exchange Act Rel. No. 88249 (Feb. 20, 2020).

The Plan provides for the distribution of the Net Fair Fund⁴ to forty (40) investors who paid \$84,778 of advisory fees to the Respondents, and the net amount of \$900,000 obtained from one (1) investor in Fieldstone (the “Eligible Investors”) up to each Eligible Investor’s total Harm Amount, plus reasonable interest. Since the total Harm Amount incurred by the Eligible Investors (\$984,778) exceeds the amount currently in the Net Fair Fund (\$684,047) this initial distribution from the available funds will be made on a *pro-rata* basis.

Pursuant to the payment schedule in the Order, receipt of additional funds is anticipated. Therefore, after receipt of any additional funds, a second distribution will be made, which will provide a total distribution amount up to each Eligible Investor’s total Harm Amount, plus reasonable interest.⁵

Pursuant to the Plan, the Fund Administrator has compiled the payee information and prepared the payment file in a Commission-approved format. The Commission staff has reviewed the payment file and requests that, pursuant to Rule 1101(b)(6) of the Commission’s Rules on Fair Fund and Disgorgement Plans,⁶ the Commission direct the payment of \$684,047 from the Fair Fund for distribution by the Fund Administrator to the Eligible Investors in accordance with the Plan

Accordingly, it is hereby ORDERED that Commission staff shall direct the payment of \$684,047 from the Fair Fund to the Eligible Investors in accordance with the Plan.

By the Commission.

Vanessa A. Countryman
Secretary

⁴ All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Plan.

⁵ Reasonable interest will be calculated using the short-term Applicable Federal Rate compounded quarterly from the midpoint of the trading period in which the harm occurred through August 31, 2019.

⁶ 17 C.F.R. § 201.1101(b)(6).