

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 94995 / May 26, 2022**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20381**

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**In the Matter of**

**Securities America Advisors, Inc.,**

**Respondent.**

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**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 ("Commission's Rules"), 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan of distribution (the "Proposed Plan") for the distribution of monies paid in the above-captioned matter.

On June 30, 2021, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the "Order")<sup>1</sup> against Securities America Advisors, Inc. (the "Respondent"). In the Order, the Commission found that, from November 2014 to March 2018, the Respondent failed to implement policies and procedures for the review of automatically generated surveillance alerts after client disbursements had occurred. The Respondent also failed to implement reasonably designed policies and procedures for reviewing client disbursement requests for possible misappropriation before the disbursements occurred. As a result of these failures, Hector May, the owner of an independent state-registered investment adviser whose clients participated in certain of the Respondent's advisory programs, misappropriated, without the Respondent's detection, approximately \$8 million from the Respondent's advisory accounts of at least fifteen of the Respondent's advisory clients. The Commission ordered the Respondent to pay a \$1,750,000.00 civil money penalty to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty paid can be distributed to harmed investors (the "Fair Fund").

The Fair Fund includes the \$1,750,000.00 paid by the Respondent. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund

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<sup>1</sup> Advisers Act Rel. No. 5762 (June 30, 2021).

and has been deposited in an interest-bearing account at the U.S. Department of the Treasury's Bureau of the Fiscal Service, and any interest accrued will be added to the Fair Fund.

## **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 Proposed Plan by submitting a written request to Catherine E. Pappas, United States Securities and Exchange Commission, One Penn Center, 1617 JFK Blvd., Ste. 520, Philadelphia, PA 19103. All persons who desire to comment on the Proposed 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](mailto:rule-comments@sec.gov).

Comments submitted by email or via the Commission's website should include "Administrative Proceeding File No. 3-20381" in the subject line. Comments received will be publicly available. Persons should submit only information they wish to make publicly available.

## **THE PROPOSED PLAN**

The Net Available Fair Fund<sup>2</sup> is comprised of the \$1,750,000.00 in civil money penalties paid by the Respondent, plus interest and income earned thereon, less taxes, fees, and expenses. The Proposed Plan provides for the distribution of the Net Available Fair Fund to investors who held advisory accounts at the Respondent during the period November 1, 2014 through March 31, 2018, inclusive, and who suffered a loss as a result of the misconduct described in the Order.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.<sup>3</sup>

Vanessa A. Countryman  
Secretary

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

<sup>3</sup> 17 C.F.R. § 200.30-4(a)(21)(iii).