

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 96738 / January 23, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-20381

In the Matter of :

Securities America Advisors, Inc., :

Respondent. :

**ORDER APPROVING AMENDED
PLAN OF DISTRIBUTION**

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”)¹ 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 Executive Compensation Planners, Inc. (“ECP”), 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 certain of the Respondent’s advisory clients. The Commission ordered the Respondent to pay a \$1,750,000 civil money penalty to the Commission. The Commission also created a Fair Fund (the “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 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 and has been deposited in a Commission-designated account at the United States Department of the Treasury, and any accrued interest will be added to the Fair Fund.

On May 26, 2022, the Division of Enforcement, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment (the

¹ Advisers Act Rel. No. 5762 (June 30, 2021).

“Notice”² pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”),³ and simultaneously posted the Proposed Plan of Distribution (the “Proposed Plan”). The Notice advised interested persons that they could obtain a copy of the Proposed Plan from the Commission’s public website at <http://www.sec.gov/litigation/fairfundlist.htm> or 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. The Notice also advised that all persons desiring to comment on the Proposed Plan could submit their comments, in writing, no later than thirty (30) days from the publication of the 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 rulecomments@sec.gov. The Commission received two comments on the Proposed Plan during the comment period.

On November 22, 2022, after thorough review and substantial consideration of the comments received, the Commission published a Notice of Amended Proposed Plan of Distribution and Opportunity for Comment (the “Notice of Amended Plan”)⁴ pursuant to Rule 1103 of the Commission’s Rules,⁵ and simultaneously posted the Amended Proposed Plan of Distribution (the “Amended Proposed Plan”). The Notice of Amended Plan advised interested persons that they could obtain a copy of the Amended Proposed Plan from the Commission’s public website at <http://www.sec.gov/litigation/fairfundlist.htm> or 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. The Notice of Amended Plan also advised that all persons desiring to comment on the Amended Proposed Plan could submit their comments, in writing, no later than thirty (30) days from the publication of the Notice of Amended Plan (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 rulecomments@sec.gov. The Commission received no comments on the Amended Proposed Plan during the comment period.

The Amended Proposed Plan provides for the distribution of the Net Available Fair Fund⁶ to investors who held advisory accounts at the Respondent during the Relevant Period and who suffered losses as a result of the misconduct described in the Order.

The Division of Enforcement now requests that the Commission approve the Amended Proposed Plan.

² Exchange Act Rel. No. 94995 (May 26, 2022).

³ 17 C.F.R. § 201.1103.

⁴ Exchange Act Rel. No. 96379 (Nov. 22, 2022).

⁵ 17 C.F.R. § 201.1103.

⁶ All capitalized terms used herein but not defined are used as defined in the Amended Proposed Plan.

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission's Rules,⁷ that the Amended Proposed Plan is approved, and the approved Amended Plan of Distribution shall be posted simultaneously with this order on the Commission's website at www.sec.gov.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁸

Vanessa A. Countryman
Secretary

⁷ 17 C.F.R. § 201.1104.

⁸ 17 C.F.R. § 200.30-4(a)(21)(iv).