

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 99010 / November 22, 2023**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20252**

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**In the Matter of**

**Scott T. Wolfrum,**

**Respondent.**

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**ORDER CONSOLIDATING FAIR FUNDS**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20253**

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**In the Matter of**

**Tyler C. Sadek,**

**Respondent.**

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On March 24, 2021, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, and Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Wolfrum Order”)<sup>1</sup> against Scott T. Wolfrum (“Wolfrum”). In the Wolfrum Order, the Commission found that Wolfrum failed to disclose conflicts of interest when recommending that his advisory clients invest in

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<sup>1</sup> Exchange Act Rel. No. 91401 (Mar. 24, 2021).

Foundry Mezzanine Opportunity Fund (“FMOF” or the “Fund”), a private fund that provides lending to and invests in small businesses. In the Wolfrum Order, the Commission further found that, from December 2015 to June 2018, Wolfrum sold more than \$20 million in interests in FMOF, almost all of which were recommended by Wolfrum and sold to his advisory clients. Wolfrum failed to disclose to his clients the conflicts of interest created by his and his family member’s financial interests in two of the Fund’s holdings and Wolfrum’s receipt of \$140,125.00 in finder’s fees for facilitating two different investments by the Fund.

Also on March 24, 2021, the Commission issued a separate, but related settled Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Sadek Order”) against Tyler C. Sadek (“Sadek”).<sup>2</sup> In the Sadek Order, the Commission found that from 2016 to 2017, Sadek, a principal of Foundry Capital Group, LLC, an Indiana investment adviser to the FMOF, reviewed, edited, and approved newsletters issued to the Fund’s investors and prospective investors that contained misleading statements and omissions. Specifically, the newsletters contained misleading statements and omissions about the financial and operational condition of Fund holdings and expected annual interest from Fund holdings.

In their respective orders, the Commission ordered Wolfrum to pay \$140,125.00 in disgorgement, \$21,354.00 in prejudgment interest, and a \$75,000 civil money penalty and Sadek to pay a \$30,000 civil money penalty, for a collective total of \$266,479.00 to the Commission; and created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the monies collected can be distributed to harmed investors.

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<sup>2</sup> Advisers Act Rel. No. 5707 (Mar. 24, 2021).

Wolfrum and Sadek have paid in full. The Fair Funds are currently on deposit in Commission-designated accounts at the United States Department of Treasury, and any accrued interest will be added to the Fair Funds.

The Division of Enforcement now recommends that the Fair Fund created in the Sadek Order be consolidated with the Fair Fund created in the Wolfrum Order for the purposes of distribution administration, in order to achieve a cost-effective and efficient distribution of the funds collected to harmed investors.

Accordingly, IT IS HEREBY ORDERED, that the Fair Fund established in the Sadek Order is consolidated with the Fair Fund established in the Wolfrum Order for the purposes of distribution administration.

By the Commission.

Vanessa A. Countryman  
Secretary