UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 11333 / December 9, 2024

SECURITIES EXCHANGE ACT OF 1934
Release No. 101847 / December 9, 2024

INVESTMENT ADVISERS ACT OF 1940
Release No. 6784 / December 9, 2024

INVESTMENT COMPANY ACT OF 1940
Release No. 35407 / December 9, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-22340

In the Matter of **Richard K. Diamond** **Respondent.**	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, SECTIONS 15(b) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, SECTION 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**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Exchange Act"), Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act"), and Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act") against Richard K. Diamond ("Diamond" or "Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933, Sections 15(b) and 21C of the Securities Exchange Act of 1934, Section 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"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds[1] that:

Summary

1. This proceeding arises from an oil and gas offering fraud in which, between at least October 2018 and December 2021, The Heartland Group Ventures, LLC ("Heartland Group Ventures"), Heartland Production and Recovery LLC ("Heartland Production"), six other Heartland-affiliated entities, and four Heartland-affiliated individuals (collectively, "Heartland"), raised approximately $122 million from more than 700 investors nationwide through five fraudulent and unregistered securities offerings for which there was no applicable registration exemption ("Heartland Offerings").

2. Between June 2019 and December 2021 (the "relevant time period"), Diamond acted as an unregistered broker-dealer on behalf of Heartland in connection with three of its unregistered securities offerings. Diamond raised approximately $9,375,000.00 for the Heartland Offerings through the offer and sale of unregistered securities to eight individual investors, both directly and indirectly through a "feeder fund," a company that Diamond wholly owned and controlled. Diamond, among other things, solicited investors directly and indirectly to invest in certain Heartland Offerings, provided advice to investors relating to the Heartland Offerings, assisted investors in completing investment documents, assisted investors in transferring their funds to Heartland, and received transaction-based compensation from Heartland for those sales. Diamond was not registered as a broker-dealer with the Commission or associated with a registered broker-dealer during the relevant time period.

[1] The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Respondent

3. **Richard K. Diamond**, age 61, resides in Berwyn, Pennsylvania. Diamond has been registered as an investment adviser representative in Pennsylvania since November 2015. Diamond wholly owns and controls The ROI Financial Group LLC ("ROI Group"), an investment adviser registered with Pennsylvania since October 2019. Diamond passed the Series 7, 31, 63, and 66 examinations. Diamond was previously associated with several broker-dealers registered with the Commission from January 2006 through June 2006, May 2013 through June 2014, September 2014 through October 2015, and December 2015 through June 2017. Between July 2019 and December 2021, Diamond owned and controlled Permian Basin Recovery Fund I, LLC ("Permian Basin Recovery Fund I"), a "feeder fund" he utilized to solicit investments in Heartland securities. Diamond has been licensed as an insurance agent in the state of Pennsylvania since at least May 2016.

Other Relevant Entities

4. **Heartland Production and Recovery LLC** and **The Heartland Group Ventures, LLC** are Delaware and Texas limited liability companies, respectively. Heartland Production was formed on October 2, 2018, and its principal place of business was in Mansfield, Texas. Heartland Group Ventures was formed on August 26, 2019, and its principal place of business was in Fort Worth, Texas. On December 1, 2021, the Commission filed a civil action in federal court against Heartland Group Ventures, Heartland Production, six Heartland-affiliated entities, four Heartland-affiliated individuals, and various oil and gas operators, alleging that they violated Sections 5(a), 5(c), and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. *See SEC v. The Heartland Group Ventures, LLC, et al.*, No. 4:21-cv-01310 (N.D. Tex.).

5. **Heartland Production and Recovery Fund LLC** ("Debt Fund I") and **Heartland Production and Recovery Fund II LLC** ("Debt Fund II") are Delaware limited liability companies and **The Heartland Group Fund III, LLC** ("Debt Fund III") is a Texas limited liability company. Debt Fund I was formed on October 31, 2018, and Debt Fund II was formed on January 8, 2019, with their principal place of business in Mansfield, Texas. Debt Fund III was formed on September 12, 2019, and its principal place of business was in Fort Worth, Texas. Debt Fund I, Debt Fund II, and Debt Fund III issued certain of the securities described herein. None of these entities has ever been registered with the Commission in any capacity.

6. **Heartland Drilling Fund I, LP** ("Equity Fund I") and **Carson Oil Field Development Fund II, LP** ("Equity Fund II") are Delaware and Texas limited partnerships, respectively, with their principal place of business in Fort Worth, Texas. Equity Fund I was formed on April 15, 2019, and Equity Fund II was formed on July 1, 2020. Equity Fund I and Equity Fund II issued certain of the securities described herein. None of these entities has ever been registered with the Commission in any capacity.

7. **Permian Basin Recovery Fund I, LLC** is a Texas limited liability company formed in July 2019 with its principal place of business in Fort Worth, Texas. Diamond wholly owned and controlled Permian Basin Recovery Fund I, which Diamond used as a "feeder fund" to raise funds exclusively for investments in the Heartland Offerings. Permian Basin Recovery Fund I has never been registered with the Commission in any capacity.

BACKGROUND

8. Between at least October 2018 and October 2021, Heartland Group Ventures, Heartland Production, and their principals fraudulently raised approximately $122 million from more than 700 investors nationwide, purportedly for working over existing wells or drilling new wells in Texas, through five unregistered Heartland Offerings—involving investments in three debt funds and two equity funds—for which there was no applicable registration exemption. Over the course of the five Heartland Offerings—Debt Fund I, Debt Fund II, Debt Fund III, Equity Fund I, and Equity Fund II—Heartland spent only about half of the investor funds raised on oil and gas projects, which collectively generated less than $500,000.00 in revenue.

9. Between October 2018 and early 2019, Heartland relied on a network of sales agents, primarily insurance agents and financial advisors whom Heartland called "finders," to solicit prospective investors to invest in one or more of the five unregistered Heartland Offerings. Beginning in early 2019, Heartland shifted to raising funds through a "feeder fund" model, in which a "feeder fund manager," typically the same insurance agents and financial advisors who acted as Heartland sales agents, solicited prospective investors through a new company formed for the primary purpose of soliciting investments in Heartland. Under the "feeder fund" model, investors did not invest directly in any of the five unregistered Heartland Offerings. Instead, investors acquired an interest in a "feeder fund" company and entered into subscription agreements and transmitted their funds to a "feeder fund" that was owned and managed by a sales agent. After receiving investor funds, the sales agents caused their "feeder funds" to enter into mirror transactions with Heartland and to send the investors' funds to Heartland, minus the sales agents' commission. Many investors did not know they were investing through a "feeder fund" and instead believed they were directly investing in the Heartland Offerings.

10. Heartland and its principals made material misrepresentations and omissions to investors regarding the oil and gas projects in offering documents for the five unregistered Heartland Offerings. For example, among other things, they falsely told investors that certain oil wells were producing hundreds of barrels of oil a day, including wells that had yet to produce a single barrel of oil. Heartland and its principals also made material misrepresentations and omissions to investors regarding the oil and gas projects in marketing materials for the five unregistered Heartland Offerings, falsely representing production and reserves, among other things.

11. Beginning in at least 2019, Heartland and its principals used investor funds to make more than $26 million in Ponzi payments to debt fund investors.

Diamond Offered and Sold Heartland Securities in Unregistered Transactions as an Unregistered Broker-Dealer

12. Between June 2019 and December 2021, Diamond, directly and through his "feeder fund," Permian Basin Recovery Fund I, solicited investors for Debt Fund II, Debt Fund III, and Equity Fund I securities offerings. During the relevant time period, Diamond raised approximately $9,375,000.00 for Heartland by offering and selling securities to eight individual investors, some of whom invested in more than one fund, through unregistered transactions. Some of these individual investors were clients of Diamond's state-registered investment advisory firm, ROI Group.

13. Diamond, directly and through his "feeder fund" Permian Basin Recovery Fund I, had agreements with Heartland to offer and sell Heartland securities in exchange for commissions and transaction-based fees. During the relevant time period, Diamond received transaction-based compensation from Heartland for his sales of Heartland securities. At all relevant times, Diamond was not registered as a broker-dealer and was not associated with a registered broker-dealer in accordance with Section 15(b) of the Exchange Act.

14. Heartland and its principals provided Diamond with offering and marketing documents to use with prospective investors. Heartland also prepared offering documents for the Permian Basin Recovery Fund I "feeder fund" and gave them to Diamond to use with prospective investors. These offering and marketing documents mirrored Heartland's offering and marketing documents.

15. Using this information and the offering materials provided by Heartland, Diamond repeated Heartland's representations about how investor funds would be used and the safety of their investments to prospective investors. Diamond presented the Heartland Offerings to his advisory clients, insurance clients, and other investors in person, telephonically, and by email. When investors had questions Diamond could not answer, he sought answers from Heartland and its principals. Diamond also advised his advisory clients, insurance clients, and other investors to invest in the Heartland Offerings.

16. When he acted as a sales agent, Diamond solicited investors to invest in Heartland securities, provided advice to them relating to the Heartland Offerings, assisted them in completing Heartland investment documents and then forwarded those documents to Heartland. Diamond also helped investors transfer their funds to Heartland and received between 4% to 5.5% of the investors' contributions as transaction-based compensation pursuant to his agreement with Heartland.

17. Similarly, when he acted as a "feeder fund manager," Diamond assisted investors in completing the necessary investment documents for the "feeder fund" and transferring their funds to Permian Basin Recovery Fund I, in order to use the investors' funds to make investments in Heartland securities. Diamond then caused the "feeder fund" to invest in Debt Fund II, Debt Fund III, or Equity Fund I and sent the investors' contributions to Heartland in exchange for Heartland securities. Diamond's "feeder fund" withheld between 5% to 7% of the investors' contributions as

his transaction-based compensation pursuant to the "feeder fund's" agreement with Heartland. Many investors did not know they were investing through a "feeder fund" and instead believed they were directly investing in Heartland securities. Diamond later advised investors as to whether they should re-invest in the "feeder fund" or request the return of their contributions.

18. In June 2019, Diamond solicited investors, many of whom were his advisory clients or insurance clients, to directly invest in Debt Fund II. In June 2019, Diamond sold $2,500,000.00 of Heartland Debt Fund II securities to two individual investors.

19. Between December 2019 and June 2021, Diamond solicited investors, many of whom were his advisory clients or insurance clients, to invest in Debt Fund III. Between December 2019 and June 2021, Diamond received, through Permian Basin Recovery Fund I, $6,375,000.00 from seven individual investors to invest in Debt Fund III securities, at least three of whom were unaccredited. Many of these investors did not know they were investing through a "feeder fund" and instead believed they were directly investing in Debt Fund III.

20. In July 2020, Diamond solicited investors, many of whom were his advisory clients or insurance clients, to invest in Equity Fund I. In July 2020, Diamond received, through Permian Basin Recovery Fund I, $500,000.00 from one individual investor to invest in Equity Fund I securities.

VIOLATIONS

21. As a result of his conduct, Diamond willfully[2] violated Section 5(a) of the Securities Act, which prohibits, absent an exemption, the sale of securities through interstate commerce or the mails unless a registration statement is in effect.

22. As a result of his conduct, Diamond willfully violated Section 5(c) of the Securities Act, which prohibits, absent an exemption, any offer to sell or offer to buy any security through interstate commerce or the mails unless a registration statement has been filed as to such security with the Commission.

23. As a result of his conduct, Diamond willfully violated Section 15(a)(1) of the Exchange Act, which prohibits any broker or dealer from effecting any transaction in, or inducing

[2] "Willfully," for purposes of imposing relief under Section 15(b) of the Exchange Act, Section 203(f) of the Advisers Act, and Section 9(b) of the Investment Company Act, "'means no more than that the person charged with the duty knows what he is doing.'" *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965). The decision in *The Robare Group, Ltd. v. SEC*, which construed the term "willfully" for purposes of a differently structured statutory provision, does not alter that standard. 922 F.3d 468, 478-79 (D.C. Cir. 2019) (setting forth the showing required to establish that a person has "willfully omit[ted]" material information from a required disclosure in violation of Section 207 of the Advisers Act).

or attempting to induce the purchase or sale of, any security unless the broker or dealer is registered in accordance with Section 15(b) of the Exchange Act or is a natural person who is associated with a registered broker or dealer.

DISGORGEMENT AND PREJUDGMENT INTEREST

24. The disgorgement and prejudgment interest ordered in paragraph IV.D is consistent with equitable principles and does not exceed Respondent's net profits from his violations, and will be distributed to harmed investors to the extent feasible. The Commission will hold funds paid pursuant to paragraph IV.D in an account at the United States Treasury pending distribution and may combine the funds with funds paid by other respondents or defendants, including without limitation defendants in *SEC v. The Heartland Group Ventures, LLC, et al.*, No. 4:21-cv-01310 (N.D. Tex.). Upon approval of the distribution final accounting by the Commission, any amounts remaining that are infeasible to return to investors, and any amounts returned to the Commission in the future that are infeasible to return to investors, may be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

25. Respondent has submitted a sworn Statement of Financial Condition dated September 1, 2023 and updated on May 16, 2024 and other evidence and has asserted his inability to pay disgorgement plus prejudgment interest and his inability to pay a civil penalty.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent's Offer.

Accordingly, pursuant to Section 8A of the Securities Act, Sections 15(b) and 21C of the Exchange Act, Section 203(f) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Respondent cease and desist from committing or causing any violations and any future violations of Sections 5(a) and 5(c) of the Securities Act and Section 15(a)(1) of the Exchange Act.

B. Respondent be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization;

prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter; and

barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock;

with the right to apply for reentry after five (5) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

C. Any application for reentry by the Respondent will be made to the appropriate self-regulatory organization, or if there is none, to the Commission by contacting the Division of Enforcement's Office of Chief Counsel at ENF-Reentry@sec.gov, and will be subject to the applicable laws and regulations governing the reentry process. Reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

D. Respondent shall pay disgorgement of $490,250.00, and prejudgment interest of $52,668.00 to the Securities and Exchange Commission, but payment of such amount except for $71,000.00 is waived based upon Respondent's sworn representations in his Statement of Financial Condition dated September 1, 2023 and updated on May 16, 2024 and other documents submitted to the Commission. Payment shall be made in the following installments:

- $4,000.00 within fourteen (14) days of the entry of this Order
- $1,861.12 within thirty (30) days of the entry of this Order;
- $1,861.12 within sixty (60) days of the entry of this Order;
- $1,861.12 within ninety (90) days of the entry of this Order;
- $1,861.12 within one hundred and twenty (120) days of the entry of this Order;
- $1,861.12 within one hundred and fifty (150) days of entry of this Order;
- $1,861.12 within one hundred and eighty (180) days of the entry of this Order;
- $1,861.12 within two hundred and ten (210) days of the entry of this Order;
- $1,861.12 within two hundred and forty (240) days of the entry of this Order;
- $1,861.12 within two hundred and seventy (270) days of entry of this Order;
- $1,861.12 within three hundred (300) days of the entry of this Order;
- $1,861.12 within three hundred and thirty (330) days of the entry of this Order;
- $1,861.12 within three hundred and sixty (360) days of the entry of this Order;
- $1,861.12 within three hundred and ninety (390) days of the entry of this Order;
- $1,861.12 within four hundred and twenty (420) days of the entry of this Order;
- $1,861.12 within four hundred and fifty (450) days of entry of this Order;

- $1,861.12 within four hundred and eighty (480) days of the entry of this Order;
- $1,861.12 within five hundred and ten (510) days of the entry of this Order;
- $1,861.12 within five hundred and forty (540) days of the entry of this Order;
- $1,861.12 within five hundred and seventy (570) days of entry of this Order;
- $1,861.12 within six hundred (600) days of the entry of this Order;
- $1,861.12 within six hundred and thirty (630) days of the entry of this Order;
- $1,861.12 within six hundred and sixty (660) days of the entry of this Order;
- $1,861.12 within six hundred and ninety (690) days of the entry of this Order;
- $1,861.12 within seven hundred and twenty (720) days of the entry of this Order.
- $1,861.12 within seven hundred and fifty (750) days of entry of this Order;
- $1,861.12 within seven hundred and eighty (780) days of the entry of this Order;
- $1,861.12 within eight hundred and ten (810) days of the entry of this Order;
- $1,861.12 within eight hundred and forty (840) days of the entry of this Order;
- $1,861.12 within eight hundred and seventy (870) days of entry of this Order;
- $1,861.12 within nine hundred (900) days of the entry of this Order;
- $1,861.12 within nine hundred and thirty (930) days of the entry of this Order;
- $1,861.12 within nine hundred and sixty (960) days of the entry of this Order;
- $1,861.12 within nine hundred and ninety (990) days of the entry of this Order;
- $1,861.12 one thousand and twenty (1,020) days of the entry of this Order;
- $1,861.12 within one thousand and fifty (1,050) days of entry of this Order; and
- $1,861.12 within one thousand and eighty (1,080) days of the entry of this Order.

Payments shall be applied first to post order interest, which accrues pursuant to SEC Rule of Practice 600 and/or pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch

HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Diamond as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Anne C. McKinley, Assistant Director, Division of Enforcement, Securities and Exchange Commission, 175 West Jackson Boulevard, Suite 1450, Chicago, IL 60604.

E. Based upon Respondent's sworn representations in his Statement of Financial Condition dated September 1, 2023 and updated on May 16, 2024 and other documents submitted to the Commission, the Commission is not imposing a penalty against Respondent.

F. The Division of Enforcement ("Division") may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondent provided accurate and complete financial information at the time such representations were made; (2) seek an order directing payment of disgorgement and pre-judgment interest and directing payment of the maximum civil penalty allowable under the law. No other issue shall be considered in connection with this petition other than whether the financial information provided by Respondent was fraudulent, misleading, inaccurate, or incomplete in any material respect. Respondent may not, by way of defense to any such petition: (1) contest the findings in this Order; (2) assert that payment of disgorgement, interest, or a penalty should not be ordered; (3) contest the amount of disgorgement and interest to be ordered; (4) contest the imposition of the maximum penalty allowable under the law; or (5) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

G. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a Fair Fund is created for the disgorgement, prejudgment interest, and penalties referenced in paragraph D above. This Fair Fund may receive the funds from and/or be combined with funds paid by other respondents or defendants, including without limitation defendants in *SEC v. The Heartland Group Ventures, LLC, et al.*, No. 4:21-cv-01310 (N.D. Tex.), for conduct arising in relation to the violative conduct at issue in this In the Matter of Richard K. Diamond proceeding. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors

based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary