

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 100360 / June 17, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-21295

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In the Matter of	:	
	:	
Centaurus Financial, Inc., Ricky A.	:	CORRECTED ORDER APPROVING
Mantei, and Atul Makharia,	:	PLAN OF DISTRIBUTION
	:	
Respondents.	:	
_____	:	

On February 6, 2023, the Commission issued an 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, and Sections 203(e) and 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)¹ against Centaurus Financial, Inc. (“CFI”), Ricky A. Mantei (“Mantei”), and Atul Makharia (“Makharia”) (collectively, the “Respondents”).

In the Order, the Commission found that between June 2016 and July 2019, Makharia and seven other registered representatives from CFI’s Lexington, South Carolina branch office (collectively, the “CFI RRs”) recommended the sale of complex variable interest rate structured products (“VRSPs”) to ninety-four retail customers for whom they knew, or reasonably should have known, such investments were unsuitable in light of each of the specific customers’ financial situation and needs. The Commission further found that CFI and Mantei, the branch manager and owner of CFI’s Lexington, South Carolina branch office, also failed reasonably to supervise the CFI RRs, and CFI failed to make and keep certain required records relating to certain customer accounts.

The Commission ordered CFI to pay disgorgement of \$4,876.00, prejudgment interest of \$623.00, and a civil money penalty of \$750,000.00; Mantei to pay disgorgement of \$92,650.00, prejudgment interest of \$11,842, and a civil money penalty of \$206,000.00; and Makharia to pay a civil money penalty in the amount of \$35,000.00, for a collective total of \$1,100,991.00 to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties collected, along with the disgorgement and interest collected, can be distributed to harmed investors.

¹ Securities Act Rel. No. 11153 (Feb 6, 2023).

The Fair Fund includes the \$1,100,991.00 collected from the Respondents. 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 U.S. Department of the Treasury, and any interest accrued will be added to the Fair Fund.

On April 16, 2024, the Division of Enforcement, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“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 or by submitting a written request to Devon Brown, 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.

The Proposed Plan provides for the distribution of the Net Available Fair Fund⁴ to investors who were harmed by the Respondents’ conduct described in the Order, in connection with Respondents’ sale of the complex VRSPs.

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

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission’s Rules,⁵ that the Proposed Plan is approved, and the approved 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.⁶

Vanessa A. Countryman
Secretary

² Exchange Act Rel. No. 99966 (Apr 16, 2024).

³ 17 C.F.R. § 201.1103.

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

⁵ 17 C.F.R. § 201.1104.

⁶ 17 C.F.R. § 200.30-4(a)(21)(iv).