

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 102913 / April 22, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-17614

<hr/>	:	ORDER AUTHORIZING THE TRANSFER TO
In the Matter of	:	THE U.S. DEPARTMENT OF THE TREASURY
	:	OF THE REMAINING FUNDS AND ANY FUNDS
Laurence I. Balter d/b/a Oracle	:	RETURNED TO THE FAIR FUND IN THE
Investment Research,	:	FUTURE, DISCHARGING THE FUND
	:	ADMINISTRATOR, CANCELING THE
Respondent.	:	ADMINISTRATOR'S BOND, AND
<hr/>	:	TERMINATING THE FAIR FUND

On May 26, 2017, the Commission issued an Order Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, and Sections 9(b) and 9(f) of the Investment Company Act of 1940 (the “Order”)¹ settling previously instituted cease-and-desist proceedings against Laurence I. Balter d/b/a Oracle Investment Research (the “Respondent”). In the Order, the Commission found that the Respondent, a former registered investment adviser to the Oracle Mutual Fund (the “Oracle Fund”), committed multiple breaches of fiduciary duty and violations of the antifraud provisions of the federal securities laws from January 2011 to April 2014. The Commission found that the Respondent: (a) fraudulently allocated profitable trades to his own accounts to the detriment of several client accounts; (b) falsely told his clients who invested in the Oracle Fund that they would not pay both advisory fees and management fees for the portions of their accounts invested in the Oracle Fund; and (c) made trades for the Oracle Fund that deviated from two of its fundamental investment limitations. The Commission ordered the Respondent to pay \$489,921.00 in disgorgement, plus \$10,079.00 in prejudgment interest, and a \$50,000.00 civil money penalty, for a total of \$550,000.00, to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty collected, along with the disgorgement and prejudgment interest collected, could be distributed to harmed investors (the “Fair Fund”).

The Respondent paid a total of \$550,000.00 pursuant to the Order, comprising the Fair Fund. The Fair Fund was deposited in a Commission-designated account at the U.S. Department of the Treasury (the “Treasury”), and any accrued interest was added to the Fair Fund.

¹ Securities Act Rel. No. 10367 (May 26, 2017).

On April 15, 2021, the Division of Enforcement, pursuant to delegated authority, issued an order appointing DST Asset Manager Solutions, Inc. n/k/a SS&C Global Investor and Distribution Solutions, Inc. as the Fund Administrator of the Fair Fund and set the administrator's bond amount.²

On December 29, 2021, the Division of Enforcement, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment ("Notice"),³ pursuant to Rule 1103 of the Commission's Rules on Fair Fund and Disgorgement Plans (the "Commission's Rules"),⁴ 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 David H. London, United States Securities and Exchange Commission, 33 Arch Street, 24th Floor, Boston, MA 02110. 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 a comment on the Proposed Plan during the comment period. On May 5, 2022, after review and consideration, the Commission issued an order approving the Proposed Plan without modification,⁵ and posted the approved Plan of Distribution (the "Plan").

The Plan set forth a methodology for allocating the Fair Fund, plus any accrued interest, less taxes, fees, and expenses, to compensate investors for their losses between January 2011 and April 2014 due to the Respondent's cherry-picking scheme; and/or misrepresentation of management fees. Any remaining funds following distribution to harmed investors that are infeasible to return to investors are to be transferred to the Treasury and the Fair Fund terminated, subject to the Commission's approval of the Fund Administrator's final accounting.

As ordered by the Commission, the Fund Administrator distributed a total of \$463,295.94 from the Fair Fund, pursuant to the Plan.⁶ Of this amount \$463,069.58 was successfully disbursed and cashed by recipient investors resulting in 60 harmed investors being compensated for 46.67% of their losses.

The Fair Fund earned \$37,429.02 in interest; and paid state and federal taxes of \$7,091.00, investment/bank fees of \$57.40, fund administration expenses of \$71,313.92 and tax administration expenses of \$16,584.12. The Fair Fund currently holds \$29,313.00, which is comprised of \$226.36 in undeliverable and uncashed checks, and \$29,086.64 in accumulated interest and excess funds.

Pursuant to the Plan, the Fair Fund is eligible for termination and the Fund Administrator discharged after all of the following have occurred: (a) the final accounting has been submitted by the Fund Administrator for approval, and has been approved by the Commission; (b) all taxes,

² Order Appointing Fund Administrator and Setting Administrator's Bond Amount, Exchange Act Rel. No. 91570 (Apr. 15, 2021).

³ Exchange Act Rel. No. 93872 (Dec. 29, 2021).

⁴ 17 C.F.R. § 201.1103.

⁵ See Order Approving Plan of Distribution, Exchange Act Rel. No. 94857 (May 5, 2022).

⁶ Exchange Act Rel. No. 97083 (Mar. 8, 2023).

fees and expenses have been paid; and (c) any amount remaining in the Fair Fund has been received by the Commission for transfer to the Treasury.

The Commission staff has confirmed that the Fund Administrator has completed the distribution process in accordance with the Commission's orders, that all taxes, fees and expenses have been paid, and that all monies remaining in the Fair Fund have been received by the Commission. The final accounting, which was submitted to the Commission for approval, as required by Rule 1105(f) of the Commission's Rules, 17 C.F.R. § 201.1105(f), and as set forth in the Plan, has been approved.

Accordingly, it is ORDERED that:

- A. the remaining funds that are infeasible to return to investors, in the amount of \$29,313.00, and any funds returned to the Fair Fund in the future that are infeasible to return to investors, shall be transferred to the Treasury, subject to Section 21F(g)(3) of the Securities Exchange Act of 1934;
- B. the Fund Administrator, DST Asset Manager Solutions, Inc., n/k/a SS&C Global Investor and Distribution Solutions, Inc., is discharged;
- C. the Fund Administrator's bond is canceled; and
- D. the Fair Fund is terminated.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁷

Vanessa A. Countryman
Secretary

⁷ 17 C.F.R. § 200.30-4(a)(21)(vii).