

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 6811 / January 10, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-22392

In the Matter of

**ONE THOUSAND & ONE
VOICES MANAGEMENT,
LLC; FAMILY LEGACY
CAPITAL CREDIT
MANAGEMENT, LLC; and
HENDRIK F. JORDAAN,**

Respondents.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS,
PURSUANT TO SECTIONS 203(e), 203(f),
AND 203(k) OF THE INVESTMENT
ADVISERS 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 Sections 203(e), 203(f), and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”), against One Thousand & One Voices Management, LLC (“One Thousand and One Voices Manager”), Family Legacy Capital Credit Management, LLC (“Family Legacy Manager”), and Hendrik F. Jordaan (“Jordaan”) (collectively, the “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”) 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 them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 203(e), 203(f), and 203(k) of the Investment Advisers 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 Respondents' Offers, the Commission finds¹ that:

Summary

1. These proceedings concern breaches of fiduciary duty regarding fund expenses by an investment adviser, the One Thousand and One Voices Manager, and its relying adviser, the Family Legacy Manager, (collectively, the "Fund Managers"), as well as Jordaan, the Fund Managers' Chief Executive Officer ("CEO"), Chief Compliance Officer ("CCO"), founder, and sole owner. From approximately January 2019 through December 2023, the Fund Managers and Jordaan, who advised two private funds, One Thousand and One Voices Africa Fund I, L.P. ("One Thousand and One Voices Fund") and Families Backing Families Credit Fund I, L.P. ("Family Legacy Fund") (collectively, the "Private Funds"), improperly charged certain expenses to the Private Funds and failed to disclose the resulting conflicts of interest whereby the Fund Managers were incentivized to charge the Private Funds for expenses rather than pay the expenses themselves. The Private Funds' governing documents did not permit the Fund Managers to charge the Private Funds for these expenses, and the Fund Managers had historically paid many of these expenses. Additionally, from 2019 through at least 2022, the Fund Managers submitted invoices to the Private Funds without taking reasonable steps to confirm that the Private Funds should have paid such expenses. As a result, the Respondents breached their fiduciary duties to the Private Funds in violation of Section 206(2) of the Advisers Act and also violated Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder. In addition, the Fund Managers failed to adopt and implement reasonably designed policies and procedures to prevent the misallocation of expenses or to identify and disclose conflicts of interest between the Fund Managers and the Private Funds. Accordingly, the Fund Managers also violated Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, and Jordaan caused those violations.

Respondents

2. **One Thousand & One Voices Management, LLC** is a Delaware limited liability company formed in May 2013 with its principal place of business in Greenwood Village, Colorado. It registered with the Commission as an investment adviser in January 2015, and in March 2024 withdrew its registration and began reporting as an exempt reporting adviser. The One Thousand and One Voices Manager is a private fund adviser and, until approximately May 2024, managed One Thousand and One Voices Fund. In its Form ADV filed in March 2024, the One Thousand and One Voices Manager reported private fund assets under management of approximately \$116 million.

3. **Family Legacy Capital Credit Management, LLC** is a Delaware limited liability company formed in January 2021 with its principal place of business in Greenwood Village, Colorado that elected to file as a relying adviser on the One Thousand and One Voices Manager's Form ADV. It withdrew its registration with the Commission in March 2024. The Family Legacy

¹ The findings herein are made pursuant to Respondents' Offers and are not binding on any other person or entity in this or any other proceeding.

Manager is a private fund adviser and, until approximately April 2024, managed the Family Legacy Fund. In April 2024, a settlement agreement and release (“Settlement Agreement and Release”) was entered into among the Family Legacy Fund, the limited partners of the Family Legacy Fund, the Family Legacy Fund’s General Partner, the Family Legacy Manager, and Jordaan, among others, pursuant to which the Family Legacy Fund’s General Partner withdrew and transferred complete authority over all management affairs and assets of the Family Legacy Fund to a new entity, unaffiliated with Jordaan, which became the new General Partner of the Family Legacy Fund.

4. **Hendrik F. Jordaan**, age 53, resides in Greenwood Village, Colorado. During the relevant time, Jordaan was the CEO, CCO, founder, and sole owner of the Fund Managers. Jordaan was also the Managing Member of the entity that serves as the One Thousand and One Voices Fund’s General Partner and the Family Legacy Fund’s General Partner. As described above, Jordaan and the Fund Managers are no longer managing the Private Funds.

Other Relevant Entities

5. **One Thousand and One Voices Africa Fund I, L.P.** is a private equity fund organized in August 2013 under the laws of the Cayman Islands that invests in private companies formed, or with operations, in sub-Saharan Africa. The One Thousand and One Voices Fund is in wind down status.

6. **Families Backing Families Credit Fund I, L.P.** is a United States private equity fund organized in Delaware in March 2021 that invests in family-run businesses in North America. The Family Legacy Fund is in wind down status.

Background

7. The Private Funds are private equity funds that invested in various operating entities. The One Thousand and One Voices Fund sought to invest in private companies formed, or with operations, in Sub-Saharan Africa, while the Family Legacy Fund sought to invest in companies with a focus in North America. The One Thousand and One Voices Manager advised the One Thousand and One Voices Fund, while the Family Legacy Manager advised the Family Legacy Fund.

8. Each of the Private Funds is governed by a limited partnership agreement (“LPA”), which sets forth, among other things, the rights and obligations of its limited partners and identifies which expenses should be paid by the Fund Managers – defined as “Manager Expenses” or “Management Company Expenses” – and which expenses should be paid by the Private Funds – defined as “Partnership Expenses.” The One Thousand and One Voices Fund also issued a Private Placement Memorandum (“PPM”), which set forth generally the division of expenses between the One Thousand and One Voices Fund and the One Thousand and One Voices Manager. The Family Legacy Fund did not issue a PPM.

9. As alleged further below, from 2019 through December 2023, the Respondents (i) charged the Private Funds for expenses that were not permitted under the governing documents

and failed to disclose the resulting conflicts of interest or (ii) submitted invoices to the Private Funds without taking reasonable steps to confirm that the Private Funds should have paid such invoices. As a result of these actions the Private Funds overpaid the Fund Managers.

Improper Expenses

10. From January 2019 through December 2023, the Respondents improperly charged certain expenses to the Private Funds. Specifically, the Private Funds paid for various services that benefitted the Fund Managers or Jordaan personally, including outsourced financial services, public relations services, and One Thousand and One Voices Manager legal fees, none of which were included in the governing documents as permitted fund expenses and, which should have been paid by either the Fund Managers or Jordaan.

11. The Fund Managers either had the Private Funds pay these expenses directly from the Private Funds' bank accounts or paid the expenses themselves and then invoiced the Private Funds for reimbursement. From 2019 through at least 2023, the Respondents breached their fiduciary duties to the Private Funds by improperly charging them for these expenses and by failing to disclose the payments and the resulting economic conflicts of interest. Over the years, the Respondents repeatedly charged these expenses to the Private Funds when the governing documents either did not include these expenses as permitted fund expenses or failed to fully and fairly disclose that the Private Funds would pay these expenses.

12. Prior to January 2019, the One Thousand and One Voices Manager employed, and paid the salary of, a full-time, in house chief financial officer ("CFO"), who provided services to the One Thousand and One Voices Manager, rather than to the One Thousand and One Voices Fund. After that internal CFO left, from approximately January 2019 through December 2023, the Fund Managers improperly required the Private Funds to pay for outsourced financial services. The work performed by the financial service providers was work that had previously been performed by the full-time CFO. Specifically, from at least 2019 until approximately October 2022, a financial services firm ("Financial Service Provider A") provided outsourced CFO services to the One Thousand and One Voices Manager (and from March 2021 until approximately October 2022 to the Family Legacy Manager), which was paid for by the Private Funds. In October 2022, the Fund Managers replaced Financial Service Provider A with another firm ("Financial Service Provider B,") collectively with Financial Service Provider A, "the Financial Service Providers"), which the Private Funds continued to pay for through December 2023. In total, the One Thousand and One Voices Fund paid approximately \$966,397 for the Financial Services Providers, and the Family Legacy Fund paid approximately \$333,000. These payments were not included in the governing documents as permitted fund expenses, and the Fund Managers did not fully and fairly disclose the payments, the change in approach from 2019 through 2023, or the resulting conflicts of interest.

13. In May 2019, the One Thousand and One Voices Manager retained a public relations manager ("Public Relations Provider") to provide strategic communications and public relations services for the One Thousand and One Voices Manager, which was paid for by the One Thousand and One Voices Manager. In 2022, the Public Relations Provider again provided these services to the One Thousand and One Voices Manager and also began providing these same

services to the Family Legacy Manager. However, beginning in 2022, the Fund Managers charged the Private Funds for these expenses, which was contrary to the One Thousand and One Voices Manager's previous practice in 2019. In total, during 2022 and 2023, the One Thousand and One Voices Fund paid approximately \$110,300 and the Family Legacy Fund paid approximately \$103,708 to the Public Relations Provider for these services. These payments were not included in the governing documents as permitted fund expenses, and the Fund Managers did not fully and fairly disclose the payments, the change in approach from 2019 through 2023, or the resulting conflicts of interest.

14. On at least one occasion, the One Thousand and One Voices Manager improperly requested and received payment from the One Thousand and One Voices Fund for the One Thousand and One Voices Manager's legal expenses. In April 2019, the One Thousand and One Voices Manager invoiced the One Thousand and One Voices Fund for reimbursement of approximately \$91,000 in legal fees, which the One Thousand and One Voices Fund paid. However, approximately \$70,000 of the fees was for legal work on behalf of the One Thousand and One Voices Manager. This overpayment was not permitted by the One Thousand and One Voices Fund's governing documents, and the One Thousand and One Voices Manager did not disclose it or the resulting conflicts of interest.

Unsupported and Unspecified Expenses

15. Beginning in approximately January 2019 until December 2022, the One Thousand and One Voices Manager, and later the Family Legacy Manager, submitted invoices to the Private Funds without taking reasonable steps to ensure the Private Funds owed the money. The Fund Managers submitted expenses to the Private Funds, the payment of which Respondents approved on behalf of the Private Funds, with generic descriptions, such as (i) invoices for "Various Expenses" or "Expense Reimbursement" (and nothing more); and (ii) invoices "[d]ue to management Co." (and nothing more).

16. Between 2019 and at least March 2021, the One Thousand and One Voices Manager submitted invoices to the One Thousand and One Voices Fund totaling more than \$2.4 million that contained (among other things) generic expenses with limited support, which the One Thousand and One Voices Fund paid. In December 2022, the Family Legacy Manager submitted an invoice to the Family Legacy Fund for approximately \$160,000 with the generic description "Due to Management Co." and back-up noting "FLC Fund Receivable," without further description or support, which the Family Legacy Fund paid. The Respondents did not exercise reasonable care in submitting these expenses. For example, the Respondents did not generate or keep records that would allow them to distinguish between their own expenses and expenses that were properly charged to the Private Funds. Submitting these invoices without taking reasonable steps to verify that the Private Funds owed the money was a breach of Respondents' fiduciary duty.

17. From approximately April 2019 until May 2020, the One Thousand and One Voices Manager also submitted approximately \$500,000 in generic invoices to the One Thousand and One Voices Fund for credit card reimbursement, with no back up or further description.

Jordaan charged the majority of his living and business expenses directly to One Thousand and One Voices Manager-issued corporate credit cards. He also provided One Thousand and One Voices Manager-issued corporate credit cards to his family members. However, Jordaan failed to exercise reasonable care to ensure his or his family's personal credit card balances were not charged to the Private Funds.

18. Jordaan relied upon his executive assistant and Financial Service Provider A to periodically attempt to reconcile and allocate the charges by taking such steps as attempting to match expenses with meetings on Jordaan's work calendar or contemporaneous email documentation. Even then, such efforts often occurred months after charges were incurred and submitted to the One Thousand and One Voices Fund for reimbursement. If Jordaan's calendar or other documentation did not provide sufficient information for allocating the expense, his assistant or representatives of Financial Service Provider A would ask Jordaan for clarification. Jordaan remained responsible for reviewing and approving the credit card reconciliation, which was then used to determine the appropriate allocation.

19. Jordaan regularly traveled for work, and many of the expenses he submitted were for legitimate business purposes. However, certain of these expenses related to personal travel with his wife and other family members. One Thousand and One Voices Manager business records show that Jordaan charged costs associated with certain of the personal trips to his One Thousand and One Voices Manager corporate credit card and improperly allocated these expenses to the One Thousand and One Voices Fund.

Overpayments by the Private Funds to the Fund Managers

20. According to Jordaan and the One Thousand and One Voices Manager, in 2019 and 2020, the One Thousand and One Voices Fund overpaid the One Thousand and One Voices Manager by approximately \$1.4 million (approximately \$541,000 in 2019 and \$874,000 in 2020). In 2023, the One Thousand and One Voices Manager improperly charged an additional approximately \$106,000 in Financial Service Provider B fees to the One Thousand and One Voices Fund. As a result, the One Thousand and One Voices Fund overpaid the One Thousand and One Voices Manager approximately \$1.5 million in these years. Conversely, according to Jordaan and the One Thousand and One Voices Manager, there were underpayments of approximately \$1.8 million due to accrued but unpaid management fees and organizational expenses, and, as a result, the One Thousand and One Voices Fund owed the One Thousand and One Voices Manager. The One Thousand and One Voices Manager eliminated this accrued but unpaid balance in November 2024.

21. According to Jordaan and the Family Legacy Manager, in 2022, the Family Legacy Fund overpaid the Family Legacy Manager by approximately \$768,000. In 2023, the Family Legacy Manager improperly charged an additional approximately \$134,000 in Financial Service Provider B fees to the Family Legacy Fund. Pursuant to the Settlement Agreement and Release, the limited partners of the Family Legacy Fund and the Family Legacy Manager and Jordaan released and discharged each other "from any and all claims, demands, causes of action, fees, debts, and liability of every kind, based on any legal or equitable theory, whether contractual,

tortious, common law, statutory, federal, state, local, or otherwise” relating to certain matters including alleged improper use of partnership funds.

Compliance Deficiencies

22. The Fund Managers failed to adopt and implement policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder. For example, even though the Private Funds’ governing documents specified how expenses would be allocated among the Fund Managers and the Private Funds, the Fund Managers did not adopt or implement any written policies or procedures reasonably designed to prevent the misallocation of expenses to the Private Funds. Additionally, the Fund Managers’ compliance manuals lacked policies and procedures for identifying and disclosing conflicts of interest between the Fund Managers and the Private Funds.

23. As the CEO, CCO, founder, and sole owner of the Fund Managers, Jordaan was responsible for adopting and implementing compliance policies and procedures and caused these violations. Jordaan should have known that his conduct would contribute to the Fund Managers’ violation of Advisers Act Rule 206(4)-7.

Violations

24. As a result of the conduct described above, Respondents willfully² violated Section 206(2) of the Advisers Act, which makes it unlawful for any investment adviser, directly or indirectly, to “engage in any transaction, practice or course of business which operates as a fraud or deceit upon any client or prospective client.” Scienter is not required to establish a violation of Section 206(2), but rather a violation may rest on a finding of negligence. *SEC v. Steadman*, 967 F.2d 636, 643 n.5 (D.C. Cir. 1992) (citing *SEC v. Capital Gains Research Bureau, Inc.*, 375 U.S. 180, 195 (1963)).

25. As a result of the conduct described above, Respondents willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-8(a)(2) thereunder, which makes it unlawful for any investment adviser to a pooled investment vehicle to engage in “any act, practice, or course of business that is fraudulent, deceptive, or manipulative with respect to any investor or prospective investor in the pooled investment vehicle.” Proof of scienter is not required to establish a violation of Section 206(4) of the Advisers Act or the rules thereunder. *Steadman*, 967 F.2d at 647.

26. As a result of the conduct described above, the Fund Managers willfully violated, and Jordaan caused the Fund Managers’ violations of, Section 206(4) of the Advisers Act and Rule

² “Willfully,” for purposes of imposing relief under Sections 203(e) and 203(f) of the Advisers 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).

206(4)-7 thereunder, which requires, among other things, that a registered investment adviser adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder.

Disgorgement

27. The disgorgement and prejudgment interest ordered in paragraph IV.C is consistent with equitable principles and does not exceed Jordaan's or the One Thousand and One Voices Manager's net profits from its violations and will be deemed satisfied by the elimination of the accrued but unpaid balance owed by the One Thousand and One Voices Fund to the One Thousand and One Voices Manager.

Cooperation and Remedial Efforts

28. In determining to accept the Offer, the Commission considered remedial acts undertaken by Respondents and cooperation afforded the Commission staff. For example, during the investigation, Respondents retained a forensic accounting firm and provided multiple presentations concerning the findings, which aided in expediting the investigation.

IV.

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

Accordingly, pursuant to Sections 203(e), 203(f), and 203(k) of the Advisers Act, it is hereby ORDERED that:

A. Respondents cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rules 206(4)-7 and 206(4)-8(a)(2) thereunder.

B. Respondents are censured.

C. The One Thousand and One Voices Manager and Jordaan shall pay, jointly and severally, disgorgement of \$1,522,572 and prejudgment interest of \$272,222, for a total of \$1,794,794, which is deemed satisfied by the elimination of the accrued but unpaid balance owed by the One Thousand and One Voices Fund to the One Thousand and One Voices Manager.

D. The One Thousand and One Voices Manager and Jordaan shall pay, jointly and severally, a civil money penalty of \$150,000 to the Securities and Exchange Commission. The Commission may distribute civil money penalties collected in this proceeding if, in its discretion, the Commission orders the establishment of a Fair Fund pursuant to 15 U.S.C. § 7246, Section 308(a) of the Sarbanes-Oxley Act of 2002. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds or transfer them to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made,

additional interest shall accrue pursuant to 31 U.S.C. § 3717. Payment shall be made in the following installments: \$50,000 within thirty (30) days of the entry of this Order; \$12,500 within one hundred twenty (120) days of the entry of this Order; \$12,500 within two hundred forty (240) days of the entry of this Order; and \$75,000 within three hundred sixty days (360) days of the entry of this Order. Payments shall be applied first to post order interest, which accrues pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, the One Thousand and One Voices Manager and Jordaan shall contact the staff of the Commission for the amount due. If the One Thousand and One Voices Manager and Jordaan fail 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) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondents 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) Respondents 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 Respondents the One Thousand and One Voices Manager and Jordaan as Respondents 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 Marc D. Ricchiute, Assistant Director, Denver Regional Office, Securities and Exchange Commission, Byron G. Rogers Federal Building, 1961 Stout Street, Suite 1700, Denver, CO 80294-1961.

E. The Family Legacy Manager and Jordaan shall pay, jointly and severally, a civil money penalty of \$100,000. The Commission may distribute civil money penalties collected in this proceeding if, in its discretion, the Commission orders the establishment of a Fair Fund pursuant to 15 U.S.C. § 7246, Section 308(a) of the Sarbanes-Oxley Act of 2002. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds

or transfer them to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717. Payment shall be made in the following installments: \$50,000 within thirty (30) days of the entry of this Order; \$12,500 within one hundred twenty (120) days of the entry of this Order; \$12,500 within two hundred forty (240) days of the entry of this Order; and \$25,000 within three hundred sixty days (360) days of the entry of this Order. Payments shall be applied first to post order interest, which accrues pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, the Family Legacy Manager and Jordaan shall contact the staff of the Commission for the amount due. If the Family Legacy Manager and Jordaan fail 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.

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

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Payments by check or money order must be accompanied by a cover letter identifying Respondents the Family Legacy Manager and Jordaan as Respondents 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 Marc D. Ricchiute, Assistant Director, Denver Regional Office, Securities and Exchange Commission, Byron G. Rogers Federal Building, 1961 Stout Street, Suite 1700, Denver, CO 80294-1961.

F. Regardless of whether the Commission in its discretion orders the creation of a Fair Fund for the penalties ordered in this 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, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they

benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they 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 Respondents 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 Jordaan, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Jordaan 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 Jordaan 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