UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-15820

In the Matter of

Delsa U. Thomas and The D. Christopher Capital Management Group, LLC,

Respondents.

DIVISION OF ENFORCEMENT'S REPLY IN SUPPORT OF MOTION FOR SUMMARY DISPOSITION AND BRIEF IN SUPPORT

The Division of Enforcement ("Division") submits this Reply In Support of Motion for Summary Disposition against Respondents Delsa U. Thomas ("Thomas") and The D. Christopher Capital Management Group ("DCCMG") (collectively, "Respondents"), and respectfully shows the following:

I.
ARGUMENT AND AUTHORITIES

Because Respondents failed to raise a genuine issue of a material fact regarding the Division's allegations,[1] and because the Division's underlying Motion for Summary Disposition ("Motion") establishes each of the elements required to entitle the Division to the remedies it seeks, the Court should (1) revoke DCCMG's registration pursuant to Section 203(e) of the

[1] Respondents failed raise a genuine issue of material fact regarding the allegations in the Division's underlying Motion – and undisputed evidence submitted therewith – establishing that (1) Respondents engaged in a fraudulent securities offering; (2) Respondents were, or acted as, investment advisers while engaged in the fraud; and (3) as a result of their fraud, the District Court entered a final judgment permanently enjoining Respondents from future violations of the securities laws including, but not limited to, Section 17(a) of the Securities Act of 1934 and Section 10(b) of the Securities and Exchange Act of 1934 and Rule 10b-5 thereunder. *See* Motion at pp. 4 – 11.

Investment Advisers Act of 1940 ("Advisers Act"); and (2) permanently bar Thomas from associating with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization pursuant to Section 203(f) of the Advisers Act.

Respondents admit the key fact in these proceedings: "the United States District Court for the Northern District of Texas ("District Court") entered a final judgment against Respondents, by default, on March 4, 2014 in *SEC v. Delsa U. Thomas, et al.,* Case No. 3:13-CV-00739-L." *See* Respondents' Response in Opposition to Division of Enforcement's Motion for Summary Disposition and Brief in Support ("Opposition Brief"), at p. 1. It is undisputed that the final judgment in the District Court action permanently enjoined Respondents from violating several of the federal securities laws including, but not limited to, the antifraud provisions thereof. *See* App. 149-161.

Respondents' belated attempt to vacate the District Court's Judgment – on a false basis – has no impact on these proceedings and cannot serve as a basis for denying the Division's Motion for Summary Disposition.[2] Consequently, the sole issue the Court must decide is the appropriate sanction to impose against Respondents under Sections 203(e) and 203(f) of the Advisers Act. Respondents have not urged any meritorious defense to the Commission's

[2] Respondents move the District Court to set aside its final judgment under FED. R. CIV. P. 60(b)(6), claiming that the Commission improperly notified them of its efforts to seek default judgment when, in fact, Defendants were served all relevant documents through Thomas personally. *See* App. 498 – 511, Defendants' Motion to Vacate Default Judgment, Response in Opposition to Defendants' Motion to Vacate Default Judgment and Brief in Support, attached hereto, collectively, and incorporated herein as a supplemental appendix in support of summary disposition. *See also* Motion at pp. 5-6, wherein the Commission cited authority on the well-settled point that Respondents may not avoid summary disposition or other relief herein by attacking or questioning the District Court Judgment, including *In the Matter of Gregory Bartko, Esq.,* Initial Decision Release No. 700, 2012 § LEXIS 1038 (Mar. 30, 2012) *aff'd,* Exchange Act Release No. 71666, 2014 SEC LEXIS 841, at *43-44 & nn.69-70 (Mar. 7, 2014) (collecting cases); *In the Matter of Locke Capital Management, Inc.,* Initial Decision Release No. 450 (February 6, 2012) 2012 SEC LEXIS 416 (findings and conclusions immune from attack where injunction was entered through default judgment), Exchange Act Release No. 3381 (March 9, 2012) 2012 SEC LEXIS 760; *In the Matter of Phillip J. Milligan,* Exchange Act Release No. 61790 (Mar. 26, 2010), 2010 SEC LEXIS 1163; *In the Matter of Ted Harold Westerfield,* Exchange Act Release No. 41126 (Mar. 1, 1999), 1999 SEC LEXIS n.22 (collecting cases).

allegations herein, or shown – much less asserted – that the sanctions the Division seeks are unwarranted or inappropriate. Given Respondents' silence, and because the Division's underlying Motion establishes that (1) revoking DCCMG's registration as an investment adviser under Section 203(e) of the Advisers Act; and (2) permanently barring Thomas under Advisers Act Section 203(f) are appropriate, justified remedies in light of Defendants' intentional wrongdoing, the Court should grant the Division's Motion for Summary Disposition.

II.
CONCLUSION

For the reasons set forth above and in its underlying Motion and supporting documents, the Division respectfully requests that the Administrative Law Judge grant Summary Disposition in favor of the Division and enter an order (1) revoking DCCMG's registration under Section 203(e) of the Advisers Act; and (2) permanently barring Thomas under Section 203(f) of the Advisers Act.

Dated: August 18, 2014.

Respectfully submitted,

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