UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 6359 / July 31, 2023

INVESTMENT COMPANY ACT OF 1940
Release No. 34978 / July 31, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21538

In the Matter of

Moshe aka "Mark" Feuer and Scott A. Taylor,

Respondents.

ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 203(f) AND 203(k) 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 administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act"), and Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act") against Moshe, also known as "Mark," Feuer ("Feuer") and Scott A. Taylor ("Taylor") (collectively, "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(f) and 203(k) 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 Respondents' Offers, the Commission finds[1] that:

Summary

1. From late 2013 through at least 2016, Feuer and Taylor were the executive officers of various entities which comprised a reinsurance and investment advisory business known as Beechwood, as defined below. Throughout this period, Murray Huberfeld ("Huberfeld"), Individual 1 and Mark Nordlicht ("Nordlicht") held substantial ownership interests in several Beechwood entities, via trusts whose beneficiaries were their respective family members but over which they had effective control. At the same time, these three individuals held substantial ownership interests in the investment advisers collectively known as Platinum Partners ("Platinum"). They also held interests in several private funds managed by Platinum ("Platinum funds") and in certain portfolio companies of those funds ("Platinum portfolio companies"). Nordlicht was principally responsible for the Platinum funds' investments and, at least initially, played a key role at Beechwood, particularly as to the Black Elk matter discussed below. Meanwhile, Huberfeld and Individual 1 also exercised significant sway in Beechwood's investment process, notably including transactions in which they had a conflicting personal interest.

2. Beechwood entered into investment advisory relationships with various insurance company clients. A substantial portion of the assets it managed on behalf of clients was invested in Platinum funds and Platinum portfolio companies. Certain client assets also were invested in non-Platinum ventures closely associated with Individual 1 and/or Huberfeld. Feuer and Taylor failed to disclose to their Beechwood clients the conflicts of interest created by these investments due to the overlapping involvement of Huberfeld, Indivudual 1 and Nordlicht in Platinum and Beechwood, nor did they disclose the criminal and regulatory disciplinary histories of Huberfeld and Individual 1, described below.

3. Feuer and Taylor also failed to disclose to Beechwood's clients that they engaged in certain transactions to provide liquidity to the Platinum funds. Many of the Platinum portfolio companies were early-stage, illiquid ventures that were unable to generate cash to cover interest and principal payments owed to Beechwood clients for prior debt investments without the infusion of additional capital. At first, Platinum funds paid these portfolio company obligations from other fund resources. Over time, however, Platinum could no longer do so, as it faced its own growing liquidity crisis. To help the Platinum portfolio companies avoid defaulting on Beechwood loans, Feuer and Taylor caused Beechwood and/or certain Beechwood clients to make additional investments in Platinum portfolio companies or funds, thereby providing funds that enabled these

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

companies to continue to pay interest and principal to Beechwood clients on outstanding loans. Because Feuer and Taylor did not disclose the circumstances surrounding these transactions, however, clients did not know that the payments they received were directly related to the additional investments they or other clients were making.

4. Furthermore, from late 2013 through late 2014, David Levy ("Levy"), formerly a Platinum portfolio manager and Huberfeld's nephew, was Beechwood's chief investment officer. Feuer and Taylor failed reasonably to supervise Levy's activities. In 2014, Nordlicht, Platinum portfolio manager Daniel Small, and Levy arranged a fraudulent bondholder consent solicitation which enabled Platinum to siphon almost $100 million out of one of the portfolio companies, Black Elk Energy Offshore Operations LLC ("Black Elk"), for the benefit of Platinum insiders and to the detriment of Black Elk bondholders. Levy caused Beechwood, a Black Elk bondholder, to vote bonds held by Beechwood's clients in favor of the fraudulent consent solicitation. Nordlicht, Small and Levy have been found guilty after criminal jury trials for their respective roles in the Black Elk fraud. Despite Levy's close association with Platinum, Feuer and Taylor failed to provide meaningful oversight of Levy's actions.

5. Based on the foregoing and the conduct described herein below, Feuer and Taylor willfully violated Section 206(2) of the Advisers Act, and they failed reasonably to supervise Levy within the meaning of Section 203(e)(6) of the Advisers Act, with a view to preventing Levy's violations of Sections 206(1) and 206(2) of the Advisers Act.

Respondents

6. **Feuer**, 54, resides in Lawrence, New York. He was, from at least 2013 through 2016, the Chairman of Beechwood Re Holdings Inc. ("BRe Holdings") and CEO of its subsidiary, Beechwood Re Ltd. ("BRe") and the Chairman and CEO of Beechwood Bermuda Ltd. ("BBL") and CEO of its subsidiary, Beechwood Bermuda International Ltd. ("BBIL"). From at least November 2014 through 2016, Feuer also was the sole owner of the general partners of B Asset Manager LP and B Asset Manager II LP, and he beneficially owned approximately 20.7% of the limited partnership interests, respectively, in these entities. Furthermore, Feuer beneficially owned approximately 20.5% of the economic shares and 60.6% of the voting shares in BRe Holdings, and approximately 20.7% of the economic shares and 9.5% of the voting shares in BBL (with authority to vote the remaining voting shares from March 2015 through standing proxies).

7. **Taylor**, 45, resides in New York, New York. He was, from at least 2013 through 2016, a director of BRe Holdings and BBL and president of BRe and BBIL. Taylor also beneficially owned approximately 10.2% of the economic shares and 30.3% of the voting shares in BRe Holdings, 10.3% of the economic shares and 9.5% of the voting shares in BBL, and 10.3% of the limited partnership interests, respectively, in B Asset Manager LP and B Asset Manager II LP.

Other Relevant Persons and Entities

8. **B Asset Manager LP** and **B Asset Manager II LP** (together, "**BAM**") are Delaware limited partnerships formerly headquartered in New York, New York. From 2013 through at least 2016, BAM was an investment adviser that managed assets for insurance companies through reinsurance contracts and/or investment management agreements with domestic and foreign insurance companies. BAM ceased activities in approximately 2017.

9. **Beechwood Re Ltd.** ("**BRe**") is a Cayman Islands corporation formerly headquartered in New York, New York and a wholly owned subsidiary of BRe Holdings, which from 2013 through at least 2016 provided reinsurance services to certain domestic insurance companies. BRe also served as an investment adviser to one insurance company client under an investment management agreement. BRe ceased activities in approximately 2017.

10. **Beechwood Bermuda International Ltd.** ("**BBIL**") is a Bermuda exempted company and licensed long-term insurer domiciled in Bermuda and a wholly owned subsidiary of BBL, which from 2013 through at least 2016 provided reinsurance services to certain domestic insurance companies. BBIL also served as an investment adviser to one insurance company client under an investment management agreement. BBIL ceased activities in approximately 2017. (BAM, BRe and BBIL, together with their respective parent companies and/or other entities controlled by any of them, are referred to herein collectively as "Beechwood").

11. **Platinum Management** is an investment adviser registered with the Commission since September 2, 2011. It is a Delaware limited liability company headquartered in New York, New York, and is the adviser to various private funds, including Platinum Partners Value Arbitrage Fund, L.P. ("PPVA"). PPVA is in liquidation.

12. **Platinum Credit**, a Delaware limited partnership headquartered in New York, New York, is a relying adviser of Platinum Management, *i.e.*, it is included within Platinum Management's umbrella adviser registration with the Commission. Platinum Credit is the adviser to the Platinum Partners Credit Opportunities Master Fund, L.P. ("PPCO"), whose affairs have, since December 2016, been subject to the control of a court-appointed receiver.

13. **Nordlicht**, 54, lives in New Rochelle, New York. He was chairman of Platinum Partners, co-chief investment officer or CIO of Platinum Management and Platinum Credit, and he owned, directly and indirectly, between a 20% and 33% beneficial interest in Platinum Management and Platinum Credit. Nordlicht also owned indirectly, through trusts naming his wife and children as beneficiaries, approximately 20.7% of the limited partnership interests in BAM, 20.5% of the economic shares in BRe Holdings, and 17.8% of the economic shares in BBL. From 1998-99, he held Series 7 and Series 63 licenses and was registered with FINRA. On July 9, 2019, he was found guilty after a criminal trial by a jury in the Eastern District of New York of securities fraud, conspiracy and wire fraud in connection with the Black Elk fraud.

14. **Individual 1** owned indirectly 18% and 20% beneficial ownership interests, respectively, in Platinum Management and Platinum Credit, and owned indirectly, through trusts naming Individual 1's children as beneficiaries, approximately 20.7% of the limited partnership

interests in BAM, 20.5% of the economic shares in BRe Holdings, and 17.8% of the economic shares and, 44.7% of the voting shares in BBL (with authority to vote granted to Feuer from March 2015 through standing proxies). In 1992, Individual 1 pleaded guilty to misdemeanor fraud in connection with use of an impersonator to take the Series 7 exam. In 1998, Individual 1 consented, without admitting or denying the allegations, to a federal court judgment in settlement of Commission allegations of unlawfully engaging in transactions in unregistered securities. In 2005, as a result of Individual 1's alleged investment in an unlicensed bank holding company without prior regulatory approval, Individual 1 agreed with the Federal Reserve Board of New York ("FRB") and Federal Deposit Insurance Corporation ("FDIC") not to, among other things, own or control any insured depository institution without prior FDIC consent.

15. **Huberfeld**, 62, lives in Lawrence, New York. He owned indirectly 18% and 20% beneficial ownership interests, respectively, in Platinum Management and Platinum Credit, and he owned indirectly, through trusts naming his children as beneficiaries, approximately 20.7% of the limited partnership interests in BAM, 20.5% of the economic shares in BRe Holdings, and 19.8% of the economic shares and 26.8% of the voting shares in BBL (with authority to vote granted to Feuer from March 2015 through standing proxies). In 1992, Huberfeld pleaded guilty to misdemeanor fraud in connection with his use of an impersonator to take his Series 7 exam. In 1996 and 1998, Huberfeld consented, without admitting or denying the allegations, to, respectively, an administrative order and a federal court judgment in matters brought by the Commission for unlawfully engaging in transactions in unregistered securities. In 2005, as a result of his alleged investment in an unlicensed bank holding company without prior regulatory approval, Huberfeld agreed with the FRB and FDIC not to, among other things, own or control any insured depository institution without prior FDIC consent.

16. **Levy**, 38, lives in New York, New York. He is Huberfeld's nephew and was a PPVA portfolio manager from 2006 to approximately the end of 2013, including with respect to PPVA's investment in Black Elk. From the end of 2013 to the end of 2014, he was the CIO of BAM. From 2015-16, he served as co-chief investment officer of Platinum Management and Platinum Credit. On July 9, 2019, he was found guilty after a criminal trial by a jury in the Eastern District of New York of securities fraud, conspiracy and wire fraud in connection with the Black Elk fraud.

Facts

Feuer and Taylor Did Not Disclose to Beechwood's Advisory Clients the Involvement of Huberfeld, Individual 1 and Nordlicht in Beechwood and Platinum or the Criminal and Regulatory Histories of Huberfeld and Individual 1

17. From late 2013 through at least 2016 (the "Relevant Period"), Feuer and Taylor were principal officers of various entities within the Beechwood enterprise, which provided reinsurance and investment advisory services to various insurance company clients. In some cases, Beechwood's principal investment adviser, BAM, managed assets placed into trusts created by contracts through which Beechwood provided reinsurance to insurance companies. Beechwood's

reinsurance companies, BRe and BBIL, also entered into investment management agreements with one insurance company, and BAM also entered into a sub-advisory relationship with another insurance company. Feuer and Taylor signed agreements effectuating particular investment management arrangements as well as many of the ultimate investments in which client money was deployed. Feuer, who was the sole owner of BAM's general partner, monitored the extent to which Platinum portfolio companies were timely in making interest and principal payments to Beechwood clients and, as discussed below, approved key steps of investment transactions designed to provide liquidity to the Platinum funds. Taylor negotiated investment guidelines and asset class allocation limits with prospective clients, discussed with existing clients, and Individual 1, Huberfeld and Nordlicht whether and how various investments fit within their guidelines and limits, and participated in decision making on certain investments. Beechwood received income based in part on investment returns, and Feuer and Taylor in turn received compensation from Beechwood that was not allocated between the investment advisory and reinsurance aspects of Beechwood's business.

18. Throughout the Relevant Period, Huberfeld, Individual 1 and Nordlicht held substantial ownership interests in the parent companies of BRe and BBIL, via trusts named "Beechwood Trust No. 1," etc., whose beneficiaries were their respective children but over which they had effective control. At the same time, these three individuals held substantial ownership interests in Platinum Management and Platinum Credit, the respective managers of the PPVA and PPCO private funds, the flagship funds of the investment advisory business collectively known as Platinum Partners, as well as interests in several Platinum funds and Platinum portfolio companies. These ownership interests were not disclosed to Beechwood's advisory clients. Nordlicht was principally responsible for the Platinum funds' investments and, at least initially, played a key role at Beechwood. Meanwhile, Huberfeld and Individual 1 otherwise exercised significant sway, also undisclosed to Beechwood clients, in Beechwood's investment process, notably including other transactions in which they had a conflicting personal interest.

19. By July 2016, Beechwood was managing almost $2 billion in client assets, approximately one-third of which was invested in Platinum funds and Platinum portfolio companies, or in ventures in which and/or Huberfeld held interests and/or the principals thereof were close associates of one or both men. In many cases, Individual 1 and/or Huberfeld initiated and/or negotiated various such investments, in the form of loans, which Beechwood ultimately made on behalf of its clients. In addition, in certain cases when interest and/or principal payments on such loans were not timely made, Individual 1 and/or Huberfeld initiated and/or negotiated waivers of defaults, extensions of maturity dates, and/or issuance of additional loans. Feuer and Taylor failed to disclose to Beechwood's clients either the conflicts of interest resulting from the overlapping involvement of Huberfeld, Individual 1 and Nordlicht in Platinum and Beechwood, or the prior criminal and regulatory disciplinary actions against Huberfeld and Individual 1.

Feuer and Taylor Did Not Properly Supervise Levy, Beechwood's CIO, Who Participated in Platinum's Black Elk Fraud

20. Levy, a Platinum portfolio manager and Huberfeld's nephew, was hired in late 2013 as Beechwood's chief investment officer and served as CIO until his departure in late 2014. Both Feuer and Taylor were responsible for supervising Levy at Beechwood. However, despite Levy's close association with Platinum, they did not establish and apply procedures for oversight of Levy's activities that could reasonably be expected to prevent and detect his violations.

21. While at Beechwood, Levy participated with Platinum principal Mark Nordlicht and portfolio manager Daniel Small in a scheme to divert almost $100 million out of Black Elk, a portfolio company of Platinum fund PPVA, to benefit preferred shares held mostly by Platinum insiders. Black Elk bondholders, some of whom were independent of Platinum, had priority over preferred shareholders. PPVA and its affiliates, which were also bondholders, dominated Black Elk's management and therefore could not participate in any vote among bondholders to change this priority. To get around this restriction, Nordlicht, Small and Levy created a deceptive consent solicitation process and rigged the vote. Platinum transferred a large block of bonds from PPVA and its affiliated funds to Beechwood's clients, so that Levy could cause Beechwood to vote those bonds in favor of the consent solicitation as an ostensible non-affiliate. However, Beechwood in fact was also an affiliate of PPVA as defined in the bond indenture, and was therefore not permitted to participate in the consent solicitation. The solicitation document sent to bondholders did not disclose Beechwood's affiliate status or the bondholdings of Platinum funds other than PPVA. Levy thereafter caused Beechwood to join Platinum funds in improperly voting its bonds in favor of the consent solicitation. Immediately after the consent solicitation passed, Platinum in turn caused the wiring of almost $100 million out of Black Elk and then distributed these funds to Black Elk preferred shareholders. Nordlicht, Small and Levy have been found guilty after criminal jury trials for their respective roles in this fraud.

22. Feuer and Taylor failed reasonably to supervise Levy's activities as Beechwood's CIO, including his activities in connection with the Black Elk fraud.

Feuer and Taylor Failed to Disclose to Beechwood's Clients That Beechwood Engaged in Certain Transactions Principally to Provide Liquidity to Platinum

23. Feuer and Taylor also failed to disclose to Beechwood's clients that they caused those clients to engage in certain transactions principally to provide liquidity to Platinum funds and the Platinum portfolio companies.

24. For example, in early 2015, Beechwood still held, on behalf of its clients, Black Elk bonds which had decreased substantially in value. To close out this losing position, Beechwood asked Platinum to buy back the Black Elk bonds previously transferred from PPVA and other Platinum funds, and Platinum agreed. However, the Platinum funds lacked the cash with which to make the purchase. Accordingly, Beechwood arranged for one of its own advisory clients to supply the cash by making a $35.5 million investment in a Platinum shell company (the "Shell Company"). Platinum used the proceeds of the investment in the Shell Company to buy back the Black Elk bonds from various Beechwood clients. Feuer and Taylor did not disclose the above circumstances to the relevant clients.

25. In addition, many Platinum portfolio companies to which Beechwood lent its clients' funds were early-stage, illiquid ventures unable to generate cash to cover interest and principal payments without receiving additional capital. At first, PPVA provided the funding necessary to pay this interest and principal. However, by the spring of 2015, PPVA was in the midst of its own liquidity crisis and unable to meet those ongoing interest and principal payment obligations (the "Portfolio Company Obligations"). Accordingly, Beechwood provided the liquidity for these payments. It did so by purchasing for its clients a participation in a PPVA loan to a different portfolio company, which Beechwood paid for by agreeing to cover the Portfolio Company Obligations. Beechwood then drew down about $4 million that Nordlicht had pledged to support Beechwood's overall capital position and sent the funds to BAM, which in turn distributed the funds among Beechwood clients. Feuer and Taylor did not disclose the above circumstances to the relevant clients, to which it appeared that they had received routine interest payments from Platinum's portfolio companies.

26. By late October 2015, the $4 million drawdown was exhausted, Platinum's liquidity crisis had worsened and it was unable to cover about $5 million in outstanding interest and principal payments that Platinum portfolio companies then owed to Beechwood clients. Moreover, at the beginning of November another $1 million in such payments was coming due. Accordingly, Beechwood used about $6 million in funds from one of its clients to purchase approximately 3 million shares of a publicly traded penny stock from a Platinum fund in a private transaction. Platinum sent the proceeds to BAM in payment of interest and principal due to Beechwood clients. Feuer and Taylor did not disclose to their Beechwood clients, including the purchaser of the penny stock, that this purchase had been made to provide liquidity to the Platinum funds. In early 2016, as part of a restructuring of the Platinum-Beechwood relationship, Feuer asked that Beechwood be made whole for the late October 2015 penny stock purchase, even though this security's value had since fallen by approximately 50%. Platinum agreed to do so, but because Platinum was not able to repurchase the stock with cash, Beechwood instead accepted a promissory note issued by the Shell Company, whose interest payments on the prior loan had been covered through the schemes described above.

27. Finally, by the end of 2015, Feuer and Taylor arranged a new loan from one Beechwood client to PPCO, except that substantially all of the proceeds were in fact used not to support PPCO's activities, but to unwind the participation interest transaction described above and to make more interest and principal payments owed by PPVA and PPCO portfolio companies to Beechwood clients. Feuer and Taylor failed to disclose these circumstances to the relevant clients.

Violations

28. As a result of the conduct described above, Feuer and Taylor willfully[2] violated Section 206(2) of the Advisers Act, which make it unlawful for any investment adviser to "engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client."

29. As a result of the conduct described above, Feuer and Taylor failed reasonably to supervise Levy within the meaning of Section 203(e)(6) of the Advisers Act, with a view to preventing Levy's violations of Sections 206(1) and 206(2) of the Advisers Act.

Disgorgement and Civil Penalties

30. The disgorgement and prejudgment interest ordered in paragraphs IV(C) and IV(D) is consistent with equitable principles and does not exceed Respondents' net profits from their violations and will be distributed to harmed investors, if feasible. The Commission will hold funds paid pursuant to paragraphs IV(C) and IV(D) in an account at the United States Treasury pending a decision whether the Commission in its discretion will seek to distribute funds. If a distribution is determined feasible and the Commission makes a distribution, 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 Securities Exchange Act of 1934.

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(f) and 203(k) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Feuer and Taylor cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act.

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[2] "Willfully," for purposes of imposing relief under 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).

B. Feuer and Taylor each be, and hereby is:

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

with the right to apply for reentry after two (2) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

Any reapplication for association by Feuer or Taylor will be subject to the applicable laws and regulations governing the reentry process, and 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 such Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against such 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.

C. Feuer shall pay disgorgement of $389,707.21, prejudgment interest of $44,037.99 and civil money penalties of $125,000.00 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 Section 21F(g)(3). Payment shall be made in the following installments: Feuer shall make the first installment of $111,749.04 within 30 days of the entry of this Order, the second installment of $111,749.04 within 90 days of the entry of this Order, the third installment of $111,749.04 within 180 days of the entry of this Order, the fourth installment of $111,749.04 within 270 days of the entry of this Order, and the fifth installment of $111,749.04 within 360 days of the entry of this Order. Payments shall be applied first to post order interest, which accrues as to disgorgement and prejudgment interest pursuant to SEC Rule of Practice 600 and accrues as to civil money penalties pursuant to 31 U.S.C. 3717. Prior to making the final payment set forth herein, Feuer shall contact the staff of the Commission for the amount due. If Feuer 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.

D. Taylor shall pay disgorgement of $344,586.00, prejudgment interest of $42,658.63, and civil money penalties of $100,000.00 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 Section 21F(g)(3). Payment shall be made in the following installments: Taylor shall make the first installment of $97,448.93 within 30 days of the entry of this Order, the second installment of $97,448.93 within 90 days of the entry of this Order, the third installment of $97,448.93 within 180 days of the entry of this Order, the fourth installment of $97,448.93 within 270 days of the entry of this Order, and the fifth installment of $97,448.93 within 360 days of the entry of this Order. Payments shall be applied first to post order interest, which accrues as to disgorgement and prejudgment interest pursuant to SEC Rule of Practice 600 and accrues as to civil money penalties pursuant to 31 U.S.C. 3717. Prior to making the final payment set forth herein, Taylor shall contact the staff of the Commission for the amount due. If Taylor 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) 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 Feuer or Taylor, as applicable, 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 Sheldon Pollock, Associate Regional Director, Division of Enforcement, New York Regional Office, Securities and Exchange Commission, 100 Pearl Street, Suite 20-100, New York, N.Y. 10014-2616.

E. 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 their payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset to Feuer or Taylor, each 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 granted to him 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 Feuer and/or Taylor 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.

F. Any fund established in this matter may be combined with any other fund established in a parallel proceeding that may arise out of the same facts that are the basis of this action.

V.

It is further Ordered that, solely or 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 Respondents, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by either 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 such 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