

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

SECURITIES EXCHANGE ACT OF 1934  
Release No. 54568 / October 4, 2006

ADMINISTRATIVE PROCEEDING  
FILE NO. 3-12133

In the Matter of

Veras Capital Master Fund,  
VEY Partners Master Fund,  
Veras Investment Partners, LLC,  
Kevin D. Larson, and  
James R. McBride,

Respondents.

ORDER APPROVING  
DISTRIBUTION PLAN  
OF A FAIR FUND

On August 10, 2006, the Commission published a "Notice of Proposed Distribution Plan and Opportunity for Comment" ("Notice") in connection with this proceeding pursuant to Rule 1103 of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103. This Notice advised interested parties that they could obtain a copy of a proposed plan of distribution ("Distribution Plan") of monies placed into a Fair Fund authorized by the Commission, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, by printing a copy from the Commission's public website or submitting a written request to Carolann Gemski in the Commission's Midwest Regional Office. The Notice also advised that all persons desiring to comment on the Distribution Plan could submit their views to the Commission, in writing, no later than September 11, 2006. The Commission received no comments on the Distribution Plan.

On December 22, 2005, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, Section 203(f) of the Investment Advisers Act of 1940, and Sections 9(b) and 9(f) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("the Order") against Veras Capital Master Fund, VEY Partners Master Fund, Veras Investment Partners, LLC, Kevin D. Larson ("Larson"), and James R. McBride ("McBride") (collectively, "Respondents"). The Order provides for the distribution of \$37,700,488 in disgorgement, prejudgment interest, and civil penalties ("settlement amount") paid by Respondents to the mutual funds in which Respondents'

conduct caused dilution. The Order directs Respondents to develop a plan to effectuate the distribution.

The Commission finds that the Distribution Plan provides for an appropriate distribution of the settlement amount paid by Respondents pursuant to the Order. The Distribution Plan provides for the appointment of Peter J. Henning, Esq., as the Plan Administrator.

Accordingly, IT IS HEREBY ORDERED, pursuant to Rule 1104 of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1104, that the Distribution Plan is approved.

IT IS FURTHER ORDERED, pursuant to Rule 1105 of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1105, that Peter J. Henning, Esq., is appointed as the Plan Administrator in accordance with the terms of the Distribution Plan.

For the Commission, by its Secretary, pursuant to delegated authority.

Nancy M. Morris  
Secretary