

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3150 / February 3, 2011**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14227**

**In the Matter of**

**TERRY D. RAWSTERN,**

**Respondent.**

**ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO SECTION 203(f) OF THE  
INVESTMENT ADVISERS ACT OF 1940,  
MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Terry D. Rawstern (“Rawstern” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) 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 him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Rawstern, 61, is a resident of Bradenton, Florida. He was a managing member of Arcanum Equity Fund, LLC, a hedge fund, and Vestium Management Group, LLC, an unregistered investment adviser which managed Vestium Equity Fund, LLC, another hedge fund.

2. On January 13, 2011, the United States District Court for the Middle District of Florida entered a final judgment by consent against Rawstern in the civil action entitled Securities and Exchange Commission v. Terry D. Rawstern, et al., Case No. CV-10-2859-JDW-MAP, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1), 206(2) and 206(4) of the Advisers Act and Rule 206-4(8) thereunder.

3. The Commission's complaint alleged that from April 2008 through May 2009, Rawstern helped raise approximately \$34.1 million from 101 investors throughout the U.S. and Canada by promising investors that Arcanum Equity Fund, LLC and Vestium Equity Fund, LLC (together, the "Funds") would generate substantial returns and that their money would be used only for conservative investments in high-grade debt instruments and, in some cases, physical commodities transactions that involved "pre-determined exit buyers." The complaint also alleged that Rawstern and the other managing members of the Funds used a substantial amount of the funds raised for high-risk investments and loans that were not in accordance with these stated purposes. The complaint further alleged that, despite having incurred net investment losses of at least \$8.1 million, Respondent and the other managing members directed payments of millions in alleged "profits" to investors and took over \$1.48 million in supposed profit sharing compensation and salaries.

### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Rawstern's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Rawstern be, and hereby is barred from association with any investment adviser.

Any reapplication for association by the Respondent 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, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) 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 (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

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

Elizabeth M. Murphy  
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions ("Order"), on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray  
Chief Administrative Law Judge  
Securities and Exchange Commission  
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