

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 75265 / June 23, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-13714

In the Matter of

Ark Asset Management Co., Inc.

Respondent.

ORDER AUTHORIZING THE TRANSFER
OF REMAINING FUNDS AND ANY
FUTURE FUNDS RETURNED TO THE
DISGORGEMENT FUND TO THE U.S.
TREASURY, DISCHARGING THE PLAN
ADMINISTRATOR, AND TERMINATING
THE DISGORGEMENT FUND

On September 29, 2010, the Securities and Exchange Commission (“Commission” or “SEC”) issued an Order Making Findings and Imposing Sanctions Pursuant to Section 203(k) of the Investment Advisers Act of 1940 (the “Order”) against Respondent Ark Asset Management Co., Inc. (“Ark”) (Advisers Act Rel. No. 3091 (September 29, 2010)). In the Order, the Commission found, among other things, that between August 2000 and December 2003, Ark engaged in fraudulent trade allocation practices by favoring certain proprietary accounts over other client accounts in the allocation of securities. The Commission also found that Ark filed materially misleading Form ADV filings during the same period. Ark was ordered to pay disgorgement of \$19,800,000 to the Commission, which was deemed satisfied by the payment of \$750,000 in light of the limited assets available in the Ark bankruptcy estate. On October 13, 2010, Ark paid the \$750,000 and the amount was placed in a non-interest bearing account at the U.S. Department of the Treasury.

On January 6, 2011, the Commission issued a Notice of Proposed Plan of Distribution and Opportunity for Comment pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (Exchange Act Rel. No. 63666 (January 6, 2011)). On March 1, 2011, the Commission issued an Order Approving Distribution Plan and Appointing a Plan Administrator, whereby Neal Jacobson, a Commission employee, was appointed as the Plan Administrator (Exchange Act Rel. No. 63993 (March 1, 2011)).

The Plan of Distribution (“Plan”) provides that the Disgorgement Fund be distributed to clients harmed by Ark’s misconduct. On July 27, 2012, the Commission issued an Order Directing Disbursement of Disgorgement Fund in the amount of \$740,617 (Exchange Act Rel. No. 67524 (July 27, 2012)). Subsequently, the Commission staff learned that incorrect information about one of the eligible recipients had been provided to the Plan Administrator. In the process of correcting that information, the amount available for distribution was affected and an Amended Order Directing Disbursement of Disgorgement Fund in the amount of \$737,571 was issued by the Commission on August 13, 2013 (Exchange Act Rel. No. 70171 (August 13, 2013)). On or about September 16, 2013, \$737,571 was distributed to twenty (20) injured clients. All distributions were accepted by the injured clients, and no amounts were

returned to the Disgorgement Fund. In addition, the Disgorgement Fund paid a total of \$950 in taxes and \$10,880 in Tax Administrator fees and expenses. A balance of \$599 remains in the Disgorgement Fund.

The Plan provides that the Disgorgement Fund shall be eligible for termination, and the Plan Administrator discharged, after all of the following have occurred: (a) a final accounting, in an SEC standard accounting format provided by the staff, has been submitted by the Plan Administrator for approval of, and has been approved by, the Commission, and (b) all taxes, fees and expenses have been paid. A final accounting, which was submitted to the Commission for approval as required by Rule 1105(f) of the Commission's Rules on Fair Fund and Disgorgement Plans and as set forth in the Plan, is now approved. Staff has verified that all taxes, fees, and expenses have been paid, and the Commission is in possession of the remaining funds.

Accordingly, IT IS ORDERED that:

- A. The remaining Disgorgement Fund balance of \$599.00, and any future funds returned to the Disgorgement Fund, shall be transferred to the U.S. Treasury.
- B. The Plan Administrator, Neal Jacobson, is discharged; and
- C. The Disgorgement Fund is terminated.

By the Commission.

Brent J. Fields
Secretary