

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 76533 / December 1, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-12868

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In the Matter of	:	
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PACKETPORT.COM, INC.,	:	ORDER APPROVING
RONALD DURANDO,	:	APPLICATION OF FUND
MICROPHASE CORP.,	:	ADMINISTRATOR FOR
ROBERT H. JAFFE,	:	PAYMENT OF FEES
GUSTAVE DOTOLI,	:	AND EXPENSES
M. CHRISTOPHER AGARWAL,	:	
and THEODORE KUNZOG,	:	
	:	
Respondents.	:	
_____	:	

On October 18, 2007, the Securities and Exchange Commission (“Commission”) issued an Order Instituting Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934 (“Order”)¹ against two corporations, PacketPort.com, Inc. and Microphase Corp. (“Microphase”), and five individuals, Ronald Durando (“Durando”), Robert H. Jaffe (“Jaffe”), Gustave Dotoli (“Dotoli”), M. Christopher Agarwal, and Theodore Kunzog (collectively, “Respondents”), for violations of the federal securities laws in connection with a pump and dump scheme. Among other things, the Commission ordered Respondents Microphase, Durando, Dotoli, and Jaffe to pay disgorgement totaling \$1,075,000 to the Commission. The disgorgement obligation was fully paid as

¹ Securities Act Rel. No. 8858 (Oct. 18, 2007).

of October 15, 2008. The disgorgement paid by these Respondents, plus any accumulated interest earned, less any taxes, fees, or expenses incurred in the administration of the Final Plan of Distribution (“Plan”), constitutes the disgorgement fund (“Disgorgement Fund”).

On October 6, 2011, the Commission issued an Order appointing Rust Consulting, Inc. (“Rust”) as the Fund Administrator and setting the bond amount at \$1,075,000.² On the same day, the Commission published the Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”).³ No comments were received in response to the Notice. On December 12, 2011, the Commission issued an Order Approving Distribution Plan.⁴

The Plan provides that the Fund Administrator shall be entitled to reasonable fees in accordance with the cost proposal submitted to the Commission and shall be entitled to reimbursement for reasonable costs and expenses from the Disgorgement Fund. The fees and expenses for the administration of the Disgorgement Fund will be paid first from interest earned on the invested funds, then, if not sufficient, from the corpus. The Plan further required that the Fund Administrator obtain the required bond in the amount of \$1,075,000, and provided that the cost of the bond will be paid first from interest earned on the invested funds, then, if not sufficient, from the corpus.

The Fund Administrator has submitted an invoice totaling \$146,520.61 to Commission staff that covers the period from its appointment on October 6, 2011 to September 30, 2013. The Commission staff has reviewed the Fund Administrator’s invoice, confirms that the services have been provided, and finds the fees and expenses of \$146,520.61 to be reasonable and in accordance with the Plan. The Commission staff has requested that the Commission authorize the Office of Financial Management

² Exchange Act Rel. No. 65498 (Oct. 6, 2011).

³ Exchange Act Rel. No. 65490 (Oct. 6, 2011).

⁴ Exchange Act Rel. No. 65936 (Dec. 12, 2011).

(“OFM”) to pay the Fund Administrator’s invoiced fees and expenses of \$146,520.61 from the Disgorgement Fund, and in addition to authorize OFM to pay, at the direction of the Division of Enforcement’s Assistant Director of the Office of Distributions, Logistics, and Services (“Assistant Director”), the Fund Administrator’s future fees and expenses up to, but not to exceed, \$25,000 per monthly invoice, so long as the total amount paid to the Fund Administrator as of the date of the invoice to be paid does not exceed the total amount of the cost proposal submitted by the Fund Administrator by more than \$5,000.

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1105(d), that OFM pay the Fund Administrator’s fees and expenses in the amount of \$146,520.61. Further, OFM is authorized to pay, at the direction of the Assistant Director, any future fees and expenses up to, but not to exceed, \$25,000 per monthly invoice, so long as the total amount paid to the Fund Administrator, as of the date of the invoice to be paid, does not exceed the total amount of the cost proposal submitted by the Fund Administrator by more than \$5,000.

By the Commission.

Brent J. Fields
Secretary