

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 79850 / January 19, 2017

ADMINISTRATIVE PROCEEDING

File No. 3-16389

In the Matter of

**VCAP Securities, LLC, and Brett
Thomas Graham**

Respondents.

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**ORDER DIRECTING
DISBURSEMENT OF FAIR FUND**

On February 19, 2015, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 15(b)(4), 15(b)(6) and 21C of the Securities Exchange Act of 1934, Section 203(f) 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”)¹ against VCAP Securities, LLC (“VCAP”) and Brett Thomas Graham (“Graham”) (collectively, the “Respondents”). The Order created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, for the monies paid by the Respondents (the “Fair Fund”). In accordance with the Order, VCAP paid disgorgement of \$1,064,555.00 and prejudgment interest of \$85,044.00 and Graham paid disgorgement of \$118,284.00, prejudgment interest of \$9,449.00 and a civil money penalty of \$200,000.00 to the Commission, for a grand total of \$1,477,332.00, comprising the Fair Fund.

¹ Exchange Act Rel. No. 74305 (Feb. 19, 2015).

On November 24, 2015, the Notice of Proposed Plan of Distribution and Opportunity for Comment was published.² No comments were received on the Proposed Plan of Distribution (“Plan”) and on January 12, 2016, the Plan was approved by the Commission.³

The Plan provides for the distribution of the total disgorgement ordered and interest on the fees paid to three harmed CDO trusts and to the senior noteholder of each of the two other trusts according to the methodology set forth in the Plan (the “Harmed Parties”). In accordance with the Plan, the Fund Administrator, a Commission employee, has compiled the necessary information into the specified payment file format to make the five disbursements. Upon issuance of the requested order, the payment file will be submitted to the appropriate Commission staff to issue payments. In accordance with Rule 1101(b)(6) of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1101(b)(6), the Commission staff requests that the Commission authorize the disbursement of \$1,201,706.88 to be distributed to the Harmed Parties in accordance with the Plan.

Accordingly, it is ORDERED that the Commission staff shall direct the payment of \$1,201,706.88 from the Fair Fund to be distributed to the Harmed Parties as provided for in the Plan.

By the Commission.

Brent J. Fields
Secretary

² Exchange Act Rel. No. 76511 (Nov. 24, 2015).

³ Exchange Act Rel. No. 76877 (Jan. 12, 2016).