

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 87921 / January 9, 2020**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17899**

**In the Matter of**

**CREDIT SUISSE SECURITIES (USA)**  
**LLC**

**Respondent.**

**ORDER APPROVING**  
**APPLICATION OF FUND**  
**ADMINISTRATOR FOR PAYMENT**  
**OF FEES AND EXPENSES AND**  
**APPROVAL OF FUTURE FEES**  
**AND EXPENSES**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17900**

**In the Matter of**

**SANFORD MICHAEL KATZ**

**Respondent.**

On April 4, 2017, the Commission instituted and simultaneously settled administrative and cease-and-desist proceedings against Credit Suisse Securities (USA), LLC (“Credit Suisse”), a dually registered broker-dealer and investment adviser, for breaches of its fiduciary duty, inadequate disclosures, and deficiencies in compliance policies and procedures.<sup>1</sup> Contemporaneously therewith, in a related action, the Commission instituted and settled administrative and cease-and-desist proceedings against Sanford Michael Katz (“Katz”), a registered representative and investment adviser of Credit Suisse.<sup>2</sup>

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<sup>1</sup> See Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order, Exchange Act Rel. No. 80373 (Apr. 4, 2017) (the “Credit Suisse Order”).

<sup>2</sup> See Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, Making Findings,

In their respective orders, the Commission ordered Credit Suisse to pay disgorgement of \$2,099,624.12, prejudgment interest of \$380,090.37, and a civil money penalty of \$3,275,000.00; and ordered Katz to pay disgorgement of \$1,124,858.89, prejudgment interest of \$197,587.38, and a civil money penalty of \$850,000.00.

The Credit Suisse Order also created the Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, for the funds received pursuant to it, as well as all funds collected from Katz, pursuant to the Katz Order (the “Fair Fund”). Credit Suisse and Katz paid as ordered, for a total of \$7,927,160.76 in the Fair Fund.

On January 29, 2018, the Secretary, pursuant to delegated authority, issued an order appointing DST Asset Manager Solutions, Inc. (“DST”, which was formerly known as Boston Financial Data Services, Inc.) as the fund administrator (“Fund Administrator”) and set DST’s bond amount equal to the amount of the Fair Fund, \$7,927,160.76.<sup>3</sup>

On July 12, 2018 the Secretary, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment,<sup>4</sup> pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (the “Commission’s Rules”).<sup>5</sup> No comments were received, and on August 30, 2018 the Commission issued an Order Approving Plan of Distribution<sup>6</sup> and simultaneously posted the approved Plan of Distribution (“Plan”).

The Plan provides for the payment of the Fund Administrator’s fees and expenses from the Fair Fund. In accordance with Rule 1105(d) of the Commission’s Rules, 17 C.F.R. § 201.105(d), the Fund Administrator has submitted to Commission staff an invoice for services rendered from November 2018 through December 2018, in the amount of \$15,000.00. The Commission staff has reviewed the Fund Administrator's invoice, confirmed that the services have been provided, and finds the fees and expenses of \$15,000.00 to be reasonable. The Commission staff has requested that the Commission authorize the Office of Financial Management (“OFM”) to pay the Fund Administrator’s invoiced fees and expenses of \$15,000.00 from the Fair Fund in accordance with the Plan.

Additionally, to expedite and streamline the process for future payments, the Commission staff has requested that the Commission authorize OFM to pay, at the direction of the Assistant Director of the Office of Distributions (“Assistant Director”), the Fund Administrator's future fees and expenses, so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

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and Imposing Remedial Sanctions and a Cease-and-Desist Order, Advisers Act Rel. No. 4679 (Apr. 4, 2017) (the “Katz Order”).

<sup>3</sup> Order Appointing Fund Administrator and Setting Administrator Bond Amount, Exchange Act Rel. No. 82595 (Jan. 29, 2018).

<sup>4</sup> Exchange Act Rel. No. 83621 (July 12, 2018).

<sup>5</sup> 17 C.F.R. § 201.1103.

<sup>6</sup> Exchange Act Rel. No. 83999 ( Aug. 30, 2018).

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission's Rules, 17 C.F.R. § 201.1105(d), that:

- A. OFM shall pay the Fund Administrator's outstanding fees and expenses of \$15,000 from the Fair Fund; and
- B. OFM is authorized to pay, at the direction of the Assistant Director, any future fees and expenses of the Fund Administrator, so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

By the Commission.

Vanessa A. Countryman  
Secretary