

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 96379 / November 22, 2022

ADMINISTRATIVE PROCEEDING
File No. 3-20381

In the Matter of

Securities America Advisors, Inc.,

Respondent.

**NOTICE OF AMENDED PROPOSED
PLAN OF DISTRIBUTION AND
OPPORTUNITY FOR COMMENT**

Notice is hereby given, pursuant to Rule 1103 of the Securities and Exchange Commission's ("Commission") Rules on Fair Fund and Disgorgement Plans ("Commission's Rules"), 17 C.F.R. § 201.1103, that, in response to comments received on the proposed plan of distribution ("Proposed Plan"), published on May 26, 2022,¹ the Division of Enforcement ("Division") has submitted to the Commission an amended proposed plan of distribution (the "Amended Proposed Plan") for the distribution of monies paid in the above-captioned matter. The Proposed Plan has been amended to more precisely describe the components of the loss calculation and the losses eligible for compensation from the Fair Fund,² to make express the exclusion of certain specified items from Recoveries, and to make additional modifications as further described below.

On June 30, 2021, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to 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 (the "Order")³ against Securities America Advisors, Inc. (the "Respondent"). In the Order, the Commission found that, from November 2014 to March 2018, the Respondent failed to implement policies and procedures for the review of automatically generated surveillance alerts after client disbursements had occurred. The Respondent also failed to implement reasonably designed policies and procedures for reviewing client disbursement requests for possible misappropriation before the disbursements occurred. As a result of these failures, Hector May, the owner of Executive Compensation Planners, Inc. ("ECP"), an independent state-registered investment adviser whose clients participated in certain of the Respondent's advisory programs, misappropriated, without the Respondent's detection, approximately \$8 million from the Respondent's advisory accounts of certain of the Respondent's advisory clients. The

¹ Exchange Act Rel. No. 94995 (May 26, 2022).

² All capitalized terms used herein but not defined are used as defined in the Amended Proposed Plan.

³ Advisers Act Rel. No. 5762 (June 30, 2021).

Commission ordered the Respondent to pay a \$1,750,000 civil money penalty to the Commission. The Commission also created the Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty paid can be distributed to harmed investors.

The Fair Fund includes the \$1,750,000.00 paid by the Respondent. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund and has been deposited at the United States Department of the Treasury's Bureau of the Fiscal Service for investment, and any accrued interest will be for the benefit of the Fair Fund.

OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Amended Proposed Plan from the Commission's public website at <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Amended Proposed Plan by submitting a written request to Catherine E. Pappas, United States Securities and Exchange Commission, One Penn Center, 1617 JFK Blvd., Ste. 520, Philadelphia, PA 19103. All persons who desire to comment on the Amended Proposed Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission's Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to rule-comments@sec.gov.

Comments submitted by email or via the Commission's website should include "Administrative Proceeding File No. 3-20381" in the subject line. Comments received will be publicly available. Persons should submit only information they wish to make publicly available.

THE AMENDED PROPOSED PLAN

The Net Available Fair Fund is comprised of the \$1,750,000.00 in civil money penalties paid by the Respondent, plus interest and income earned thereon, less taxes, fees, and expenses.

In response to the comments received on the Proposed Plan, the Amended Proposed Plan has been modified to more precisely describe the components of the loss calculation and the losses eligible for compensation from the Fair Fund. In summary: (1) the definition of Investment has been amended to include deposits that were made into ECP (as opposed to the Respondent's) accounts; (2) "Initial Balance" has been added and defined to make clear that the investors' balances at ECP at the beginning of the Relevant Period will be included in the calculation of losses; (3) the definition of Recovery has been revised to clarify the components of private recoveries excluded from loss calculations; and (4) the Plan of Allocation has been adjusted to properly reflect the revised and additional definitions. The Amended Proposed Plan further includes some modifications to correct typographical errors, clarify the role of the Fund Administrator, and to provide internal consistency within the Amended Proposed Plan.

The Amended Proposed Plan continues to provide for the distribution of the Net Available Fair Fund to investors who held advisory accounts at the Respondent during the Relevant Period and who suffered losses as a result of the misconduct described in the Order.

By the Commission.

Vanessa A. Countryman
Secretary