

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933

Rel. No. 9449 / September 5, 2013

SECURITIES EXCHANGE ACT OF 1934

Rel. No. 70328 / September 5, 2013

INVESTMENT ADVISERS ACT OF 1940

Rel. No. 3661 / September 5, 2013

INVESTMENT COMPANY ACT OF 1940

Rel. No. 30686 / September 5, 2013

Admin. Proc. File No. 3-15002

In the Matter of  
  
JAY T. COMEAUX

ORDER GRANTING  
PETITION FOR REVIEW  
AND SCHEDULING BRIEFS

Jay T. Comeaux has filed a petition for review of the administrative law judge's initial decision in this matter.<sup>1</sup> The Order Instituting Proceedings ("OIP") against Comeaux, pursuant to Comeaux's offer of settlement, contained various findings of fact and conclusions of law related to violations of the antifraud provisions of the federal securities laws.<sup>2</sup> As part of the settlement, Comeaux was ordered to cease-and-desist from future violations; and barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, from serving or acting as an employee in any capacity of a registered investment company or affiliated person, and from participating in any offering of a penny stock in any capacity, with any reapplication subject to certain conditions. Also, as part of the settlement, the Commission directed that additional proceedings be held to determine whether to require Comeaux to pay disgorgement

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<sup>1</sup> *Jay T. Comeaux*, Initial Decision Release No. 494, 2013 WL 3327753 (July 2, 2013).

<sup>2</sup> *Jay T. Comeaux*, Exchange Act Release No. 67768, 2012 WL 3775895 (Aug. 31, 2012). In the OIP, the Commission found that Comeaux willfully violated and willfully aided and abetted and caused violations by Stanford International Bank ("SIB") and Stanford Group Company ("SGC") of Securities Act Section 17(a), 15 U.S.C. § 77q(a), that he willfully aided and abetted and caused SIB's and SGC's violations of Exchange Act Section 10(b), 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder, and that he willfully aided and abetted and caused SGC's violations of Investment Advisers Act Sections 206(1) and 206(2), 15 U.S.C. §§ 80b-6(1) & (2).

and civil penalties pursuant to Securities Act Section 8A(e), Exchange Act Section 21B, Advisers Act Sections 203(i) and 203(j), and Investment Company Act Section 9(d).<sup>3</sup>

Before the law judge, the Division requested that Comeaux be ordered to disgorge \$7,457,985.83, plus prejudgment interest, and to pay a third-tier civil penalty. The law judge ordered Comeaux to disgorge \$3,386,974.50, subject to certain adjustment,<sup>4</sup> plus prejudgment interest, and determined not to assess civil money penalties.

Pursuant to Rule of Practice 411,<sup>5</sup> Comeaux's petition for review of the law judge's initial decision is granted and notice is given that the Commission will also consider whether the sanctions imposed by the law judge adequately serve the public interest.

Accordingly, it is ORDERED, pursuant to Rule of Practice 450(a),<sup>6</sup> that a brief in support of the petition for review shall be filed by October 7, 2013. A brief in opposition shall be filed by November 6, 2013, and any reply brief shall be filed by November 20, 2013.<sup>7</sup> Pursuant to Rule of Practice 180(c),<sup>8</sup> failure to file a brief in support of the petition may result in dismissal of this review proceeding.

For the Commission, by the Office of the General Counsel, pursuant to delegated authority.

Elizabeth M. Murphy  
Secretary

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<sup>3</sup> 15 U.S.C. §§ 77h-1(e), 78u-2, 80a-9(d), 80b-3(i) & (j).

<sup>4</sup> The law judge reduced the disgorgement amount "by the value of assets under the control of the court-appointed receiver in *SEC v. Stanford*, No. 3-09-cv-0298-N (N.D. Tex. 2009)," an antifraud action against defendants Robert Allen Stanford; three of his companies, the Antiguan-based SIB, Houston-based broker-dealer and investment adviser, SGC, and investment adviser, Stanford Capital Management; and other defendants, concerning a massive Ponzi scheme. The law judge found that Comeaux currently has \$1,435,236 in assets frozen and subject to the control of the receiver.

<sup>5</sup> 17 C.F.R. § 201.411.

<sup>6</sup> 17 C.F.R. § 201.450(a).

<sup>7</sup> As provided by Rule of Practice 450(a), no briefs in addition to those specified in this order may be filed without leave of the Commission. Attention is called to Rules of Practice 150-53, 17 C.F.R. §§ 201.150-53, with respect to form of service, and Rules 450(b) and (c), 17 C.F.R. §§ 201.450(b) & (c), with respect to content and length limitations. The parties are reminded that failure to adhere to these requirements may result in the filing being stricken. Requests for extension of time to file briefs are disfavored.

<sup>8</sup> 17 C.F.R. § 201.180(c).