

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

**Securities Exchange Act of 1934**  
**Release No. 64081 / March 14, 2011**

**Administrative Proceeding**  
**File No. 3-13532**

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| <b>In the Matter of</b>              | : |                           |
|                                      | : |                           |
| <b>Prime Capital Services, Inc.,</b> | : |                           |
| <b>Gilman Ciocia, Inc.,</b>          | : |                           |
| <b>Michael P. Ryan,</b>              | : | <b>ORDER APPROVING</b>    |
| <b>Rose M. Rudden,</b>               | : | <b>DISTRIBUTION PLAN</b>  |
| <b>Christie A. Andersen,</b>         | : | <b>OF A FAIR FUND AND</b> |
| <b>Eric J. Brown,</b>                | : | <b>APPOINTING A FUND</b>  |
| <b>Matthew J. Collins,</b>           | : | <b>ADMINISTRATOR</b>      |
| <b>Kevin J. Walsh,</b>               | : |                           |
| <b>Mark W. Wells,</b>                | : |                           |
|                                      | : |                           |
|                                      | : |                           |
| <b>Respondents.</b>                  | : |                           |
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On March 16, 2010, the Securities and Exchange Commission (the “Commission”) issued an Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b) and 21C of the Securities Exchange Act of 1934 as to Prime Capital Services, Inc. and Gilman Ciocia, Inc. (Rel. No. 33-9113) (the “Order”). Simultaneously with the entry of the Order, the Commission accepted settlement offers from Respondents Prime Capital Services, Inc. (“PCS”) and Gilman Ciocia, Inc. (“G&C”) in which they consented to the entry of the Order without admitting or denying the Order’s findings. PCS was ordered to pay total of \$144,262.58 in disgorgement and prejudgment interest to the Commission, and G&C was ordered to pay total of \$450,001.00 in disgorgement and civil penalties to the Commission. The Commission established a Fair Fund pursuant to Section 308

of the Sarbanes-Oxley Act of 2002 for these payments (the “Fund”). The funds received by the Commission have been deposited at the U.S. Treasury. Payments from other respondents in this administrative proceeding may be added to the Fund if so ordered by the Commission. Other than these items, it is not anticipated that the Fund will receive additional funds.

On February 1, 2011, the Commission published a “Notice of Proposed Modified Plan and Opportunity for Comment” (“Notice”) in connection with this proceeding pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103, (Exchange Act Release No. 63813) and posted the Notice on the Commission’s website, [www.sec.gov](http://www.sec.gov).<sup>1</sup> The Notice advised interested parties that they could obtain a copy of the proposed modified plan of distribution (“Modified Distribution Plan”) by printing a copy from the Commission’s public website, <http://www.sec.gov>/ or by submitting a written request to Robert J. Keyes, Associate Regional Director and Chief of Regional Office Operations of the New York Regional Office, United States Securities and Exchange Commission, 3 World Financial Center, Room 400, New York, New York 10281-1022.

The Notice also advised that all persons desiring to comment on the Modified Distribution Plan could submit their views, in writing, no later than thirty days from the date of the Notice to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549-1090; or by using the Commission’s Internet comment form ([www.sec.gov/litigation/admin.shtml](http://www.sec.gov/litigation/admin.shtml)); or by sending an e-mail to [---

<sup>1</sup> A copy of the Notice can be found at <http://www.sec.gov/litigation/admin/2011/34-63813.htm>. A copy of the proposed Modified plan can be found at <http://www.sec.gov/litigation/admin/2011/34-63813-mdp.pdf>.](mailto:rule-</a></p></div><div data-bbox=)

[comments@sec.gov](mailto:comments@sec.gov). The Commission received no comments on the Modified Distribution Plan.<sup>2</sup>

The Modified Distribution Plan states that monies from the Fund will be distributed to eligible investors who paid fees and charges associated with their variable annuity investments and who were described in the Order and/or who testified about their investment experience at an administrative hearing. The Modified Distribution Plan describes the procedures that will be used to identify the eligible investors who will receive distributions, and the methodology that will be used to calculate payments.

The Division of Enforcement requests that the Commission approve the Modified Distribution Plan as written. The Division also requests that the Commission approve the appointment of Robert J. Keyes, Associate Regional Director and Chief of Regional Office Operations of the New York Regional Office, as the Fund Administrator, as proposed in the Modified Distribution Plan.

The Commission finds that the Modified Distribution Plan provides for an appropriate distribution of monies paid by PCS and G&C pursuant to the Order.

Accordingly, IT IS HEREBY ORDERED, pursuant to Rule 1104 of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103, that the Modified Distribution Plan is approved.

IT IS FURTHER ORDERED, pursuant to Rule 1105 of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1105, that Robert J. Keyes is appointed as the Fund Administrator in accordance with the terms of the Modified Distribution Plan and that, in

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<sup>2</sup> The Division of Enforcement previously filed a different version of a proposed distribution plan, which was noticed for comment on September 23, 2010. Prime Capital Services, Inc. et al., Exchange Act Rel. No. 62979 (Sep. 23, 2010). No comments were received on the original plan.

accordance with Rule 1105(c), 17 C.F.R. § 201.1105(c), no bond is required since the Fund Administrator is a Commission employee.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy  
Secretary