

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

**SECURITIES AND EXCHANGE ACT OF 1934**  
**Release No. 87283 / October 10, 2019**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18171**

---

**In the Matter of**

**Jeremy A. Licht d/b/a**  
**JL Capital Management,**

**Respondent.**

---

**ORDER APPROVING**  
**PLAN OF DISTRIBUTION**

On September 12, 2017, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Sections 203(f) and 203(k) of the 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 (the “Order”)<sup>1</sup> against Jeremy A. Licht d/b/a JL Capital Management (“Licht” or the “Respondent”). In the Order, the Commission found that, from at least January 2011 to November 2015, Licht engaged in a fraudulent trade allocation scheme, or “cherry-picking” that harmed his advisory clients. Licht allocated a disproportionate number of favorable trades (*i.e.*, trades that had a positive first-day return) to his own account and allocated a disproportionate number of unfavorable trades (*i.e.*, trades that had a negative first-day return) to his clients’ accounts over which he had discretionary authority. He generally traded the same securities for his clients’ accounts and his personal accounts. Licht executed this scheme by trading in an omnibus account and delaying allocation of those trades to a specific account until he had an opportunity to observe the security’s intraday performance. In many cases, when the price of a stock rose on the purchase date, Licht sold the security the same day, locking in a day-trading profit that he allocated to himself. By contrast, Licht disproportionately allocated purchases that were not profitable on the purchase date to clients. Licht often waited several hours and/or until after the close of the trading day to allocate trades from his omnibus account. Licht’s cherry-picking financially benefited him and disadvantaged his clients.

The Commission ordered Licht to pay a total of \$278,289.34 in disgorgement, prejudgment interest, and a civil money penalty to the Commission. In the Order, the Commission established a fair fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so that the civil penalty, along with the disgorgement and prejudgment interest, can be distributed to harmed investors (the “Fair Fund”).

---

<sup>1</sup> Exchange Act Rel. No. 81584 (Sept. 12, 2017).

The Respondent has paid a total of \$278,289.34 pursuant to the Order.

The Fair Fund is deposited in an interest-bearing account at the United States Treasury Department's Bureau of the Fiscal Service. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission.

On August 22, 2019, the Commission published a Notice of Proposed Plan of Distribution and Opportunity for Comment (the "Notice")<sup>2</sup> pursuant to Rule 1103 of the Commission's Rules on Fair Fund and Disgorgement Plans.<sup>3</sup> The Notice advised interested persons that they could obtain a copy of the proposed Plan of Distribution (the "Plan") from the Commission's public website at <http://www.sec.gov/litigation/fairfundlist.htm> or by submitting a written request to Noel Gittens, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876.

The Notice also advised that all persons desiring to comment on the Plan could submit their comments, in writing, no later than thirty (30) days from the publication of the 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](mailto:rule-comments@sec.gov). The Commission received no comments on the Plan during the comment period.

The Plan provides for the distribution of the Net Fair Fund<sup>4</sup> to investors who were harmed as a result of the Respondent's fraudulent allocation or "cherry-picking" scheme and who suffered losses as calculated by the methodology described in paragraph 11 of the Plan.

The Division of Enforcement now requests that the Commission approve the Plan.

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission's Rules on Fair Fund and Disgorgement Plans,<sup>5</sup> that the Plan is approved, and posted simultaneously with this order on the Commission's website at [www.sec.gov](http://www.sec.gov).

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

Vanessa A. Countryman  
Secretary

---

<sup>2</sup> Exchange Act Rel. No. 86733 (Aug. 22, 2019).

<sup>3</sup> 17 C.F.R. § 201.1103.

<sup>4</sup> Capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Plan.

<sup>5</sup> 17 C.F.R. § 201.1104.