

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 94759 / April 19, 2022

ADMINISTRATIVE PROCEEDING
File No. 3-19716

In the Matter of :

Sica Wealth Management, LLC and :
Jeffrey C. Sica, :

Respondents. :

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

Notice is hereby given, pursuant to Rule 1103 of the United States Securities and Exchange Commission's ("Commission") Rules on Fair Fund and Disgorgement Plans ("Commission's Rules"), 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan of distribution (the "Proposed Plan") for the distribution of monies paid in the above-captioned matter.

On February 27, 2020, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the "Order")¹ against Sica Wealth Management, LLC ("SWM") and Jeffrey C. Sica ("Sica") (collectively, the "Respondents"). In the Order, the Commission found that registered investment adviser, SWM, and its principal, Sica violated the federal securities laws by failing to adequately disclose to approximately 45 advisory clients conflicts of interest in connection with Sica's recommendation that they invest more than \$30 million in securities issued by Aequitas Commercial Finance, LLC ("ACF") (the "Aequitas Securities"), one of numerous entities affiliated with the Aequitas enterprise, the ultimate parent of which is Aequitas Management, LLC (collectively, referred to herein as "Aequitas").²

From October 2013 to November 2015 (the "Relevant Period"), the Respondents failed to disclose to advisory clients material facts regarding compensation that Aequitas provided to SWM and another firm owned and controlled by Sica, (the "Affiliated Adviser"), which created conflicts of interest relating to SWM's and Sica's recommendations that clients invest in Aequitas Securities. Specifically, Aequitas paid SWM and the Affiliated Adviser a total of

¹ Advisers Act Rel. No. 5453 (Feb. 27, 2020).

² In March 2016, the Commission charged ACF and several other Aequitas companies and officers with defrauding the purchasers of more than \$300 million in ACF promissory notes and other Aequitas securities. *See SEC v. Aequitas Management, LLC, et al.*, No. 3:16-cv-00438-PK (D. Or. filed March 10, 2016).

approximately \$2 million during the relevant period pursuant to consulting agreements and a loan agreement (collectively referred to as the “Aequitas agreements”). The Aequitas agreements and the resulting compensation should have been disclosed to clients so that they could fairly evaluate the conflicts in deciding whether to invest in Aequitas securities.

The Commission ordered the Respondents to pay \$236,029.19 in disgorgement, \$62,664.23 in prejudgment interest, and \$110,000.00 in civil money penalties, for a total of \$408,693.42, to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties paid, along with the disgorgement and interest paid, can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund includes the \$408,693.42 paid by the Respondents. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund has been deposited in an interest-bearing account at the U.S. Department of the Treasury’s Bureau of the Fiscal Service, and any interest accrued will be added to the Fair Fund.

OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the 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 Proposed Plan by submitting a written request to Noel Gittens, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876. All persons who desire to comment on the 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. 3-19716” in the subject line. Comments received will be publicly available. Persons should submit only information they wish to make publicly available.

THE PROPOSED PLAN

The Net Available Fair Fund³ is comprised of the \$408,693.42 in disgorgement, prejudgment interest, and civil money penalties paid by the Respondents, plus interest and income earned thereon, less taxes, fees, and expenses. The Proposed Plan provides for the distribution of the Net Available Fair Fund, comprised of the Fair Fund, plus accrued interest, less taxes and administrative costs, to those SWM clients who were harmed by the Respondents' conduct described in the Order. The Proposed Plan provides for the reimbursement of advisory fees paid by SWM clients and compensation for investment losses related to the Respondents' violations, in accordance with the methodology detailed in the Proposed Plan.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁴

Vanessa A. Countryman
Secretary

³ All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.

⁴ 17 C.F.R. § 200.30-4(a)(21)(iii).