

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 61653 / March 5, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13199

In the Matter of

**CORNERSTONE CAPITAL
MANAGEMENT, INC., and
LAURA JEAN KENT,**

Respondents.

**ORDER APPROVING PLAN AND
APPOINTING A PLAN
ADMINISTRATOR**

On March 20, 2009, the Securities and Exchange Commission (“Commission”) entered an Order instituting settled administrative and cease-and-desist proceedings against Cornerstone Capital Management, Inc. and Laura Jean Kent (collectively “Respondents”) in this matter (“Order”). In the Matter of Cornerstone Capital Management, Inc., and Laura Jean Kent, Investment Advisers Act Rel. No. 2855, Admin. Proc. File No. 3-13199 (Mar. 20, 2009). In the Order, the Commission authorized the disgorgement of \$335,758.00 by Respondents, for distribution to individuals and entities that invested with Respondents in impaired programs (as described in the Order) and paid assets-under management fees on the impaired investments. The Order provided that the disgorgement was to be distributed pursuant to a distribution plan (the “Distribution Plan”) developed by Respondents in consultation with the Division of Enforcement.

On December 18, 2009, the Commission published a “Notice of Proposed Plan of Distribution and Opportunity for Comment” (“Notice”) 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. 61208). The Notice advised all interested parties that they may print a copy of the Distribution Plan from the Commission’s website, <https://www.sec.gov>, or by submitting a written request to Robert L. Mitchell, Trial Counsel, United States Securities and Exchange Commission, 44 Montgomery Street, Suite 2600, San Francisco, CA 94104.

The Notice also advised all persons desiring to comment on the Distribution Plan that they may submit their comments, in writing, no later than 30 days from the date of the Notice by sending a letter to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549-1090; by using the Commission’s Internet comment form (<http://www.sec.gov/litigation.admin.shtml>); or by sending an e-mail to

rule-comments@sec.gov. The Commission received no comments on the Distribution Plan and no modification has been made to the Distribution Plan since its publication.¹

The Distribution Plan provides for distribution of the disgorgement amount to individuals and entities that invested with Respondents in impaired programs and paid assets-under management fees on the impaired investments. The Distribution Plan describes the procedures to be used to identify the harmed investors that will receive distributions. The Distribution Plan further describes the procedures to be used to calculate the amounts to be paid to the harmed investors and to distribute those amounts to the harmed investors. Eligible harmed investors will not be required to make a claim or submit documentation to establish their eligibility.

The Distribution Plan also proposes Mr. Mitchell as the Plan Administrator and sets forth, among other things, procedures for distributing funds from the disgorgement amount to investors; procedures for the administration of the distribution, including provisions for filing tax returns; and a proposed timeframe for the termination of the Distribution Plan.

Because Mr. Mitchell is a Commission employee, no bond is required pursuant to Rule 1105(c).

The staff requests that the Commission approve the Distribution Plan and appoint Mr. Mitchell as the Plan Administrator.

Accordingly, pursuant to Rule 1104, it is hereby ORDERED that the Distribution Plan is approved.

It is hereby ORDERED, pursuant to Rule 1105(a), that Mr. Mitchell is appointed as the Plan Administrator in accordance with the terms of the Distribution Plan.

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

Elizabeth M. Murphy
Secretary

¹ Some minor typographical and administrative changes have been made to the proposed Plan for clarity and accuracy.