

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 62810 / September 1, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-11793

In the Matter of	:	
	:	
Southwest Securities, Inc.,	:	Order Appointing
Daniel R. Leland, Kerry M. Rigdon,	:	Fund Administrator and
and Kevin J. Marsh,	:	Waiving the Bond
Respondents.	:	Requirement
	:	

On January 10, 2005, Respondents consented to the entry of an Order Instituting Public Administrative Proceedings, Making Findings, and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, and Instituting Cease-and-Desist Proceedings and Imposing a Cease-and-Desist Order Pursuant to Section 21C of the Securities Exchange Act of 1934 and Section 9(f) of the Investment Company Act of 1940 (“Order”). The Order found, among other things, that between October 2002 and September 2003, the Respondents failed reasonably to supervise three registered representatives who engaged in an illegal market timing scheme. The Order established a Fair Fund under Section 308(a) of the Sarbanes-Oxley Act of 2002.

Pursuant to the Order, a plan was proposed for the distribution of the Fair Fund. The Fair Fund is comprised of \$10,276,002 paid by the Respondents, plus accumulated interest, less any federal, state, or local taxes on the interest.

The Division of Enforcement (“Division”) seeks approval of the appointment of Gilardi & Co., L.L.C. (“Gilardi”) as Fund Administrator for the Proposed Plan of Distribution and approval of the waiver of the bond requirement for Gilardi for the good cause shown in the proposed plan and pursuant to Rule 1105(c) of the Commission’s Rules on Fair Fund and Disgorgement Plans.

The proposed plan contemplates the distribution of funds now at the Department of Treasury Bureau of Public Debt to mutual funds that had marketing arrangements with the Respondents during the period from October 2002 through September 2003; or, in the case of mutual funds that have been merged into other mutual funds, to their successors in interest. The Fair Fund will be disbursed by Treasury, and Gilardi will not have possession of the Fair Fund or discretion regarding disbursements from the Fair Fund.

IT IS HEREBY ORDERED that Gilardi is appointed as the Fund Administrator and that the bond requirement of the Fund Administrator is waived for good cause shown.

By the Commission

Elizabeth M. Murphy
Secretary