

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 87816 / December 20, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-18738

In the Matter of

**Cadaret, Grant & Co., Inc.,
Arthur Grant, Beda Lee
Johnson, and Eugene Long**

Respondents.

**ORDER AUTHORIZING THE
TRANSFER OF REMAINING FUNDS
AND ANY FUTURE FUNDS RETURNED
TO THE FAIR FUND TO THE U.S.
TREASURY AND TERMINATING THE
FAIR FUND**

On September 11, 2018, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Exchange Act of 1933, Section 15(b) of the Securities Exchange Act of 1934, and 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 Cadaret, Grant & Co., Inc. (“Cadaret Grant”), Arthur Grant, Beda Lee Johnson, and Eugene Long (collectively, the “Respondents”). The Order, among other things, required the Respondents to pay a collective total of \$938,194 in disgorgement, prejudgment interest, and civil monetary penalties, and created a fair fund (the “Fair Fund”), pursuant to Section 308 of the Sarbanes-Oxley Act of 2002, so the penalties, along with the disgorgement and prejudgment interest, could be distributed to those harmed by the Respondents’ conduct described in the Order.

Pursuant to the Order, Cadaret Grant was responsible for administering the Fair Fund at its own expense pursuant to a calculation specified in the Order. Cadaret Grant distributed \$604,031.46 via 62 checks to fully compensate harmed current and former clients for all the losses incurred by investing, as recommended by Cadaret Grant representatives, in an investment inappropriate to their circumstances, plus an interest component reflecting the time value of the loss of those funds. A residual amount of \$334,162.54 remains in the Fair Fund, representing the funds that were not allocated for distribution.

The Order provides that the Respondents are to provide a final accounting to the Commission staff for submission to the Commission for approval. Upon approval of the final accounting, all remaining amounts in the Fair Fund, and any funds returned in the future, are to be sent to the U.S. Treasury. A final accounting has been submitted to the Commission for

¹ Securities Act Rel. No. 10542 (Sept. 11, 2018).

approval, as required by Rule 1105(f) of the Commission's Rules on Fair Fund and Disgorgement Plans² and as set forth in the Order. The final accounting is now approved.

Accordingly, IT IS ORDERED that:

- A. The \$334,162.54 remaining in the Fair Fund and any future funds returned to the Fair Fund, shall be transferred to the U.S. Treasury; and
- B. The Fair Fund is terminated.

By the Commission.

Vanessa A. Countryman
Secretary

² 17 C.F.R. § 201.1105.