

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 63172 / October 25, 2010

ADMINISTRATIVE PROCEEDING  
File No. 3-11793

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In the Matter of	:	
	:	
Southwest Securities, Inc.,	:	ORDER APPROVING PLAN
Daniel R. Leland, Kerry M. Rigdon,	:	OF DISTRIBUTION
and Kevin J. Marsh,	:	
	:	
Respondents.	:	
	:	

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On January 10, 2005, the Commission issued an Order instituting settled administrative and cease-and-desist proceedings against Southwest Securities, Inc., Daniel R. Leland, Kerry M. Rigdon, and Kevin J. Marsh (collectively, "Respondents") in this matter ("Order"). *In the Matter of Southwest Securities, Inc., et al.*, Admin. Proc. File No. 3-11793, Exchange Act Release No. 51002 (January 10, 2005). In the Order, the Commission authorized the establishment of a Fair Fund, comprised of \$10,276,002 in disgorgement, interest, and penalties paid by Respondents, plus accumulated interest, for distribution to mutual funds affected by certain market timing trading allowed by Respondents. The Fair Fund monies are to be distributed pursuant to a distribution plan (the "Plan").

On September 1, 2010, 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. 62809). The Notice advised interested parties that they could obtain a copy of the Plan from the Commission's public website, or by requesting one from Stephen Webster, Assistant Regional Director, Fort Worth Regional Office.

The Notice also advised that all persons desiring to comment on the Plan could submit their written comments no later than 30 days after the date of the Notice to the Office of the Secretary, by using the Commission's Internet comment form, or by e-mailing rule-comments@sec.gov. The Commission received no comments on the Plan.

The Plan provides for distribution of the Fair Fund to eligible mutual funds that were harmed by the actions of certain market timers that Respondents permitted to market time. The Plan describes the procedures to be used to identify the eligible mutual funds that will receive distributions. The Plan further describes the procedures to be used to calculate and distribute the amounts to be paid to the eligible mutual funds. Eligible mutual funds will not be required to make a claim or submit documentation to establish their eligibility.

The Plan also proposed, and the Commission appointed, Gilardi and Co., L.L.C. as the Fund Administrator in an Order issued on September 1, 2010 (Exchange Act Release No. 62810). In the September Order, the Commission also waived the bond requirement of the Fund Administrator for the good cause shown in the Plan. The Plan sets forth, among other things, procedures for the administration of the Fair Fund, including a proposed timeframe for the termination of the Plan.

The Fair Fund is held at the U.S. Department of the Treasury and will be disbursed by Treasury. All distributions in this matter will be made by the Treasury's Financial Management Service ("FMS") directly to the eligible mutual funds, with no handling of money by the Fund Administrator or any non-governmental entity. The payees, and the relative amounts to be paid by FMS to each, will have been reviewed and approved by the Commission prior to the distributions.

The staff requested that the Commission approve the Plan. The Commission finds that the Plan provides for an appropriate distribution of the monies paid by Respondents pursuant to the Order.

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

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

Elizabeth M. Murphy  
Secretary