

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

Consent Order. SIL/AO/DRK/AS/EAD-3/CO-30/2009

CONSENT ORDER

(Consent Application No.1373/2009)

In the matter of

Security Investors, LLC

Foreign Institutional Investor

(SEBI Regn No.- IN-US-FA-0739-02)

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI'), vide order dated October 03, 2008 initiated adjudication proceedings against Security Investors, LLC (hereinafter referred to as the noticee) to inquire into and adjudge under Section 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the '**SEBI Act**'), violation of the provisions of Regulation 10(c) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 alleged to have been committed by the noticee on account of the delay in intimating SEBI about the change in its name from Security Management Company, LLC to 6th Avenue Investment Management Company, LLC and thereafter from 6th Avenue Investment Management Company, LLC to Security Investors, LLC.
2. I was appointed as the Adjudicating Officer in the case (subsequent to the transfer of Shri Biju S.) vide order dated October 03, 2008, under section 15 I of the SEBI Act read with Rule 3 of Securities and Exchange Board of

India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995. Show cause notice dated April 29, 2009 was issued against the noticee.

3. Pending adjudication proceedings, the Noticee made application dated June 11, 2009 (Consent application Regn. No. 1373 of 2009) and undertakings in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. Pursuant to the said application, the Noticee submitted its revised consent terms vide its letter dated July 03, 2009 wherein it proposed an amount of Rs. 3,25,000/- (Rupees Three lakh twenty five thousand only) towards settlement charges. The consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) on July 24, 2009 and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the Noticee and the other material brought before the HPAC. HPAC after deliberation recommended the case for settlement on the consent terms proposed by the Noticee.
4. In terms of the revised proposal of the Noticee for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the Noticee to the findings of fact or conclusions of law, the Noticee has remitted a sum of Rs. 3,25,000/- (Rupees Three lakh twenty five thousand only) favoring Securities and Exchange Board of India vide Demand Draft no. 359365 dated 14/09/2009 drawn on ABN Amro Bank N.V., towards the terms of consent in the matter.
5. In view of the above, it is hereby ordered that:
 - i. this consent order disposes of the said adjudication proceedings initiated against the Noticee under SEBI Act, 1992, and
 - ii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the Noticee, if SEBI finds that:
 - a. any representations made by the Noticee in the consent proceedings are subsequently discovered to be untrue.

- b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
- 6. This consent order is passed on the 22nd day of September, 2009 and shall come into force with immediate effect.
- 7. In terms of Rule 6 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, copies of this order are being sent to Security Investors, LLC and also to the Securities and Exchange Board of India, Mumbai.

Place: Mumbai
September 22, 2009

D. RAVI KUMAR
CHIEF GENERAL MANAGER &
ADJUDICATING OFFICER