UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-15014

In the Matter of

JP TURNER & COMPANY, LLC, and WILLIAM L. MELLO

Respondents.

PLAN OF DISTRIBUTION

1. *Purpose and Background*. The Division of Enforcement submits this Proposed Plan of Distribution ("Plan") to the United States Securities and Exchange Commission ("Commission") pursuant to Rule 1101 of the Commission's Rules on Fair Fund and Disgorgement Plans ("Rules").[1] This Plan proposes a distribution of certain funds collected by the Commission in this proceeding for the benefit of affected customers that were harmed when their accounts were churned by three registered representatives employed by JP Turner & Company, LLC ("JP Turner") from January 1, 2008, through December 31, 2009.

On September 10, 2012, the Commission entered an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions ("Order") against JP Turner and its former president, William L. Mello (collectively, "Respondents").[2]

The Order stated that Respondents failed reasonably to supervise three registered representatives who churned affected customers' accounts for the purpose of generating commission business by engaging in excessive trading in disregard of the affected customers' investment objectives and financial needs. According to the Order, JP Turner reaped approximately $845,000 in commissions, fees, and margin interest as a result of the registered representatives' churning.

[1] 17 C.F.R. § 201.1101.
[2] Exchange Act Rel. No. 67808 (Sept. 10, 2012).

In anticipation of the institution of the proceedings, Respondents submitted Offers of Settlement, which the Commission accepted. Pursuant to the Order, JP Turner paid disgorgement of $200,000, prejudgment interest of $16,051, and a civil money penalty in the amount of $200,000, and William L. Mello paid a civil money penalty in the amount of $45,000 for a combined payment of $461,051. The penalties paid are to be transferred to the United States Treasury. The remaining amount, $216,051, constitutes the fund available for distribution (the "Distribution Fund"). The Distribution Fund is subject to the continuing jurisdiction and control of the Commission and the Distribution Fund is currently on deposit in a Commission designated non-interest bearing account at the United States Department of Treasury ("U.S. Treasury"). This Plan is subject to approval by the Commission, and the Commission retains jurisdiction over the implementation of this Plan.

Under this Plan, the Distribution Fund, less any reserve for taxes, fees or other expenses of administering this Plan (the "Net Distribution Fund"), will be available for distribution to Eligible Customers as defined in paragraph 4 of this Plan.

2. *Fund Administrator*. Nichola L. Timmons, Assistant Director of Distributions, Logistics and Services in the Commission's Division of Enforcement, is proposed to act as the administrator of the Distribution Fund ("Fund Administrator"). As a Commission employee, the Fund Administrator will receive no compensation from the Distribution Fund for her services in administering the Distribution Fund. In accordance with Rule 1105(c) of the Commission's Rules, 17 C.F.R. § 201.1105(c), no bond is required since the Fund Administrator is a Commission employee. In carrying out her duties, the Fund Administrator may be assisted by other Commission staff acting under her supervision.

The Fund Administrator will, among other things: oversee the administration of the Distribution Fund; obtain mailing information for Eligible Customers, distribute money from the assets of the Distribution Fund in accordance with this Plan, resolve disputes, distribute the Distribution Fund to Eligible Customers, prepare a final accounting with assistance from the Tax Administrator as defined in paragraph 3 of this Plan, and provide the Tax Administrator with funds to pay tax liabilities and tax compliance fees and costs, pursuant to the Omnibus Order Directing the Appointment of Tax Administrator in Administrative Proceedings that Establish Distribution Funds (Exchange Act Rel. No. 68683 (Jan. 17, 2013)).

3. *Tax Administrator*. The Commission has appointed Damasco and Associates, LLP as the Tax Administrator ("Tax Administrator") of the Distribution Fund (Exchange Act Rel. No. 67958 (Oct. 2, 2012)). The Fund Administrator will cooperate with the Tax Administrator in providing information necessary to accomplish the income tax compliance and any other work ordered to the Tax Administrator by the Commission. The Tax Administrator will be compensated for reasonable costs and expenses from the Distribution Fund in accordance with its 2011-2012 Engagement Letter Agreement with the Commission, and tax obligations will be paid out of the Distribution Fund.

4. *Specification of Eligible Distribution Fund Recipients*. The Fund Administrator will make distributions from the Net Distribution Fund to those JP Turner customers that have been harmed by the conduct described in the Order (individually, each an "Eligible Customer" and collectively, the "Eligible Customers"). A customer will be deemed harmed only if that customer suffered a net harm by virtue of the conduct described in the Order and as calculated pursuant to paragraph 7 of this Plan.[3]

5. *No claims-made process.* The Distribution Fund is not being distributed according to a claims-made process, so the procedures for providing notice and for making and approving claims are not applicable.

6. *Qualified Settlement Fund*. The Distribution Fund constitutes a Qualified Settlement Fund ("QSF") under Section 468B(g) of the Internal Revenue Code, 26 U.S.C. § 468B(g), and related regulations, 26 C.F.R. §§ 1.468B-1 through 1.468B-5.

7. *Methodology for Determining Distribution Amounts*. The Fund Administrator will determine the amount to be distributed to each Eligible Customer in the following manner. First, the Fund Administrator will determine, for each affected customer, using brokerage statements and other information collected by the Commission staff, the total amount of commissions, fees, and margin interest that each affected customer was charged as a result of the churning described in the Order ("Gross Harm Amount").

Second, for each affected customer, the Fund Administrator will determine a net harm amount suffered by virtue of the conduct described in the Order ("Net Harm Amount"). The Net Harm Amount is defined as the affected customer's Gross Harm Amount, less any monies the affected customer received as settlements, insurance, or other payments in connection with the conduct at issue in this matter from Respondents, or any other third party.

Because the total of all Eligible Customers' Net Harm Amounts is less than the approximate amount of the Net Distribution Fund, the Fund Administrator anticipates the Distribution Fund will be able to pay each Eligible Customer the Net Harm Amount, plus the time value of money. The Fund Administrator will then calculate the present value of each affected customer's Net Harm Amount by adjusting the customer's harm amounts for the time value of money.[4] Each affected customer with a Present Value of Net Harm Amount that is greater than $100 is an Eligible Customer for purposes of receiving a

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[3] The Commission staff is aware of approximately seven (7) JP Turner customers who were harmed by the conduct described in the Order. However, since some of these customers have already been fully reimbursed for their harm, they do not meet the definition of an Eligible Customer for purposes of this Plan. As a result of the smaller pool of Eligible Customers, it is anticipated that all Eligible Customers will be fully reimbursed for their harm (the commissions, fees, and margin interest that each affected customer was charged as a result of the churning).

[4] The present value calculation applies interest to the harm amount and compounds quarterly from the date of the harm through December 31, 2014 using the Federal quarterly short-term interest rate, as determined by the Internal Revenue Service for each calendar quarter.

distribution pursuant to this Plan. An Eligible Customer's payment from the Distribution Fund will not exceed his or her Present Value Net Harm Amount.

In the view of the Fund Administrator, this methodology constitutes a fair and reasonable allocation of the Distribution Fund. Based on this methodology, it is anticipated that there will be one distribution to the Eligible Customers, which will take place as outlined in paragraph 9 of this Plan, with each Eligible Customer's Distribution Amount equal to his or her Present Value of Net Harm Amount. Based on this methodology, the individual Net Harm Amounts and Distribution Amounts for Eligible Customers are as follows:

Eligible Customer	**Gross Harm Amount**	**Third Party Payment Received**	**Net Harm Amount**	**Time Value of Money on Net Harm Amount**	**Distribution Amount**
Eligible Customer #1	$90,684	None	$90,684	$1,903	$92,587
Eligible Customer #2	$35,706	None	$35,706	$715	$36,421
Eligible Customer #3	$53,080	None	$53,080	$2,464	$55,544
Total	**$179,470**	**$0**	**$179,470**	**$5,082**	**$184,552**

8. *Procedures for Locating and Notifying Eligible Customers.* On the basis of information obtained by the Commission staff based on review and analysis of applicable records, the Fund Administrator will identify the Eligible Customers. Within sixty (60) days of the Commission's approval of this Plan, the Fund Administrator will send each Eligible Customer a notice by United States Postal Service regarding the Commission's approval of this Plan, and a check for each customer's Distribution Fund payment, and, including as appropriate, a statement characterizing the distribution, a link to this Plan on the Commission's website and instructions for requesting a copy of this Plan, a Net Harm Amount calculation and a preliminary Gross Distribution Amount, a description of the tax information reporting and other related tax matters, the procedure for the distribution as set forth in this Plan, and the name of the Fund Administrator to contact with questions regarding the distribution ("Plan Notice").[5] The Fund Administrator will coordinate with the Tax Administrator to request information from each Eligible Customer that is needed to accomplish the distribution in accordance with applicable tax requirements relating to the Distribution Fund.

[5] Information obtained from JP Turner may be provided to the Fund Administrator for purposes of contacting investors.

If a Plan Notice and Distribution Fund payment are returned as undeliverable, the Fund Administrator will make all reasonable efforts to ascertain an Eligible Customer's correct address. The Fund Administrator will then resend the Plan Notice and Distribution Fund payment to the Eligible Customer's new address within thirty (30) days of receipt of the returned Plan Notice and distribution check. If the Plan Notice and Distribution Fund payment are returned again, and the Fund Administrator, despite all reasonable efforts, is unable to find an Eligible Customer's correct address, the Eligible Customer's payment will be deemed undistributed funds to be handled as described in paragraph 16.

9. *Distribution Timing.* The Fund Administrator will use her best efforts to start the distribution within sixty (60) days of this Plan's approval.

10. *Bureau of the Fiscal Service; Validation and Approval of Disbursement of the Distribution Fund.* The Distribution Fund disbursement to Eligible Customers will be implemented by the Commission and disbursed through the U.S. Treasury's Bureau of the Fiscal Service ("BFS"), which will mail checks or electronically transfer funds to each payee as instructed by the Fund Administrator. The Fund Administrator will compile the payee information and prepare a payment file in a Commission-approved format for submission to the Commission to make the disbursements through BFS. Pursuant to Rule 1101(b)(6), the Fund Administrator will obtain an order from the Commission to disburse the Distribution Fund.

The Fund Administrator will work with BFS to obtain information about uncashed checks, any returned items due to non-delivery, insufficient addresses, and/or other deficiencies. The Fund Administrator is responsible for researching and reconciling errors and reissuing payments when possible. The Fund Administrator also is responsible for accounting for all payments. Checks issued by BFS will state on their face that they are valid for one year. If any checks issued are not cashed within the one year time period, the Fund Administrator will work with BFS to identify all uncashed checks. In the event that there are uncashed checks, the Fund Administrator will determine the extent to which under the circumstances in this distribution it would be appropriate and feasible to make additional efforts to contact investors holding such checks. Following the conclusion of any efforts by the Fund Administrator to locate any such investors, remaining uncashed checks will be deemed undistributed funds to be handled as described in paragraph 16 of this Plan.

11. *Accountings*. When all funds have been disbursed except for the residual described in paragraph 16 of this Plan, the Fund Administrator will submit a final accounting pursuant to Rule 1105(f) for the approval of the Commission prior to the discharge of the Fund Administrator. Since the funds are being held in a Commission designated account at the U.S. Treasury, and Commission staff is proposed as the Fund Administrator, no interim accountings will be made.

12. *Expenses of Administration.* Fees and other expenses of administering this Plan will be paid from the Distribution Fund.

13. *Amendments and Procedural Deadline Extensions*. The Fund Administrator will take reasonable and appropriate steps to distribute the Distribution Fund according to this Plan. If there are any changes to the Plan that are determined to be material, Commission approval is required prior to implementation by amending this Plan, which may be done upon the motion of any party, the Fund Administrator, or upon the Commission's own motion. Immaterial changes may be made by the Fund Administrator. For good cause shown, the Fund Administrator may extend any of the procedural dates set forth in this Plan.

14. *Procedure for the Receipt of Additional Funds.* No additional funds are expected to be received for this matter so this Plan does not provide for a procedure for such funds.

15. *Procedures for Disputing Amounts Received*. Disputes will be limited to calculations of disbursement amounts to Eligible Customers. Within thirty (30) days of the date that an Eligible Customer's disbursement is made, the Fund Administrator must receive a written communication detailing the dispute along with any supporting documentation. The Fund Administrator will investigate the dispute, and such investigation will include a review of the written dispute as well as any supporting documentation. Within thirty (30) days of receipt of the written dispute, the Fund Administrator will notify the Eligible Customer of her resolution of the dispute, which will be final. This procedure will be set forth in the Plan Notice.

16. *Disposition of Undistributed Funds.* A residual account within the Distribution Fund will be established for any amounts remaining after the final disbursement to Eligible Customers from the Distribution Fund. The residual account may include funds reserved for future taxes and related expenses, distributions from checks that have not been cashed, from checks that were not delivered or from funds returned to the Commission, tax refunds for overpayment or for waiver of IRS penalties. All funds remaining in the residual account will be transferred to the U.S. Treasury after the final accounting is approved by the Commission.

17. *Final Accounting and Discharge of the Fund Administrator.* Following the final disbursement from the Distribution Fund to Eligible Customers, the Fund Administrator will make arrangements for the final payment of taxes and Tax Administrator fees and will submit a final accounting to the Commission. When the Commission has approved the final accounting, staff will seek an order from the Commission: (1) to transfer the remaining residual amounts to the U.S. Treasury; and (2) to discharge the Fund Administrator.