

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 85175 / February 22, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-17672

In the Matter of	:	
	:	
	:	
Derik J. Todd, Madison Capital Energy	:	ORDER APPOINTING FUND
Income Fund GP LLC, Big Horn	:	ADMINISTRATOR AND SETTING
Minerals LLC, Madison Capital	:	ADMINISTRATOR BOND AMOUNT
Investments LLC, and Madison	:	
Royalty Management LLC	:	
	:	
Respondents.	:	

On November 10, 2016, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”)¹ against Derik J. Todd (“Todd”), Madison Capital Energy Income Fund II GP LLC (“Fund II GP”), Big Horn Minerals LLC (“Big Horn”), Madison Capital Investments LLC (“MCI”), and Madison Royalty Management (“MRM”) (collectively, the “Respondents”). In the Order, the Commission found that Todd and Fund II GP willfully violated Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Investment

¹ Securities Act Rel. No. 10250 (Nov. 10, 2016).

Advisers Act of 1940 (“Advisers Act”); and MCI, Big Horn and MRM willfully aided and abetted and caused Todd’s and Fund II GP’s violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act.

The Commission ordered the Respondents, on a joint and several basis, to pay \$205,673 in disgorgement and \$21,581 in prejudgment interest, and ordered Todd to pay a \$50,000 civil penalty to the Commission, pursuant to a payment plan detailed therein. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty, along with the disgorgement and prejudgment interest, can be distributed to investors harmed by the Respondents’ conduct described in the Order.

The Division of Enforcement now seeks the appointment of Rust Consulting, Inc. (“Rust”) as the fund administrator and requests that the administrator’s bond be set at \$277,254, as required by Rules 1105(a) and 1105(c) of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”).² Rust is a member of the Commission’s Fund Administrator Pool.

Accordingly, it is hereby ORDERED, that pursuant to Rule 1105(a) of the Commission’s Rules, 17 C.F.R. § 201.1105(a), that Rust is hereby appointed as fund administrator and the administrator shall obtain a bond in the amount of \$277,254, in accordance with Rule 1105(c) of the Commission’s Rules, 17 C.F.R. § 201.1105(c) .

For the Commission, by the Division of Enforcement, pursuant to delegated authority.³

Brent J. Fields
Secretary

² 17 C.F.R. §§ 201.1105(a) and 201.1105(c).

³ 17 C.F.R. § 200.30-4(a)(17).