

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
RELEASE No. 52595 / October 12, 2005

ADMINISTRATIVE PROCEEDING
File No. 3-12083

In the Matter of

LOUIS MONTAINO

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS AS TO LOUIS
MONTAINO**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Louis Montaino (“Montaino”).

II.

In anticipation of the institution of these proceedings, Montaino has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Montaino consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

Based on this Order and Montaino’s Offer, the Commission finds that:

1. Montaino, 36, resides in Monterey Park, California. Until the end of May 2004, Montaino was a registered representative associated with Greenwood Securities, Inc. ("Greenwood"), a broker-dealer located in California. Before Greenwood, Montaino was a registered representative associated with several broker-dealers, including Worthington Capital Group, Inc., Morgan Grant, Joseph Dillon, Investec Ernst & Co., and Greenwood Securities, Inc. Montaino holds Series 7 and Series 63 licenses.
2. On September 20, 2005, a final judgment was entered by consent against Montaino, which, inter alia: (a) permanently enjoined Montaino from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 and Sections 10(b) and 15(a) of the Exchange Act, and Rule 10b-5 thereunder; (b) enjoined Montaino from participating in any offering of penny stock; and (c) ordered Montaino to disgorge \$66,177.12, representing \$62,500 in ill-gotten gains derived from his fraudulent conduct plus pre-judgment interest of \$3,677.12, and pay a civil penalty in the amount of \$37,500 in the civil action entitled SEC v. Herman's World of Sports, Inc., 05 Civ. 438, in the United States District Court for the Eastern District of New York.
3. The Commission's complaint alleged that, from at least February 2001 to March 2003, Montaino induced investors to buy unregistered shares of stock issued by Herman's Sports, through a series of false or misleading statements including, inter alia, that Herman's Sports would be imminently conducting an initial public offering, with the assistance of investment banks, at prices well above the price offered in the Herman's Sports private placement. The complaint also alleged that Montaino was aware that private placement memorandum were distributed to investors even though he knew, or was reckless in not knowing, that the materials contained material misstatements and omissions, and Montaino was not registered as, or affiliated with, a broker-dealer for a period of time when he sold shares of Herman's Sports.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Montaino's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, that Montaino be, and hereby is barred from association with any broker or dealer.

Any reapplication for association by Montaino will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Montaino, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Jonathan G. Katz
Secretary