

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS

Release No. 3686/March 8, 2016

ADMINISTRATIVE PROCEEDING

File No. 3-17049

In the Matter of :
: :
RAHFCO MANAGEMENT GROUP, LLC : ORDER

The Securities and Exchange Commission instituted this proceeding with an Order Instituting Proceedings on January 13, 2016, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act) and Section 203(e) of the Investment Advisers Act of 1940 (Advisers Act). The proceeding is a follow-on proceeding based on *SEC v. Hansen*, No. 1:13-cv-1403 (S.D.N.Y. Dec. 21, 2015), *appeal filed*, No. 16-74 (2d Cir. Jan. 8, 2016), in which Respondent RAHFCO Management Group, LLC, was enjoined against violations of the antifraud and registration provisions. A prehearing conference was held today. Polly Atkinson, Esq., appeared on behalf of the Division of Enforcement (Division), and Randal Hansen, a partner of RAHFCO, appeared on behalf of RAHFCO.

The undersigned explained that the pendency of the appeal of *SEC v. Hansen* does not preclude this proceeding from going forward. *See Joseph P. Galluzzi*, Exchange Act Release No. 46405, 2002 SEC LEXIS 3423, at *10 n.21 (Aug. 23, 2002) (“the pendency of an appeal does not preclude [the Commission] from acting to protect the public interest”); *Charles Phillip Elliott*, Exchange Act Release No. 31202, 1992 SEC LEXIS 2334, at *11 (Sept. 17, 1992) (declining to delay follow-on administrative proceeding pending appeal of underlying conviction). If the injunction is overturned, RAHFCO can request the Commission to vacate any sanctions ordered in this proceeding (or to dismiss the proceeding, if it is still pending).¹

¹ *See Jilaine H. Bauer, Esq.*, Securities Act of 1933 Release No. 9464, 2013 SEC LEXIS 3132 (Oct. 8, 2013) (dismissing follow-on administrative proceeding after court of appeals, while petition for review was pending before Commission, reversed and remanded district court’s judgment that was basis for OIP); *Richard L. Goble*, Exchange Act Release No. 68651, 2013 SEC LEXIS 129 (Jan. 14, 2013) (dismissing follow-on administrative proceeding after court of appeals, while petition for review was pending before Commission, vacated injunction that was basis for OIP); *Evelyn Litwok*, Advisers Act Release No. 3438, 2012 SEC LEXIS 2328 (July 25, 2012) (dismissing follow-on proceeding after court of appeals, while petition for review was pending before Commission, reversed certain convictions and vacated and remanded other convictions, all of which were basis for OIP); *Kenneth E. Mahaffy, Jr.*, Exchange Act Release No. 68462, 2012 SEC LEXIS 4020 (Dec.

The Division will provide its complete investigative file to Hansen, who is incarcerated at Duluth FPC,² in compliance with 17 C.F.R. § 201.230 and the Commission's rulings in *Byron S. Rainer*, Exchange Act Release No. 59040, 2008 SEC LEXIS 2840, at *4-7 (Dec. 2, 2008) and *José P. Zollino*, Exchange Act Release No. 51632, 2005 SEC LEXIS 987, at *7-10 (Apr. 29, 2005).

A second prehearing conference will be held by telephone on March 29, 2016, at 10:00 a.m. EDT (9:00 a.m. CDT), a date and time when the Division and Hansen are available.

IT IS SO ORDERED.

/S/ Carol Fox Foelak
Carol Fox Foelak
Administrative Law Judge

18, 2012) (vacating bar issued in follow-on administrative proceeding where court of appeals, after Commission had issued bar order, vacated criminal conviction that was basis for proceeding).

² See *United States v. Hansen*, No. 13-cr-40053 (D.S.D June 10, 2014), *aff'd*, 791 F.3d 863 (8th Cir. 2015), *rehearing en banc denied*, 2015 U.S. App. LEXIS 13839 (Aug. 6, 2015), *cert. denied*, 136 S. Ct. 698 (2015).