

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

ADMINISTRATIVE PROCEEDINGS RULINGS

Release No. 1443/May 20, 2014

ADMINISTRATIVE PROCEEDING

File No. 3-15799

In the Matter of

MICHAEL D. MONTGOMERY

ORDER TO SHOW CAUSE

On March 18, 2014, the Securities and Exchange Commission issued an Order Instituting Administrative Proceedings (OIP) pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act) and Section 203(f) of the Investment Advisers Act of 1940 (Advisers Act), alleging that Michael D. Montgomery (Respondent) was convicted of wire fraud and filing a false tax return in United States v. Montgomery, No. 3:11-CR-5156-RJB (W.D. Wash. Dec. 27, 2012) (Montgomery). The OIP further alleges that Respondent was sentenced to a prison term of 60 months followed by three years of supervised release, and ordered to make restitution in the amount of \$995,811.

The issue in this proceeding is whether, in view of Montgomery, Respondent should be subject to a sanction pursuant to Section 15(b) of the Exchange Act and Section 203(f) of the Advisers Act. I have explained to Respondent that I could take official notice of the record in Montgomery. Michael D. Montgomery, Admin. Proc. Rulings Release No. 1373, 2014 SEC LEXIS 1297 (Apr. 14, 2014). I also notified Respondent that his answer to the OIP was due April 28, 2014, and if he did not file an Answer, I would find him in default. Id. To date, Respondent has not filed an answer.

Ruling

I will issue an Initial Decision on Default granting the collateral bar relief that the Division of Enforcement requested at the April 10, 2014, prehearing conference, taking official notice of the record in Montgomery, unless Respondent shows good cause by June 16, 2014, why he should not be held in default for failing to file an answer within the time provided and not otherwise defending the proceeding. See 17 C.F.R. §§ 201.155(a)(2), .220(f), .323.

Brenda P. Murray
Chief Administrative Law Judge