

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

ADMINISTRATIVE PROCEEDINGS RULINGS  
Release No. 2037/November 20, 2014

ADMINISTRATIVE PROCEEDING  
File No. 3-16191

In the Matter of  
  
MICHAEL ROBERT BALBOA

ORDER FINDING RESPONDENT IN  
DEFAULT AND REQUESTING  
MOTION FOR SANCTIONS

The Securities and Exchange Commission (Commission) issued an Order Instituting Proceedings (OIP) on October 8, 2014, pursuant to Section 203(f) of the Investment Advisers Act of 1940. The OIP alleges that Respondent Michael Robert Balboa (Balboa): was a managing director of a registered investment adviser between December 2006 and October 2008; was found guilty on December 18, 2013, of wire fraud, securities fraud, investment adviser fraud, and conspiracy to commit wire and securities fraud, in *United States v. Balboa*, No. 1:12-cr-196 (S.D.N.Y.); and was sentenced to forty-eight months in prison followed by three years of supervised release and was ordered to make restitution of \$390,243,873.92 and to forfeit \$2,223,000. OIP at 1-2.

Balboa was served with the OIP on October 11, 2014, in accordance with Rule 141(a)(2)(i) of the Commission's Rules of Practice. *See* 17 C.F.R. § 201.141(a)(2)(i). Balboa's Answer was due within twenty days of service of the OIP plus an additional three days because service was effected by mail, or by November 3, 2014. *See* OIP at 3; 17 C.F.R. §§ 201.160(b), 220(b). Balboa did not file an Answer. On November 4, 2014, Balboa was ordered to show cause by November 17, 2014, why this proceeding should not be determined against him for failing to file an Answer. *Michael Robert Balboa*, Admin. Proc. Rulings Release No. 1982, 2014 SEC LEXIS 4179. Balboa did not respond to the Order to Show Cause. Accordingly, Balboa is deemed to be in default for failing to file an Answer, respond to the Order to Show Cause, or otherwise defend this proceeding.<sup>1</sup> *See* 17 C.F.R. §§ 201.155(a), .220(f).

---

<sup>1</sup> Balboa is notified that he may move to set aside the default pursuant to Rule 155(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.155(b), which states:

A motion to set aside a default shall be made within a reasonable time, state the reasons for the failure to appear or defend, and specify the nature of the proposed defense in the proceeding. In order to prevent injustice and on such conditions as may be appropriate, the hearing officer, at any time prior to the filing of the initial

It is ORDERED that the Division of Enforcement (Division) shall file a motion for sanctions by December 31, 2014. The motion shall provide legal authority and evidentiary support relating to the allegations set forth in the OIP and sanctions sought by the Division in accordance with *Rapoport v. SEC*, 682 F.3d 98 (D.C. Cir. 2012). It is FURTHER ORDERED that the telephonic prehearing conference previously scheduled for December 15, 2014, is CANCELLED.

---

Cameron Elliot  
Administrative Law Judge

---

decision, or the Commission, at any time, may for good cause shown set aside a default.