

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

Administrative Proceedings Rulings  
Release No. 5220 / November 6, 2017

Administrative Proceeding  
File No. 3-18126

In the Matter of  
**Gerardo E. Reyes**

**Order Directing Respondent to  
Show Cause and Scheduling  
Prehearing Conference**

On August 22, 2017, the Securities and Exchange Commission issued an order instituting proceedings (OIP) against Respondent pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940. This follow-on proceeding is based on the criminal judgment in *United States v. Reyes*, No. 1:16-cr-20963 (S.D. Fla. June 27, 2017), in which, according to the OIP, Respondent was convicted of wire fraud, sentenced to a probationary term, and ordered to pay restitution to victims. OIP at 2. I postponed the hearing scheduled for September 18, 2017, for lack of evidence that Respondent was served with the OIP. *Gerardo E. Reyes*, Admin. Proc. Rulings Release No. 5041, 2017 SEC LEXIS 2799 (ALJ Sept. 11, 2017). On October 17, 2017, the Division of Enforcement filed a statement signed by Respondent acknowledging receipt of the OIP on October 13, 2017 by email and waiving service under Rule 141(a)(2). See 17 C.F.R. § 201.141(a)(4). The OIP required that Respondent file an answer within twenty days of service, or November 2, 2017. OIP at 3; 17 C.F.R. § 201.220(b). As of the date of this order, Respondent has not filed an answer.

I ORDER that: (1) Respondent show cause by November 17, 2017, why he should not be held in default; and (2) the parties attend a telephonic prehearing conference on November 27, 2017, at 10:30 a.m. EST. If Respondent does not file an answer or participate in the prehearing conference, I will find him in default. At the prehearing conference, I will explain the procedure for resolving the OIP's allegations: the Division will file a motion for summary disposition, with Respondent having an opportunity to reply. An in-person hearing will be held only if I find that there are material facts in dispute. 17 C.F.R. § 201.250(b).

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Brenda P. Murray  
Chief Administrative Law Judge