

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 85134 / February 14, 2019

INVESTMENT ADVISERS ACT OF 1940
Release No. 5112 / February 14, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-18998

In the Matter of

Hector A. May,

Respondent.

**CORRECTED ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

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”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Hector A. May (“May” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent 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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraphs III.B.2 and III.B.4 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment

Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Respondent, age 77, is a resident of Orangeburg, New York. Respondent has worked in the financial services industry for approximately 35 years, including as an Investment Adviser Representative of a broker-dealer from 1994 until March 9, 2018, when he was fired. Respondent was also the President and Chief Compliance Officer of Executive Compensation Planners, Inc. (“ECP”), an investment advisory firm registered in New York, from 1982 through May 1, 2018, when ECP’s registration was terminated.

2. On December 27, 2018, a final judgment was entered by consent against Respondent, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Hector A. May, et al., Civil Action Number 7:18-CV-11668-VB, in the United States District Court for the Southern District of New York.

3. The Commission’s complaint alleged that Respondent misappropriated at least \$7.9 million from at least 15 investment advisory clients by perpetrating a Ponzi scheme in which Respondent offered to buy bonds for investment advisory clients, solicited their funds for the investments, and then diverted the money for his own use. The complaint alleged that Respondent further perpetrated this scheme by creating and sending out fabricated account statements reporting fictitious bond purchases, which over time grossly inflated the victims’ holdings, deceiving them further. The complaint also alleged that Respondent used the clients’ money to make Ponzi-like payments to other clients who sought to withdraw funds.

4. On December 13, 2018, Respondent pled guilty to one count of conspiracy to commit wire fraud in violation of Title 18, United States Code, Section 1349, and one count of investment adviser fraud in violation of Title 15, United States Code, Sections 80b-6 and 80b-17, before the United States District Court for the Southern District of New York, in United States v. Hector May, Crim. Information No. 7:18-CR-00880-VB. Respondent also admitted to the forfeiture allegation of the criminal information and agreed to forfeit, inter alia, \$11,452,185 to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(a).

5. The counts of the criminal information to which Respondent pled guilty alleged, inter alia, that Respondent defrauded investors and obtained money and property by means of materially false and misleading statements, that he used an email server in order to induce investors to turn over their money under false pretenses, and that he caused investors to send their money to him by wire transfer or check.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that May be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act, May be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by May 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 Respondent, 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.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary