

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 92457 / July 21, 2021

INVESTMENT COMPANY ACT OF 1940
Release No. 34339 / July 21, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20405

In the Matter of

MIGUEL HOLGUIN,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS,
PURSUANT TO SECTIONS 15(b) AND 21C
OF THE SECURITIES EXCHANGE ACT
OF 1934 AND SECTIONS 9(b) OF THE
INVESTMENT COMPANY ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS AND A CEASE-
AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”), against Miguel Holguin (“Respondent” or “Holguin”).

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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

Summary

From at least May 2018 to October 2018 (the "relevant period"), Holguin acted as an unregistered broker in violation of Section 15(a) of the Exchange Act. On numerous occasions during the relevant period, Holguin, personally and through his company C-Con LLC ("C-Con"), attempted to effectuate transactions in securities including Treasury STRIPS² and medium term notes ("MTNs"). For example, Holguin solicited and received investor money in May 2018 for a purported \$500 million investment in Treasury STRIPS. In another instance, in September 2018, Holguin solicited investors to purchase MTNs purportedly valued at approximately \$10.5 billion. Holguin is not, and has never been, registered with the Commission. Through his conduct, Holguin willfully³ violated Section 15(a) of the Exchange Act.

Respondent

1. **Holguin**, age 39, is a resident of Jersey City, New Jersey. Holguin conducted business individually and as the operator of C-Con. Holguin is not, and has never been, registered with the Commission.

Other Relevant Entity

2. **C-Con** was formed in Delaware as a limited liability company in 2013. Holguin is the founder of C-Con and is, and has always been, its sole operator and employee. Since 2015, C-

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

² Treasury STRIPS are U.S. bonds that are sold at a discount to face value and mature at par, but otherwise do not pay interest. "STRIPS" is an acronym for "Separate Trading of Registered Interest and Principal of Securities."

³ "Willfully," for purposes of imposing relief under Section 15(b) of the Exchange Act and Section 9(b) of the Investment Company Act, "means no more than that the person charged with the duty knows what he is doing." *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965). The decision in *The Robare Group, Ltd. v. SEC*, which construed the term "willfully" for purposes of a differently structured statutory provision, does not alter that standard. 922 F.3d 468, 478-79 (D.C. Cir. 2019) (setting forth the showing required to establish that a person has "willfully omit[ted]" material information from a required disclosure in violation of Section 207 of the Advisers Act).

Con, also operating under the name “Creative Connections,” has been involved in brokering securities transactions. C-Con is not, and has never been, registered with the Commission.

Background

3. Holguin acted as an unregistered broker during the relevant period by attempting to sell multiple securities of multiple issuers to multiple potential investors.

4. Holguin actively and regularly solicited investors through communications with the investors and their representatives.

5. Holguin expected to receive transaction-based compensation in connection with each such transaction.

6. For example, in May 2018, an associate of Holguin’s (“Associate 1”) represented to Holguin that he had access to \$500 million of T-STRIPS and sought Holguin’s assistance in finding investors for the T-STRIPS. Holguin and Associate 1 agreed that they would receive as compensation for the transaction 0.5% of \$500 million, split equally between them.

7. Holguin then began discussions in May and June 2018 with a representative of an investor who sought to purchase the T-STRIPS.

8. In June 2018, the investor sent \$40,000 to C-Con in connection with the transaction. Holguin then transferred the \$40,000 to Associate 1 in order to fund the transaction. Associate 1 ultimately misappropriated those funds.

9. Further, in July 2018, Holguin solicited a representative of a potential investor to purchase a \$10 million tranche of an MTN, and advised the potential buyer to initiate the transaction by transmitting \$40,000 to C-Con. Holguin expected to receive a percentage of the transaction amount as compensation for brokering the sale.

10. In August 2018, Holguin solicited a different representative of a potential investor to purchase MTNs. In connection with the solicitation, Holguin sent the investor’s representative a “purchase order” for the purchase of an issuance of MTNs valued at over \$2.8 billion. The purchase order identified C-Con as the seller. Holguin expected to receive a percentage of the transaction amount as compensation for brokering the sale.

11. In September 2018, Holguin solicited a different representative of a potential investor to purchase MTNs. Holguin sent the representative a purchase order for the purchase of five issuances of MTNs valued at approximately \$10.5 billion. The purchase order identified C-Con as the seller. Holguin expected to receive a percentage of the transaction amount as compensation for brokering the sale.

12. In October 2018, Holguin solicited a different representative of a potential investor who sought to purchase \$500 million in T-STRIPS. Holguin expected to receive a percentage of the transaction amount as compensation for brokering the sale.

13. Holguin is not, and never has been, registered with the Commission, and is not, and never has been, associated with a registered broker or dealer.

14. As a result of the conduct described above, Holguin willfully violated Section 15(a) of the Exchange Act, which requires that persons who act as a broker or dealer to register with the Commission.

IV.

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

Accordingly, pursuant to Sections 15(b) and 21C of the Exchange Act and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Respondent Holguin cease and desist from committing or causing any violations and any future violations Section 15(a) of the Exchange Act

B. Respondent Holguin 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 with the right to apply for reentry after 18 months to the appropriate self-regulatory organization, or if there is none, to the Commission;

prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter with the right to apply for association after 18 months to the appropriate self-regulatory organization, or if there is none, to the Commission; and

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 with the right to apply for reentry after 18 months to the appropriate self-regulatory organization, or if there is none, to the Commission.

Any reapplication for association by the Respondent 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, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered

against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman
Secretary