

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE**  
**COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 6078 / August 1, 2022**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20941**

**In the Matter of**  
  
**DONALD S. LAGUARDIA, JR.,**  
  
**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE**  
**PROCEEDINGS PURSUANT TO**  
**SECTION 203(f) OF THE**  
**INVESTMENT ADVISERS ACT**  
**OF 1940 AND NOTICE OF**  
**HEARING**

**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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Donald S. LaGuardia, Jr. (“LaGuardia” or “Respondent”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A.     RESPONDENT**

1.     LaGuardia, age 55, along with two others, founded L-R Managers, LLC (“L-R Managers”), an investment adviser not registered with the Commission. L-R Managers was the investment adviser to, among other funds, the LR Global Frontier Funds (“Frontier Funds”). The Frontier Funds were formed with the stated focus of investing in “frontier” markets. During the

relevant period, LaGuardia was one of two managing principals of L-R Managers and was a portfolio manager of the Frontier Funds.

## B. RESPONDENT'S CRIMINAL CONVICTION

2. On November 12, 2020, LaGuardia was found guilty of one count of securities fraud [15 U.S.C. §§ 78j(b) & 78ff; 17 C.F.R. § 240.10b-5; 18 U.S.C. § 2]; one count of investment adviser fraud [15 U.S.C. §§ 809b-6 & 80b-17; 18 U.S.C. § 2], and one count of wire fraud [18 U.S.C. §§ 1343 & 1342]. *U.S. v. LaGuardia*, 19-cr.-00893 (S.D.N.Y.). On July 20, 2021, a judgment was entered against LaGuardia. He was sentenced to five years in prison, ordered to pay \$4,039,872.46 in restitution to defrauded investors, and \$2,571,500 as forfeiture.

3. The counts of the criminal indictment pursuant to which LaGuardia was convicted alleged, *inter alia*, that from at least 2013-2017, LaGuardia, a managing principal of L-R Managers, the investment adviser to the Frontier Funds, engaged in a scheme to defraud investors in the Frontier Funds. Specifically, the indictment alleged that LaGuardia solicited investments in the Frontier Funds through material misrepresentations and omissions to investors and potential investors in the Frontier Funds. The indictment further alleged that, contrary to representations made in the Frontier Funds' Private Placement Memoranda and in breach of duties owed to investors in the Funds, LaGuardia misappropriated a substantial portion of investor funds and Frontier Fund assets. As such, the indictment alleged, *inter alia*, that LaGuardia, in connection with the purchase and sale of securities, employed manipulative and deceptive devices and contrivances by (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in light of the circumstances which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon persons.

## III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act; and

#### IV.

IT IS ORDERED that a public hearing before the Commission for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed by further order of the Commission, pursuant to Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.220(b).

IT IS FURTHER ORDERED that the Division of Enforcement and Respondent shall conduct a prehearing conference pursuant to Rule 221 of the Commission's Rules of Practice, 17 C.F.R. § 201.221, within fourteen (14) days of service of the Answer. The parties may meet in person or participate by telephone or other remote means; following the conference, they shall file a statement with the Office of the Secretary advising the Commission of any agreements reached at said conference. If a prehearing conference was not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer.

If Respondent fails to file the directed Answer, or fails to appear at a hearing or conference after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against her upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310.

This Order shall be served forthwith upon Respondent by any means permitted by the Commission's Rules of Practice.

Attention is called to Rule 151(b) and (c) of the Commission's Rules of Practice, 17 C.F.R. § 201.151(b) and (c), providing that when, as here, a proceeding is set before the Commission, all papers (including those listed in the following paragraph) shall be filed with the Office of the Secretary and all motions, objections, or applications will be decided by the Commission. The Commission requests that an electronic courtesy copy of each filing should be emailed to *APFilings@sec.gov* in PDF text-searchable format. Any exhibits should be sent as separate attachments, not a combined PDF.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to filing with or disposition by a hearing officer, all filings, including those under Rules 210, 221, 222, 230, 231, 232, 233, and 250 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.210, 221, 222, 230, 231, 232, 233, and 250, shall be directed to and, as

appropriate, decided by the Commission. This proceeding shall be deemed to be one under the 75-day timeframe specified in Rule of Practice 360(a)(2)(i), 17 C.F.R. § 201.360(a)(2)(i), for the purposes of applying Rules of Practice 233 and 250, 17 C.F.R. §§ 201.233 and 250.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that the Commission shall issue a decision on the basis of the record in this proceeding, which shall consist of the items listed at Rule 350(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.350(a), and any other document or item filed with the Office of the Secretary and accepted into the record by the Commission. The provisions of Rule 351 of the Commission's Rules of Practice, 17 C.F.R. § 201.351, relating to preparation and certification of a record index by the Office of the Secretary or the hearing officer are not applicable to this proceeding.

The Commission will issue a final order resolving the proceeding after one of the following: (A) The completion of post-hearing briefing in a proceeding where the public hearing has been completed; (B) The completion of briefing on a motion for a ruling on the pleadings or a motion for summary disposition pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250, where the Commission has determined that no public hearing is necessary; or (C) The determination that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155, and no public hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

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

Vanessa A. Countryman  
Secretary