

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
January 5, 2005

ADMINISTRATIVE PROCEEDING
File No. 3-11787

In the Matter of

MARK D. MONTANA,

Respondent.

**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,
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 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 Mark D. Montana (“Respondent” or “Montana”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From August 1999 through August 2004, Respondent, who currently holds Series 7 and Series 63 securities licenses, controlled M & M Financial, Inc. a Delaware corporation, with its principal place of business located in Lake Jackson, Texas. In addition during that time period, Respondent was a registered representative and an associated person with Crown Capital Securities, Ltd. (“Crown Capital”), a Commission-registered broker-dealer and investment adviser that had branches in Houston, Texas. Respondent, age 38, is a resident of Lake Jackson, Texas.

B. ENTRY OF THE INJUNCTION

2. On December 2, 2004, a final judgment by default was entered against Montana, individually and doing business as M & M Properties; and M & M Financial (collectively “Defendants”) permanently enjoining each 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, in the civil action captioned *Securities and Exchange Commission v. Mark D. Montana, et al.*, Civil Action Number G-04-542 (USDC/SDTX- Galveston Division).

3. The Commission’s *Complaint* alleged that beginning in 1999, Montana convinced approximately 300 persons to invest their funds with M & M Financial and defrauded those investors in the following manner: 1) Montana falsely promised investors that M & M Financial would purchase at a discount, with the investors’ pooled funds, large blocks of securities that he would select using his purported vast securities industry expertise; 2) Montana promised investors, without a reasonable basis, an annual return of up to 15 percent; 3) Montana falsely assured the investors that their funds would remain safe, claiming that their moneys were SIPC insured; 4) on a monthly or quarterly basis, as evidence of the purported success and safety of the investments, Montana prepared and mailed to the investors “account statements” purportedly reflecting the composition and value of their investments, and furnished some investors automatic principal withdrawals.

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 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 15(b) of the Exchange Act;

C. 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 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, and before an Administrative Law Judge to be designated by further order as provided by 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 of the Commission’s Rules of Practice [17 C.F.R. § 201.220].

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against

him 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), 221(f) and 201.310].

This *Order* shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this *Order*, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice [17 C.F.R. § 201.360(a)(2)].

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.

Jonathan G. Katz
Secretary