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") against David Lee ("Lee" 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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.3 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanction ("Order"), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:
1. Lee, age 36, resides in New Jersey. From 2000 to 2007, Lee was a natural gas options trader employed by BMO Capital Markets Corp. (“BMO Capital”), a wholly-owned subsidiary of Bank of Montreal (“BMO”) and a broker-dealer registered with the Commission. Lee was forced to resign on May 15, 2007.

2. On November 18, 2008, the Commission filed a complaint against Lee and others in the United States District Court for the Southern District of New York alleging that they violated and/or aided and abetted violations of the antifraud, corporate reporting, recordkeeping and internal controls provisions of the federal securities laws, SEC v. Lee, et al., 08-civ-9961. The Commission’s complaint alleges, among other things, that during the course of Lee’s employment with BMO, he knowingly engaged in a scheme to overvalue BMO’s portfolio of natural gas options by mismarking his trading positions and colluding with others to have an independent commodities brokerage firm falsely validate those inflated values.

3. On November 20, 2008, the court entered a partial final consent judgment against Lee which, inter alia, permanently enjoined him from violating Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5 and 13b2-1, and from aiding and abetting violations of Sections 13(a) and 13(b)(2) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-16.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Lee be, and hereby is barred from association with any broker or dealer.

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, 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.

Florence E. Harmon
Acting Secretary