

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

**INVESTMENT ADVISERS ACT OF 1940  
Release No. 3130 / December 29, 2010**

**ADMINISTRATIVE PROCEEDING  
File No. 3-14173**

**In the Matter of**

**ENRIQUE F. VILLALBA,**

**Respondent.**

**ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO 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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Enrique F. Villalba (“Villalba” 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.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to 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. Villalba, age 47, resides in Cuyahoga Falls, Ohio. Villalba was the sole controller and principal of Money Market Alternative, L.P. ("MMA"), from 1996 until September 2009 when MMA's operations ceased. Villalba has never been registered as an investment adviser.

2. On December 15, 2010, a judgment was entered by consent against Villalba, permanently enjoining him from future violations of Section 10(b) of the Securities Exchange Act of 1934 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. Enrique F. Villalba, Civil Action Number 5:10-CV-00649, in the United States District Court for the Northern District of Ohio.

3. The Commission's complaint alleged that Villalba, through his former investment advisory business, MMA, attracted over \$39 million in client funds and misused and misappropriated a portion of these funds. The complaint further alleged that Villalba falsely stated to investors that his investment strategy was conservative, relatively risk free, and would preserve his clients' principal capital while still earning them returns of 8% to 12% annually. The complaint also alleged that Villalba prepared and provided his clients false quarterly account statements, which always showed his clients' accounts had increased in value. In reality, Villalba suffered catastrophic losses and otherwise engaged in a variety of conduct which operated as a fraud and deceit on his clients.

4. On April 7, 2010, Villalba pled guilty to one count of wire fraud in violation of Title 18 United States Code, Section 1343 before the United States District Court for the Northern District of Ohio, in United States v. Enrique F. Villalba, Case No. 1:10-cr-00133-JG. On September 8, 2010, a judgment in the criminal case was entered against Villalba. He was sentenced to a prison term of 105 months followed by three years of supervised release and ordered to make restitution in the amount of \$30,445,441.91.

5. The count of the criminal information to which Villalba pled guilty alleged, inter alia, that Villalba defrauded investors and obtained money and property by means of materially false and fraudulent pretenses, representations and promises, and that he used interstate wire communications to execute his scheme to defraud, including accepting numerous wire transfers from investors into bank accounts he created for MMA and sending e-mail communications to investors.

### **IV.**

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Villalba be, and hereby is barred from association with any investment adviser;

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.

Elizabeth M. Murphy  
Secretary

### Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions ("Order"), on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray  
Chief Administrative Law Judge  
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