

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9315 / April 20, 2012

SECURITIES EXCHANGE ACT OF 1934
Release No. 66837 / April 20, 2012

INVESTMENT ADVISERS ACT OF 1940
Release No. 3399 / April 20, 2012

INVESTMENT COMPANY ACT OF 1940
Release No. 30040 / April 20, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14854

In the Matter of

**GMB Capital Management
LLC (currently known as
“Clearstream Investments
LLC”), GMB Capital
Partners LLC, Gabriel
Bitran and Marco Bitran,**

Respondents.

**ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-
AND-DESIST PROCEEDINGS
PURSUANT TO SECTION 8A OF THE
SECURITIES ACT OF 1933, SECTION
21C OF THE SECURITIES
EXCHANGE ACT OF 1934, SECTION
9(b) OF THE INVESTMENT
COMPANY ACT OF 1940, AND
SECTIONS 203(e), 203(f) and 203(k) OF
THE INVESTMENT ADVISERS ACT
OF 1940, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS
AND 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 Section 8A of the Securities Act of 1933 (“Securities Act”), Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”) and Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”) against GMB Capital Management LLC, GMB Capital Partners LLC (collectively “GMB”), Gabriel Bitran and Marco Bitran (collectively with GMB “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”) 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 them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act, Section 21C of the Exchange Act, Sections 203(e), 203(f) and 203(k) of the Advisers Act, and Section 9(b) of the Investment Company Act, 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 Respondents’ Offers, the Commission finds¹ that:

A. SUMMARY

1. Gabriel Bitran (“Gabriel”) founded GMB Capital Management LLC (“GMB Management”) in 2005 for the stated purpose of managing hedge funds using quantitative models he developed, based on his academic optimal pricing research, to trade primarily Exchange Traded Funds (“ETFs”). Gabriel and Marco Bitran (“Marco” or collectively “the Individual Respondents”) solicited potential investors with three primary selling points: (1) very successful performance track records purportedly based on actual trades using real money from 1998 to the inception of the hedge funds; (2) the firm’s use of Gabriel’s proprietary optimal pricing model to trade ETFs; and (3) Gabriel’s pedigree and his involvement as the founder and portfolio manager of the hedge funds. Over a period of three years, in connection with raising over \$500 million for eight hedge funds and various managed accounts, Respondents made misrepresentations to investors about each of these points, and at times all three.

2. First, Respondents told potential investors that the pre-inception performance track records since 1998 were based on actual trades using real money when they knew the track record was based on back-tested hypothetical simulations.

3. Second, Respondents solicited investors to two funds invested almost entirely in other hedge funds (“funds of hedge funds”) by promising that GMB would use Gabriel’s optimal pricing models to trade liquid securities such as ETFs. Contrary to their promises, the funds of hedge funds were invested almost entirely in illiquid investments in other hedge funds and did not use Gabriel’s optimal pricing models.

¹ The findings herein are made pursuant to Respondents’ Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

4. Third, in May 2008, the Individual Respondents divided GMB's business. Going forward, Marco advised the hedge funds under a new entity, GMB Capital Partners LLC ("GMB Partners"), and Gabriel managed the other clients through GMB Management. Although Gabriel had no involvement in the GMB Partners' hedge funds, GMB Partners and the Individual Respondents continued to tell potential investors that they were managed by Gabriel.

5. In connection with an examination of GMB Management by the Commission's Boston Regional Office examination staff, GMB Management and the Individual Respondents provided a document that the Individual Respondents said was a contemporaneous record of Gabriel's trades since 1998. They provided this document in response to the exam staff's request for books and records that supported GMB Management's claims in its marketing material of a successful track record since 1998. In fact, the document was not true or accurate and was created solely for the purpose of responding to the staff's books and records request.

B. RESPONDENTS

6. **GMB Management** was a registered investment adviser based in Boston, Massachusetts. GMB Management was founded in November 2005 for the purpose of managing hedge funds and was registered with the Commission from August 2007 to November 22, 2011. Beginning in May 2008, GMB Management advised the non-hedge fund accounts. In January 2011, the firm changed its name to Clearstream Investments LLC.

7. **GMB Partners** is an unregistered investment adviser based in Boston, Massachusetts. GMB Partners was founded in May 2008 for the purpose of managing the GMB hedge funds previously managed by GMB Management. GMB Partners has closed each of its hedge funds and is in the process of liquidating certain hedge funds.

8. **Gabriel R. Bitran**, age 66, resides in Newton, Massachusetts. Gabriel founded GMB Management in 2005 and owned it jointly with his son, Marco, from approximately June 2006 to May 2008. Since May 2008, Gabriel has been the controlling owner of GMB Management.

9. **Marco Bitran**, age 36, resides in Boston, Massachusetts. From approximately June 2006 to May 2008, Marco jointly owned GMB Management with his father, Gabriel. Marco founded GMB Partners in May 2008 and is its sole owner.

C. FACTS

10. In June 2006, Marco joined his father as a managing member of GMB Management. Initially, GMB Management managed the Global Alpha hedge funds ("Global Alpha Funds"). The declared purpose of the Global Alpha Funds was to use Gabriel's quantitative optimal pricing models to invest in ETFs and other liquid securities.

The Global Alpha Funds included GMB Capital I, LP, GMB Global Opportunities, LP, GMB Global Alpha, LP and GMB Global Alpha Flex-X, LP. In addition, GMB entered into a sub-advisory agreement with a registered investment adviser pursuant to which the adviser hired GMB to use the Global Alpha strategy to manage assets.

**Misrepresentations to Investors in the
GMB Global Alpha Funds Regarding Historic Performance**

11. In order to market the Global Alpha Funds, GMB Management and the Individual Respondents created performance track records showing an average annual return of over twenty percent without a single calendar year of investment losses since 1998. GMB Management and the Individual Respondents told potential investors and third party marketers that the Global Alpha pre-inception track records were based on actual trades using real money. GMB Management’s marketing materials described these pre-inception returns as “actual performance” in “managed accounts.” (Emphasis in original.) As GMB Management’s sole owners, the Individual Respondents had ultimate authority over the content of these documents and distributed the marketing materials to potential investors and third party marketers.

12. Contrary to these representations, the Global Alpha pre-inception track records were not based on actual trades but were back-tested hypothetical simulations. GMB Management and the Individual Respondents knew that their representations regarding the pre-inception performance were false. The misrepresentations made by GMB Management and the Individual Respondents regarding the pre-inception performance of the Global Alpha Funds were material to the potential investors and third party marketers.

**Misrepresentations to Investors
in GMB Global Multi-Strategy LP
Regarding the Fund’s Strategy and Investments**

13. In addition to the Global Alpha Funds, GMB also managed funds of hedge funds, including the GMB Global Multi-Strategy, L.P. (the “Multi-Strategy Fund”). The Multi-Strategy Fund was invested almost entirely in up to 36 other hedge funds, including several funds of hedge funds. The Respondents did not use Gabriel’s quantitative optimal pricing models to select the underlying hedge fund investments in the Multi-Strategy Fund. Yet, Respondents told potential investors and third party marketers that the Multi-Strategy Fund used Gabriel’s quantitative optimal pricing models to invest in (1) the same ETFs traded in the Global Alpha Funds, and (2) other asset classes, including commodities, interest rates, volatility and foreign exchange. While the private placement memorandum permitted the Multi-Strategy Fund to invest in a wide variety of instruments, including limited partnerships, the Respondents did not tell investors and third party marketers that the fund invested almost exclusively in other hedge funds. Instead, Respondents told investors and third party marketers that the fund invested in liquid securities, primarily ETFs. At times, the Individual Respondents provided potential investors with very specific examples of the types of liquid securities the Multi-Strategy Fund purportedly invested in,

including “equities” (e.g., long “Brazil”); “futures” (e.g., short “soybeans”); “ForEx” (e.g., long “JPY”); “interest rates” (“Long Short Rates/Short Long Rates”) and “Volatility” (“Long 30 day Vol”).

14. When Respondents did tell investors that the Multi-Strategy Fund invested in other hedge funds, they misrepresented both how—and how much—it invested in such funds. For example, GMB and the Individual Respondents told certain investors that the Multi-Strategy Fund invested fifty to sixty percent of its assets in GMB Global Alpha, LP and some less liquid country ETFs (such as Spain and Holland) and the remaining forty percent in external hedge funds. At the time, contrary to the Individual Respondents’ allocation claims, approximately 1.6% of the Multi-Strategy Fund was invested in GMB Global Alpha, LP and the remainder was invested in approximately 20 external hedge funds (several of which were funds of hedge funds). In follow up communications, the Individual Respondents told these investors that the Multi-Strategy Fund used Gabriel’s optimal pricing models to allocate to seven hedge funds: two volatility managers, two interest rate managers, two commodity managers, and one foreign exchange manager. The Individual Respondents never mentioned investments by the Multi-Strategy Fund in any other hedge funds. Contrary to the Respondents’ allocation claims, at the time, the Multi-Strategy Fund was invested in approximately 29 external hedge funds (many of which were funds of hedge funds) and had no investments in GMB Global Alpha, LP.

15. Respondents’ misrepresentations regarding the Multi-Strategy Fund’s strategy, investments and allocations were material to potential investors. The Respondents knew that their material misrepresentations were false.

Misrepresentations Regarding the Multi-Strategy Fund’s Historic Performance

16. In order to market the Multi-Strategy Fund, GMB Management and the Individual Respondents created a performance track record from January 1998 to August 2006 showing a 16.2% annualized return without any down years. GMB, the Individual Respondents and others on their behalf distributed this track record to potential investors in marketing material and performance reports. During meetings with potential investors, the Individual Respondents stated that the track record since 1998 was based on actual trading with real money using Gabriel’s optimal pricing models. In fact, the track record was based on hypothetical historical allocations to six hedge fund managers. The Individual Respondents knew that their representations regarding the Multi-Strategy Fund’s pre-inception performance were false. Respondents’ misrepresentations regarding the Multi-Strategy Fund’s pre-inception performance were material to potential investors.

17. In or about March 2008, HedgeFund.net printed an interview with Marco regarding Gabriel and the Multi-Strategy Fund. In the interview, Marco falsely stated that they had achieved “compounded returns in managed accounts of approximately 20% per year without any down years,” since 1998. Marco also repeated the same misrepresentations regarding the Multi-Strategy Fund’s use of Gabriel’s optimal pricing models to trade equities, commodities, interest rates, foreign exchange and volatility. He

did not mention that the fund was almost entirely invested in other hedge funds. GMB and the Individual Respondents distributed the article to investors and potential investors.

The Division Between GMB Capital Management and GMB Capital Partners

18. In May 2008, Marco created GMB Partners for the purpose of advising the GMB hedge funds. GMB Management continued to advise the managed accounts. Gabriel had no ownership interest in GMB Partners and, from June 2008 forward, had no involvement in the management of the Multi-Strategy Fund or another fund of hedge funds managed by GMB partners, GMB Low Volatility Fund, LP (the “Low Volatility Fund”). Despite this change, GMB Partners and the Individual Respondents continued to tell investors and potential investors that Gabriel managed the Multi-Strategy and Low Volatility Funds. Gabriel continued to meet with potential investors in the Multi-Strategy and Low Volatility Funds and was introduced as a manager of the funds who was involved in the investment process on a daily basis. The Multi-Strategy and Low Volatility Funds’ marketing materials, Private Placement Memoranda and Due Diligence Questionnaires distributed to potential investors after May 2008 by GMB Partners, the Individual Respondents and others on their behalf all falsely stated that Gabriel was the manager and/or Chief Investment Officer of the funds. GMB Partners and the Individual Respondents knew that their misrepresentations regarding Gabriel’s involvement in the Low Volatility and Multi-Strategy Funds were false. These misrepresentations were material to potential investors.

Misrepresentations to Investors in the Low Volatility Fund Regarding its Strategy, Investments and Historical Performance

19. When soliciting investments in the Low Volatility Fund, GMB Partners and the Individual Respondents made misrepresentations to potential investors regarding the fund’s strategy, its pre-inception performance and Gabriel’s role with the fund.

20. For example, during a meeting with an investment adviser, the Individual Respondents stated that the fund used Gabriel’s optimal pricing models to invest in equities, interest rates, volatility, currencies and commodities. While the private placement memorandum permitted the Low Volatility Fund to invest in a wide variety of instruments, including limited partnerships, the Individual Respondents told the adviser that the fund invested in ETFs and index funds and gave specific examples of how the fund invested in emerging markets, interest rates, and currencies. The Individual Respondents did not tell the adviser that the Low Volatility Fund invested in other hedge funds. At the time, the Low Volatility Fund was invested almost entirely in 15 external hedge funds, including several funds of hedge funds.

21. The Individual Respondents also reviewed with the adviser a monthly pre-inception track record for the Low Volatility Fund since 1998, showing 11.7% annualized returns with no down years. Respondents created this track record using hypothetical allocations to a few external low volatility hedge funds. But the Individual Respondents

told the adviser that the track record was based on actual trades with real money using Gabriel's optimal pricing models. Specifically, they claimed the track record was based on trades in the Multi-Strategy Fund and, prior to the inception of the Multi-Strategy Fund, trades in accounts Gabriel managed.

22. At the time of the meetings with this adviser, Gabriel had no role in the management of the Low Volatility Fund or the Multi-Strategy Fund. However, the Individual Respondents represented that Gabriel spent 80% of his time managing the funds and was involved in reviewing trades in the funds on a daily basis. GMB Partners and Individual Respondents knew their representations regarding the Low Volatility Fund were false. The misrepresentations were material to investors in the fund.

Misrepresentations to Investors in Dynamic Alpha and Persistent Alpha Regarding Historic Performance

23. In approximately June 2008, Respondents developed two new versions of the Global Alpha strategy: the low volatility Persistent Alpha and the higher volatility Dynamic Alpha strategies. GMB Partners advised the GMB Dynamic Alpha Fund, LP (the "Dynamic Alpha Fund"), and the GMB Persistent Alpha Fund, LP (the "Persistent Alpha Fund"). GMB Management advised the managed accounts that used these two strategies. To market the strategies, the Respondents created performance track records from 1998 to June 2008 based on back-tested hypothetical simulations. GMB and the Individual Respondents distributed the monthly track records to potential investors in both the managed accounts and hedge funds. The Individual Respondents told investors that the pre-inception performance was based on actual trades using real money.

24. GMB hired a professional marketer of hedge funds to be the exclusive marketer ("Exclusive Marketer") of the two strategies in both the hedge fund and managed account formats. The Individual Respondents told the Exclusive Marketer that the Persistent Alpha and Dynamic Alpha pre-inception track records were based on actual trades using real money. Marco and the Exclusive Marketer distributed to potential investors the marketing material showing the Dynamic Alpha and Persistent Alpha track records. When potential investors asked how the track records were created, Marco and the Exclusive Marketer explained that they were based on actual trades using real money.

25. The Respondents' representations regarding the Dynamic Alpha and Persistent Alpha pre-inception track records were material to investors. The Respondents knew that these representations were false.

Dissolution of the Low Volatility and Multi-Strategy Funds

26. At the end of 2008, the Low Volatility and Multi-Strategy Funds experienced a series of losses, and GMB dissolved the funds.

27. First, when possible financial fraud at the Petters Group Worldwide ("Petters Group") was reported in late September 2008, the Low Volatility and Multi-

Strategy Funds' investments in a fund that was entirely invested in the Petters Group became illiquid. GMB did not disclose to investors that it had been impacted by the reported fraud at the Petters Group. Instead, at the end of October, GMB sent a letter to investors stating that "a swap instrument that the Fund entered into seeking to realize a higher return on a portion of its uninvested cash" had become illiquid because "one of the parties underlying the swap instrument is currently experiencing a credit and liquidity crisis, in conjunction with other alleged factors."

28. Second, between October 9 and 16, 2008, GMB invested a large portion of the Low Volatility Fund in S&P index options and lost 56% of the fund's assets on that trade. On November 10, GMB announced that it would dissolve the Low Volatility Fund as a result of the trading losses and large number of pending redemptions.

29. Third, in November and December 2008, a large number of the Multi-Strategy Fund's underlying hedge fund investments suspended withdrawals. As a result, on December 4, GMB sent a letter to Multi-Strategy investors "suspending withdrawals" from the fund.

30. Finally, the Low Volatility and Multi-Strategy Funds suffered significant losses in hedge funds that had invested with Bernard L. Madoff Investment Securities LLC. By March 2009, the Multi-Strategy Fund had over 50% of its total capital pending redemption. In June 2009, GMB Partners notified investors that it would dissolve the Multi-Strategy Fund. GMB Partners continues to liquidate the underlying hedge fund investments in the Multi-Strategy Fund and return capital to its investors.

Investment in a Basket of Hedge Funds Leads to Significant Losses in the Global Alpha Flex-X Fund

31. Beginning in 2006, the Respondents designed and marketed Global Alpha Flex-X L.P. (the "Flex-X Fund") to be a leveraged version of GMB Global Alpha, LP, using Gabriel's optimal pricing model to trade ETFs and other liquid securities. Respondents included this description in marketing material, performance reports and Private Placement Memoranda.

32. GMB Management and the Individual Respondents followed this investment mandate through 2007. Starting in February 2008, GMB Management started investing a substantial portion of the Flex-X Fund in another GMB hedge fund, GMB Global Enhanced L.P. (the "Enhanced Fund"). Like the Multi-Strategy Fund, the Enhanced Fund was invested in a basket of other hedge funds and did not use Gabriel's optimal pricing models to make investment decisions. By April 2008, GMB Management had invested approximately 50% of the Flex-X Fund's assets into the Enhanced Fund.

33. In July 2008, GMB Partners distributed to all the Flex-X investors a new Private Placement Memorandum that described the Flex-X Fund as a leveraged version of GMB Global Alpha, LP, using Gabriel's optimal pricing models.

34. In March through October 2008, GMB distributed monthly Performance Reports to all Flex-X investors which falsely described the fund as a leveraged version of GMB Global Alpha, LP, trading primarily ETFs. The Individual Respondents had ultimate authority over the content of these documents.

35. By July 2008, GMB had invested over 50% of the Flex-X Fund's assets in the Enhanced Fund and the remainder in GMB Dynamic Alpha Fund, LP (the new version of GMB Global Alpha, LP). The Respondents never disclosed this material change in strategy to investors. The Respondents' representations regarding the Flex-X Fund's strategy were material. The Respondents knew these representations were false.

36. During September through November 2008, the Enhanced Fund's basket of hedge funds lost significant value in this period, and as a result, the Flex-X Fund experienced substantial losses.

False Records Provided to the Exam Staff

37. During an unannounced examination of GMB Management by the Commission's examination staff, the staff requested support for GMB's various purported pre-inception track records since 1998. In response, GMB Management provided what it described as "trading logs for the Global Alpha and Multi-Strategy trading strategies," purporting to show ETF trades and positions from 1998 to 2005. Respondents stated that the trading logs were not "back-tested," but were "in fact a record reflecting the trading performance of the GMB trading strategies in personal accounts over time. Gabriel in fact traded these strategies going back well before 1998. The trades were recorded in real-time." These statements were false.

38. During the examination, the staff also requested all GMB Management client correspondence, including emails, sent during a specific time period. In response, GMB Management told the staff that Gabriel did not have any such emails for that time period. When the staff pressed GMB on this issue, GMB Management provided an email from Gabriel's GMB Management email address stating, "during the examination period I (Gabriel Bitran) did not use email as his primary method of communication. I do not recall sending any emails and no such emails were found during this period." In response to the enforcement staff's subpoenas, however, GMB Management produced emails sent from and to Gabriel during that specific time period that are relevant to GMB Management client correspondence.

D. VIOLATIONS

39. As a result of the conduct described above, the Respondents willfully violated Section 17(a)(2) of the Securities Act, which prohibits fraudulent conduct in the offer or sale of securities.

40. As a result of the conduct described above, the Respondents willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

41. As a result of the conduct described above, GMB Management, Gabriel Bitran and Marco Bitran willfully violated Sections 206(1) and 206(2) of the Advisers Act by employing devices, schemes or artifices to defraud clients, and engaging in transactions, practices or courses of business that defrauded clients, including managed accounts.

42. As a result of the conduct described above, GMB Management, GMB Partners, Gabriel Bitran and Marco Bitran willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, which prohibit fraudulent conduct by advisers to “pooled investment vehicles” and specifically prohibit misleading statements to investors or prospective investors in those pools.

43. As a result of the conduct described above, Gabriel Bitran willfully aided and abetted and caused GMB Management’s and/or GMB Partners’ violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1), 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder.

44. As a result of the conduct described above, Marco Bitran willfully aided and abetted and caused GMB Management’s and/or GMB Partners’ violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1), 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder.

45. As a result of the conduct described above, GMB Management willfully violated Section 204(a) of the Advisers Act which provides that registered investment advisers “shall make and keep for prescribed periods such records . . . as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. All records . . . of such investment advisers are subject at any time” to examination by SEC staff.

46. As a result of the conduct described above, GMB Management willfully violated Rule 204-2(a)(16) of the Advisers Act, which requires every investment adviser registered with the Commission to make and keep true, accurate and current records sufficient to form the basis of the performance shown in marketing material distributed to ten or more persons.

47. As a result of the conduct described above, Gabriel Bitran and Marco Bitran willfully aided and abetted and caused GMB Management’s violations of Section 204(a) of the Advisers Act and Rule 204-2(a)(16) thereunder.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondents’ Offers.

Accordingly, pursuant to Section 8A of the Securities Act, Section 21C of the Exchange Act, Section 9(b) of the Investment Company Act and Sections 203(e), 203(f) and 203(k) of the Advisers Act, it is hereby ORDERED that:

A. Respondents Gabriel Bitran, Marco Bitran, and GMB Management cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 204, 206(1), 206(2) and 206(4) of the Advisers Act and Rules 204-2(a)(16) and 206(4)-8 thereunder.

B. Respondent GMB Partners cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder.

C. Beginning 60 days from entry of this Order, Respondent Marco Bitran 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; and

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.

D. Respondent Gabriel Bitran 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; and

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.

E. Respondent GMB Management is censured.

F. Respondent GMB Partners is censured and prohibited from receiving any management or other fees during the 60 days after the entry of this Order.

G. Any reapplication for association by Marco Bitran and Gabriel Bitran 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 Respondents, 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.

H. Respondents shall be jointly and severally liable for disgorgement of \$4,300,000. This sum shall be paid to the Securities and Exchange Commission in the following installments: \$3,500,000 on or before July 31, 2012 and \$800,000 on or before October 31, 2012. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of disgorgement plus any additional interest accrued pursuant to SEC Rule of Practice 600 shall be due and payable immediately, without further application. Payment shall be: (A) made by wire transfer, United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Securities and Exchange Commission, Office of Financial Management, 100 F St., NE, Stop 6042, Washington, DC 20549; and (D) submitted under cover letter that identifies Marco Bitran, Gabriel Bitran, GMB Management and GMB Partners as Respondents in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to John T. Dugan, Associate Regional Director, Division of Enforcement, Securities and Exchange Commission, Boston Regional Office, 33 Arch Street, 23rd Floor, Boston, Massachusetts 02110.

I. Respondent Marco Bitran shall pay a civil money penalty in the amount of \$250,000 to the Securities and Exchange Commission. This sum shall be paid to the Securities and Exchange Commission in the following installments: \$150,000 within ten days of entry of this Order and the remainder on or before October 31, 2012. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of civil penalties plus any additional interest accrued pursuant to 31 U.S.C. 3717, shall be due and payable immediately, without further application. Such payment shall be: (A) made by wire transfer, United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Securities and Exchange Commission, Office of Financial Management, 100 F St., NE, Stop 6042, Washington, DC 20549; and (D) submitted under cover letter that identifies Marco Bitran as a Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to John T. Dugan, Associate Regional Director, Division of Enforcement, Securities and Exchange Commission, Boston Regional Office, 33 Arch Street, 23rd Floor, Boston, Massachusetts 02110.

J. Respondent Gabriel Bitran shall pay a civil money penalty in the amount of \$250,000 to the Securities and Exchange Commission. This sum shall be paid to the Securities and Exchange Commission in the following installments: \$150,000 within ten days of entry of this Order and the remainder on or before October 31, 2012. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of civil penalties plus any additional interest accrued pursuant to 31 U.S.C. 3717, shall be due and payable immediately, without further application. Such payment shall be: (A) made by wire transfer, United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Securities and Exchange Commission, Office of Financial Management, 100 F St., NE, Stop 6042, Washington, DC 20549; and (D) submitted under cover letter that identifies Gabriel Bitran as a Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to John T. Dugan, Associate Regional Director, Division of Enforcement, Securities and Exchange Commission, Boston Regional Office, 33 Arch Street, Boston, Massachusetts 02110.

K. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, a Fair Fund is created for the disgorgement and penalties referenced in paragraphs H through J above. Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related

Investor Action" means a private damages action brought against Respondents by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Elizabeth M. Murphy
Secretary