

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3994 / January 13, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16335

In the Matter of

DUANE HAMBLIN SLADE,

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 (“the 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 Duane Hamblin Slade (“Respondent” or “Slade”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From at least 2002 to 2005, Respondent was an employee for Mathon Management Company, LLC, a company that was registered with the Commission as an investment adviser from March 2, 2004 to February 2011. Respondent’s title was “Salesperson.” Respondent is 42 years old and is currently incarcerated at the Federal Correctional Institution at Texarkana in Texarkana, Texas.

B. ENTRY OF RESPONDENT’S CRIMINAL CONVICTION

2. On June 5, 2013, Respondent pleaded guilty to conspiracy to commit mail and wire fraud, in violation of Title 18 United States Code, Section 1349 before the United States District Court for the District of Arizona. *United States v. Duane Hamblin Slade*, Case No. CR 09-01492-001-PHX-ROS. On September 30, 2013, he was sentenced to a prison term of one hundred eighty (180) months, followed by three years of supervised release.

3. The counts of the criminal indictment to which Respondent pleaded guilty alleged, *inter alia*, that from 2002 to 2005, Respondent and others operating through Mathon-related entities, falsely promised investors that Mathon could earn high-yield rates of return for investors by making short-term, high-interest hard money loans to borrowers, and using repayment of principal and interest on those loans to pay investor returns, when the Respondent knew that the loans were in default or non-performing. The Respondent concealed from the investors that the loans were in default, non-performing and/or otherwise incapable of generating high rates of returns on the purported “investments” as the Respondent represented. The Respondent also repaid earlier investors with funds from later investors and unlawfully enriched himself through excessive origination fees, management fees, and other means. Specifically, the Respondent took \$5,442,840 from victim investors as purported compensation and other financial remuneration.

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; and

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

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), 201.221(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.

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.

By the Commission.

Brent J. Fields
Secretary