

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4050 / March 18, 2015

INVESTMENT COMPANY ACT OF 1940
Release No. 31508 / March 18, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16448

In the Matter of

Acamar Global Investments, LLC

and

Rudolph A. Martin,

Respondents.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS
PURSUANT TO SECTIONS 203(e), 203(f),
AND 203(k) OF THE INVESTMENT
ADVISERS ACT OF 1940 AND SECTION 9(b)
OF THE INVESTMENT COMPANY ACT OF
1940, MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS AND A 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 Sections 203(e), 203(f), and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”) and Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”) against Acamar Global Investments, LLC (“Acamar”) and Rudolph A. Martin (“Martin”) (collectively, the “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have 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 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 Sections 203(e), 203(f), and 203(k)

of the Investment Advisers Act of 1940 and Section 9(b) of the Investment Company Act of 1940, 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’ Offer, the Commission finds that:

Summary

Acamar Global Investments, LLC (“Acamar”), a formerly SEC-registered investment adviser, and its principal, Rudolph A. Martin, made material misstatements about the firm’s assets under management, the past performance of its proprietary investment models, and the strategy and amount of investor subscriptions for a hedge fund Acamar managed. From October 2011, until the firm de-registered in May 2014, Acamar’s Forms ADV falsely claimed that it managed assets in excess of \$180 million in order to qualify for SEC registration. In fact, during the relevant time period, Acamar managed less than \$200,000, all of which was managed on behalf of only one client – an individual client with a separately managed account (“SMA Client”). In addition to the SMA Client, Acamar advised three additional clients, the Acamar Global Growth Master Fund (the “Fund”) and its two feeder funds. Acamar’s website and promotional materials included misleading reports that purported to detail the past performance of investment models that Acamar used in managing assets for its advisory clients. The reports failed to disclose that the performance data were hypothetical and were not based on actual trading.

In August 2013, Martin convinced Acamar’s SMA Client to liquidate his existing portfolio and invest the proceeds in the Fund. The Fund’s Private Placement Memorandum (“PPM”) stated that the Fund would not commence operations until aggregate investor subscriptions totaled at least \$5 million. In fact, the Fund started trading with less than \$200,000 from the SMA Client. The PPM also misrepresented the strategy of the Fund as being equity based, when, in fact, the Fund lost more than 90% of its value within the first two months of trading, with 95% of the losses attributable primarily to options trading.

Respondents

1. **Acamar**, a Florida limited liability company, formerly known as Latin Capital Management, LLC, was formed in October 2007. Acamar was registered with the Commission as an investment adviser from October 2011 until May 2014, when it de-registered. The firm is wholly owned by Acamar Global Holdings, Inc., a Florida corporation controlled by Martin. Acamar is the general partner of the Acamar Global Growth funds.

2. **Rudolph A. Martin**, age 60, was Acamar’s President, Director of Research, and Senior Portfolio Manager. Martin does not hold any securities licenses.

Other Relevant Entities

3. **Acamar Global Growth Master Fund, Ltd. (the “Fund”)**, a British Virgin Islands exempt company organized on March 15, 2013, is the master fund for two feeder funds. Acamar is the Fund’s general partner and investment manager. The Fund is registered with the British Virgin Islands Financial Services Commission.

4. **Acamar Global Growth Fund, LP**, a Delaware limited partnership formed in December 2012, is a feeder fund for the Acamar Global Growth Master Fund. The Acamar Global Growth Fund, LP commenced operations in September 2013. Acamar is the fund’s general partner and investment manager.

5. **Acamar Global Growth Fund, Ltd.**, a British Virgin Islands corporation, is a feeder fund to the Acamar Global Growth Master Fund for foreign investors. The Acamar Global Growth Fund, Ltd. is registered with the British Virgin Islands Financial Services Commission. Acamar is the fund’s general partner and investment manager.

Background

6. Acamar was formed in October 2007, under the name Latin Capital Management, LLC. In October 2011, Acamar registered with the Commission as an investment adviser.

7. According to Forms ADV filed between 2011 and 2013, Acamar offered investment management services to institutional and high net-worth clients through separately managed accounts. Acamar claimed to provide customized investment advice and passive asset allocation to clients based on the firm’s proprietary stock models.

8. In addition to the Fund (and its feeder funds), Acamar had only one other advisory client, the SMA Client who executed an advisory agreement with Acamar in February 2013. Acamar and Martin initially invested the SMA Client’s funds (approximately \$200,000) in a basket of equities through a separately managed account.

9. In August 2013, Martin convinced the SMA Client to liquidate the holdings in his separately managed account and invest the proceeds in the Fund.

10. In less than two months, the Fund lost over 90% of its value. Approximately 95% of those losses were attributable to aggressive options trading. In December 2013, the SMA Client demanded the return of his remaining capital of approximately \$17,000, which Acamar returned.

11. As of February 28, 2014, Acamar had total assets under management of approximately \$24. In May 2014, Acamar filed a Form ADV stating that the firm was no longer eligible to remain registered with the SEC.

Material Misstatements and Omissions on Acamar's Website and in Presentation Materials

12. Acamar operated a website that advertised its advisory services. Specifically, the website stated that Acamar offered multiple asset allocation models that it used to manage assets for its advisory clients. Acamar's website included a detailed report for two of its model portfolios, the Global Blue Chip portfolio and the Emerging Market portfolio. The reports purported to be a snapshot of the actual portfolio value of one of Acamar's separately managed accounts, with the client name and the account number redacted. The reports contained the Morningstar logo and were generated using Morningstar software. They purported to compare the historical performance of these model portfolios against the relevant benchmark. The content of the reports suggested that the performance figures were based on actual trading, stating, "[t]he performance data quoted represents past performance and does not guarantee future results" and also stated, "[t]he performance reflects the reinvestment of all dividends and income."

13. The reports directed readers to visit the Morningstar website "for information current to the most recent month-end." In fact, the performance data contained in the reports were hypothetical and were not based on actual trading, which was not disclosed anywhere in the report. Moreover, Morningstar's website had no information regarding the hypothetical value of the model portfolio, contrary to the representations in the reports.

14. Acamar's presentation materials that were provided to the SMA Client and other prospective clients also included the past performance of the Global Blue Chip and Emerging Market portfolio models and similarly failed to disclose that the performance figures were hypothetical and not based on actual trading.

Material Misstatements and Omissions in Fund's PPM

15. The PPM for the Global Growth Master Fund, dated April 2013, stated that "the Partnership will not commence operations until the aggregate investor subscriptions to the Feeder Fund and the Master Fund equal at least \$5,000,000. Funds will be held in cash until then and not subject to any expenses or fees." Contrary to the PPM, the Fund commenced operations after securing only \$193,000 from its sole investor, the SMA Client.

16. The PPM further stated that the Fund's primary investment objective was capital appreciation and sought to achieve this objective "by investing in common stock of foreign and domestic issuers that are likely to have rapid growth in revenues and earnings and potential for above average capital appreciation or are undervalued." The Fund lost 90% of its value within the first two months and, despite disclosing a primarily equities-based trading strategy, 95% of the losses were attributable to options trading. Although the PPM allowed for options trading, nowhere did it indicate that options trading would be the primary trading strategy through which the Fund would seek to achieve its returns.

17. Martin failed to disclose to the SMA Client that he was investing his funds contrary to the disclosures in the PPM.

False Forms ADV and Improper Registration

18. Acamar reported in its initial Form ADV, filed September 26, 2011, that Acamar managed \$180 million in client assets. Acamar's Form ADV, dated March 31, 2012, reported \$180 million in assets under management, and its Form ADV dated January 31, 2013, reported \$190 million in assets under management. In fact, Acamar never had more than \$200,000 in assets under management and had no basis for registration with the Commission at any time. Martin signed Acamar's Forms ADV that contained information that he knew to be untrue at the time he signed.

Policies and Procedures

19. Acamar failed to adopt and implement an adequate compliance program. Acamar's written policies and procedures were not reasonably designed to prevent violations of the Advisers Act. Acamar had no written policies and procedures concerning advertising, performance calculation, portfolio management, conducting an annual review, or Form ADV disclosures.

Violations

20. As a result of the conduct described above, Acamar and Martin willfully violated Sections 206(1) and 206(2) of the Advisers Act, which make it unlawful for any investment adviser, directly or indirectly, to (1) "employ any device, scheme, or artifice to defraud any client or prospective client" or (2) "engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client."

21. As a result of the conduct described above, Acamar and Martin willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, which make it unlawful for any investment adviser to a pooled investment vehicle to "[m]ake any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, to any investor or prospective investor in the pooled investment vehicle" or "engage in any act, practice, or course of business that is fraudulent, deceptive, or manipulative with respect to any investor or prospective investor in the pooled investment vehicle."

22. As a result of the conduct described above, Acamar and Martin willfully violated Section 207 of the Advisers Act, which makes it "unlawful for any person willfully to make any untrue statement of a material fact in any registration application or report filed with the Commission . . . or willfully to omit to state in any such application or report any material fact which is required to be stated therein."

23. As a result of the conduct described above Acamar willfully violated, and Martin willfully aided and abetted and caused Acamar's violation of, Section 203A of the Advisers Act,

which generally prohibits an investment adviser from registering with the Commission unless it has assets under management in excess of \$100 million or advises a registered investment company.

24. As a result of the conduct described above, Acamar willfully violated, and Martin willfully aided and abetted and caused Acamar's violations of, Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, which require investment advisers to adopt and implement written policies and procedures reasonably designed to prevent violation of the Advisers Act and its rules.

25. As a result of the conduct described above, Acamar willfully violated, and Martin willfully aided and abetted and caused Acamar's violations of, Section 206(4) of the Advisers Act and Rule 206(4)-1(a)(5) thereunder, which prohibit any registered investment adviser from, directly or indirectly, publishing, circulating, or distributing any advertisement which contains any untrue statement of a material fact, or which is otherwise false or misleading.

Civil Penalties

26. Respondents have submitted sworn Statements of Financial Condition dated October 23, 2014, and other evidence and have asserted their inability to pay a civil penalty.

IV.

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

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

A. Respondents Acamar and Martin shall cease and desist from committing or causing any violations and any future violations of Sections 203A, 206(1), 206(2), 206(4) and 207 of the Advisers Act and Rules 206(4)-1(a)(5), 206(4)-7 and 206(4)-8 thereunder.

B. Respondent Martin 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.

C. Respondent Acamar is censured.

D. Any reapplication for association by Respondent Martin 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 Respondent Martin, 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.

E. Based upon Respondents' sworn representations in their Statements of Financial Condition dated October 23, 2014, and other documents submitted to the Commission, the Commission is not imposing a penalty against Respondents.

F. The Division of Enforcement ("Division") may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondents provided accurate and complete financial information at the time such representations were made; and (2) seek an order directing payment of the maximum civil penalty allowable under the law. No other issue shall be considered in connection with this petition other than whether the financial information provided by Respondents was fraudulent, misleading, inaccurate, or incomplete in any material respect. Respondents may not, by way of defense to any such petition: (1) contest the findings in this Order; (2) assert that payment of a penalty should not be ordered; (3) contest the imposition of the maximum penalty allowable under the law; or (4) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

By the Commission.

Brent J. Fields
Secretary