

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5118 / March 5, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19021

In the Matter of

RAYMOND K. MONTOYA,

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 Raymond K. Montoya (“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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph III.2. below, and 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. Montoya is an owner and managing member of Research Magnate Advisors, LLC, an investment adviser registered in Massachusetts from March 6, 2012 to April 2, 2014 and operating as an exempt reporting adviser in Massachusetts from April 24, 2014 until December 31, 2017. Research Magnate Advisors, LLC advised, and Montoya managed and operated, RMA Strategic Opportunity Fund, LLC (the “RMA Fund”), a private hedge fund. Montoya, 70 years old, is a resident of Boston, Massachusetts.

2. On October 17, 2018, Montoya pled guilty to three counts of wire fraud, five counts of mail fraud, and two counts of conducting an unlawful monetary transaction in violation of Title 18 United States Code, Sections 1341, 1343, and 1957(a) before the United States District Court for the District of Massachusetts in United States v. Raymond K. Montoya, Case No. 1:18-cr-10225-GAO.

3. The counts of the criminal information to which Montoya pled guilty alleged, inter alia, that from at least 2009 to around June 2017, Montoya engaged in a scheme to defraud investors in the RMA Fund of millions of dollars. Montoya made fraudulent representations to investors concerning the RMA Fund and its performance, represented to investors that he would invest their money in stocks and bonds while diverting millions of dollars to business and personal accounts and using it to pay for personal expenses, and sent fabricated account statements to investors using the United States mails.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Montoya be, and hereby is barred from association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

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.

By the Commission.

Brent J. Fields
Secretary