

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5372 / September 27, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19534

In the Matter of

GONZALO ORTIZ,

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 Gonzalo Ortiz (“Ortiz” 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 paragraphs 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. Ortiz engaged in day trading for several years in his own accounts. He has no securities licenses and has never been registered with a broker-dealer or associated with an investment adviser. In May 2015, Ortiz solicited an investor with an offer to manage the investor's money. Ortiz, 45 years old, is a resident of Hackensack, New Jersey.
2. On August 16, 2019, a judgment was entered on consent against Ortiz, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") 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. Gregory W. Gonzalo Ortiz*, Civil Action Number 19 Civ. 2066, in the United States District Court for the Eastern District of New York.
3. The Commission's Complaint alleged that, *inter alia*, from May 2015 to May 2017, Ortiz convinced an acquaintance to give him control over nearly \$570,000 of the investor's retirement savings based on materially false statements, including promises of a 50% annual return and claims that Ortiz had previously been successful investing in stocks. Ortiz proceeded to invest the funds and gave the investor a false account statement purporting to show that Ortiz had generated a return of over 50% on the investor's money. Instead, Ortiz misappropriated approximately \$224,500 of the investor's money for personal use, and lost approximately \$290,000 through trading.

IV.

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

Accordingly, it is hereby ORDERED pursuant Section 203(f) of the Advisers Act, that Respondent 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.

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.

Vanessa A. Countryman
Secretary