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 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") against Luis Martinez ("Martinez" 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 Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and 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. From 1993 until May 2000, Martinez was a registered principal, and an officer and director, of United American International, Inc. (“UA”), a Houston, Texas broker-dealer registered with the Commission since 1993, and United American Management, Inc. (“UAM”), a Houston, Texas investment adviser registered with the Commission since 1993.

2. On December 9, 2002, a final judgment was entered by consent against Martinez, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the 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. United American International, Inc., et al., Civil Action Number H-00-3904, in the United States District Court for the Southern District of Texas (Houston Division).

3. The Commission’s complaint alleged that UA and UAM, while under the control of Martinez and another principal, sold to approximately 560 of their brokerage and/or advisory customers/clients, nearly $70 million in interests in two affiliated offshore funds for which UAM served as the investment adviser. The complaint alleged that the two funds’ prospectuses represented that the funds would invest in safe investments and that the return of customers’ principal was guaranteed -- both critical factors to UA and UAM customers/clients, nearly all of whom sought safe, conservative investments. However, according to the complaint, the two funds instead engaged in a highly risky investment strategy, by investing in volatile emerging markets debt instruments from countries such as Russia, Venezuela, Brazil, Argentina and Mexico. Ultimately, both funds collapsed, resulting in losses of approximately 50% of investors’ principal.

IV.

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

ACCORDINGLY, IT IS HEREBY ORDERED:

Pursuant to Section 15(b) of the Exchange Act and Section 203(f) of the Advisers Act that Respondent Martinez be, and hereby is barred from association with any broker, dealer, or investment adviser, with the right to reapply for association after five years to the appropriate self-regulatory organization, or if there is none, to the Commission.

By the Commission.

Jonathan G. Katz
Secretary