

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 76885 / January 13, 2016

INVESTMENT ADVISERS ACT OF 1940
Release No. 4311 / January 13, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17049

In the Matter of

**RAHFCO MANAGEMENT
GROUP, LLC,**

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND SECTION 203(e) OF THE
INVESTMENT ADVISERS ACT OF 1940,
AND NOTICE OF HEARING**

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(e) of the Investment Advisers Act of 1940 (“Advisers Act”), against RAHFCO Management Group, LLC, (“Respondent” or “RAHFCO”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From April 2007 through May 2011, Respondent was the general partner of RAHFCO Funds LP and RAHFCO Growth LP (the “RAHFCO Hedge Funds”), two private hedge funds. RAHFCO managed the RAHFCO Hedge Funds and had discretionary authority to invest the funds’ assets.

B. ENTRY OF INJUNCTION

2. On December 22, 2015, an order of injunction was entered by default against RAHFCO, permanently enjoining it from future violations of Section 17(a) of the Securities Act of 1933, Sections 10(b) and 15(a) of the Exchange Act, Rule 10b-5 thereunder, Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled *Securities and Exchange Commission v. Randal Kent Hansen, et al.*, Civil Action Number 13-cv-1403-VSB, in the United States District Court for the Southern District of New York.

3. The Commission's complaint alleged that, from at least April 2007 through May 2011, RAHFCO, as the general partner of the RAHFCO Hedge Funds, engaged in a scheme to defraud investors, the primary function of which was to convince investors to invest in fraudulent pooled investments that purportedly traded in options and futures on the S&P 500 Index and in equities, and then siphon off the invested funds for the defendants' own purposes. In furtherance of the scheme, RAHFCO manipulated an accounting firm into ostensibly verifying false account statements and tax documents to investors, made Ponzi payments to evade detection, and made numerous false and misleading statements. In connection with the scheme, RAHFCO and others convinced approximately 100 individuals nationwide to invest over \$23 million in the RAHFCO Hedge Funds.

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;
- B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act;
- C. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(e) of the Advisers Act; and

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 as provided for in the Commission's Rules of Practice.

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.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary