

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3025 / May 12, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13889

In the Matter of

DIEGO M. ROLANDO,

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 Diego M. Rolando (“Respondent” or “Rolando”).

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 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. Respondent, age 30, is an unregistered investment adviser who maintained websites that he used to promote his advisory services in the U.S., Argentina and around the world. Rolando is a citizen of Argentina who resides in Buenos Aires.

2. On December 10, 2008, in the civil action entitled *U.S. Commodity Futures Trading Commission v. Rolando*, Civil Action Number 3:08-CV-0064 (MRK), the United States District Court for the District of Connecticut issued a judgment against the Respondent finding that he willfully violated Sections 4b(a) and 4c(b) of the Commodity Exchange Act, as amended, 7 U.S.C §§ 6b(a) and 6c(b), and § 33.10(a)-(c) of the United States Commodity Futures Trading Commission's Regulations, 17 C.F.R § 33.10(a)-(c) 2007. The Court also, among other things, permanently enjoined Rolando from future violations of the above-listed sections of the Commodity Exchange Act and the rules thereunder.

3. According to the District Court's judgment, from 2005 to 2007 Rolando obtained approximately \$34 million from 420 investors residing in Argentina, the U.S., and around the world. In his scheme, Rolando purported to operate through an entity named IA Trading and a trading platform at a website with the address IA Trading.com. Rolando opened trading accounts at an online securities and commodities broker with offices in Connecticut and Chicago.

4. The District Court also found that Rolando represented to investors that he would invest in highly rated stocks and indexes and that such trading would take place exclusively through the NYSE or NASDAQ. Contrary to his representations, Rolando traded in futures and options, incurring trading losses of approximately \$10.6 million of the \$34 million that had been invested with him. To conceal the losses, Rolando provided false account statements. These false account statements misrepresented that investor funds were entirely invested in securities, when according to the actual account records, futures and options accounted for over 95% of the notional value traded in client accounts.

5. On January 15, 2008, the United States Commodity Futures Trading Commission filed an action against Rolando seeking preliminary and permanent injunctions, the appointment of a temporary receiver, and other relief. On the same day, the Court appointed a receiver for the funds Rolando managed. Rolando did not appear in the action and the Court entered a default judgment against him on December 10, 2008. In addition to the permanent injunctions entered against Rolando, the Court ordered the return of funds to customers, restitution of \$197,125.52 in commissions that Rolando collected, prejudgment interest, and a civil money penalty of \$10 million.

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 to Section 203(f) of the Advisers Act, that Respondent Rolando be, and hereby is barred from association with any investment adviser.

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 or the United States Commodity Futures Trading 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.

Elizabeth M. Murphy
Secretary

Service List

Respondent has waived service of the attached Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions ("Order") and has not provided any mailing address so service will not be made. The Division of Enforcement will attempt to provide notice of the Order to the Respondent by e-mail.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
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Washington, DC 20549-2557

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