

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 2794 / September 30, 2008

Administrative Proceeding
File No. 3-13265

IN THE MATTER OF MICHAEL LAUER

The United States Securities and Exchange Commission (Commission) announced the issuance of an Order Instituting Public Administrative Proceedings (Order) Pursuant to Section 203(f) of the Investment Advisers Act of 1940 (Advisers Act) against Michael Lauer (Respondent), who was the founder, sole manager and principal owner of Lancer Management Group, LLC and Lancer Management Group II, LLC who acted as the investment manager for Lancer Offshore, Inc., Lancer Partners, LP, Omnifund, Ltd., LSPV, Inc. and LSPV, LLC (collectively the Funds).

The Order is based on the entry of a permanent injunction against the Respondent for violating Sections 17(a)(1), (2) and (3) 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, both individually and as a control person pursuant to Section 20(a) of the Exchange Act, and Sections 206(1) and 206(2) of the Advisers Act, based on the District Court's finding that Respondent had violated these provisions as a matter of law.

The 67-page Opinion and Order contained 80 paragraphs of factual findings and 19 pages of legal conclusions showing that from 1999 through 2003, Respondent violated the federal securities laws that served as the basis of the permanent injunction. The Court specifically found that Respondent conducted an elaborate scheme to defraud investors, including artificially inflating the Funds' net asset values, writing and issuing false and misleading PPMs and investor newsletters, and providing sham portfolios to investors. The Court further found that Respondent's conduct was egregious, pervasive, premeditated and resulted in the loss of hundreds of millions of dollars in investors' funds and that Respondent's scienter is highlighted by the pains he took to hide the contents of the portfolios and the intricate nature of the fraud.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide Respondent an opportunity to dispute these allegations, and to determine what, if any, remedial sanctions are appropriate and in the public interest. The Order requires the Administrative Law Judge to issue an initial decision no later than 210 days from the date of service of the Order.

