

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SECURITIES EXCHANGE ACT OF 1934  
Release No. 55441/March 12, 2007

ADMINISTRATIVE PROCEEDING  
File No. 3-12562

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In the Matter of	:	
	:	ORDER MAKING FINDINGS AND
ROBERT MONTANI, JR.	:	IMPOSING SANCTION BY DEFAULT

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**SUMMARY**

This Order bars Robert Montani, Jr. (Montani), from association with a broker or dealer. Montani previously pleaded guilty to conspiracy to commit securities fraud and mail fraud.

**I. BACKGROUND**

The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings (OIP) against Montani on February 7, 2007, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act). The OIP alleges that he pleaded guilty to conspiracy to commit securities fraud and mail fraud based on his wrongdoing while associated with a registered broker-dealer.

Montani was served with the OIP on February 12, 2007, and his Answer to the OIP was due within twenty days of service. See 17 C.F.R. § 201.220(b); OIP at 2. To date, Montani has not filed an Answer or sent any other correspondence to the Commission. Thus, he has failed to answer or otherwise to defend the proceeding within the meaning of 17 C.F.R. § 201.155(a)(2). Accordingly, Montani is in default, and the undersigned finds that the allegations in the OIP are true.<sup>1</sup> See 17 C.F.R. §§ 201.155(a), .220(f).

**II. FINDINGS AND CONCLUSIONS**

From September 1990 to December 2001, Montani was a registered representative associated with Valley Forge Securities, Inc. (Valley Forge), a broker-dealer registered with the Commission pursuant to Section 15(b) of the Exchange Act. On January 9, 2007, Montani

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<sup>1</sup> Montani was advised that if he failed to file an Answer to the OIP within the time provided by law, the undersigned would enter an order barring him from association with a broker or dealer. See Robert Montani, Jr., Admin. Proc. No. 3-12562 (A.L.J. Mar. 5, 2007) (unpublished).

pleaded guilty to one count of conspiracy to commit securities fraud and wire fraud in United States v. Montani, No. 05-CR-87 (D.N.J.). The criminal indictment to which he pleaded guilty alleged that Montani, using various instrumentalities of interstate commerce, while employed at Valley Forge, defrauded investors by conspiring to manipulate the stocks of Eagletech Communications, Inc., and Nations Media & Entertainment, Inc. This conduct violated the antifraud provisions of the Exchange Act – Section 10(b) and Rule 10b-5.

### **III. SANCTION**

Montani will be barred from association with any broker or dealer. This sanction will serve the public interest and the protection of investors, pursuant to Section 15(b) of the Exchange Act. It accords with Commission precedent and the sanction considerations set forth in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979), aff'd on other grounds, 450 U.S. 91 (1981). The public interest requires a severe sanction when a respondent's past misconduct involves fraud because opportunities for dishonesty recur constantly in the securities business. Richard C. Spangler, Inc., 46 S.E.C. 238, 252 (1976). There are no mitigating circumstances.

### **IV. ORDER**

IT IS ORDERED that, pursuant to Section 15(b) of the Securities Exchange Act of 1934, ROBERT MONTANI, JR., IS BARRED from association with any broker or dealer.

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Carol Fox Foelak  
Administrative Law Judge