

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
March 26, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13415

In the Matter of

MATTHEW LA MADRID,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDING
PURSUANT TO SECTION 203(f) 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 a public administrative proceeding be, and hereby is, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Matthew La Madrid (“La Madrid” or “Respondent”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Matthew La Madrid was the treasurer and president of Plus Money, Inc. (“Plus Money”), a Nevada corporation located in El Cajon, California. Plus Money was the investment adviser to and manager of The Premium Return Fund Limited-Liability Limited Partnership, The Premium Return Fund II Limited-Liability Limited Partnership, and The Premium Return Fund III Limited-Liability Limited Partnership (collectively, the “Premium Return Funds”). The Premium Return Funds are Nevada-based limited partnerships that operated as purported hedge funds. Through his control of Plus Money, La Madrid acted as investment adviser for the Premium Return Funds, including making all investment decisions on behalf of the Premium Return Funds. Neither La Madrid nor Plus Money is registered as an investment adviser under the Advisers Act. La Madrid, age 42, is a resident of Jamul, California.

B. ENTRY OF THE INJUNCTION

2. On March 3, 2009, a judgment of permanent injunction and other relief was entered by consent against La Madrid, permanently enjoining him from future violations of Sections 206(1), 206(2) and 206(4) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Plus Money, Inc., et al., Civil Action No. 08-CV-0764-MMA (NLS), in the United States District Court for the Southern District of California.

3. The Commission's complaint alleged that, among other things, from May 2004 through July 2007, the Premium Return Funds raised approximately \$30.6 million from at least 300 investors. The complaint also alleged that La Madrid told investors that he had a lucrative trading strategy involving the purchase and sale of covered call options. Although La Madrid employed some variation of a covered call option trading strategy for a limited period of time, La Madrid failed to disclose that trading in the Premium Return Funds brokerage accounts ceased in the Fall of 2007 and that La Madrid dissipated the investor monies held in those accounts through a series of illicit transfers. Specifically, the complaint alleged that in September and October 2007, La Madrid transferred a total of \$7.6 million from the Premium Return Funds' brokerage accounts to Vision Quest Investments, La Madrid's dba; that in November 2007 Vision Quest wired \$10 million to a third party, Palladium Holding Company; that Palladium Holding Company subsequently transferred \$5 million to a brokerage account it controlled and began exercising numerous short-sell transactions of Treasury bonds, steadily dissipating the assets in the brokerage account; and that Palladium Holding Company dispersed the remainder of the funds received from Vision Quest in a variety of ways having nothing to do with the purchase and sale of covered call options.

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 are true and, in connection therewith, afford Respondent an opportunity to establish any defense to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against La Madrid pursuant to Section 203(f) of the Advisers Act.

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 proceeding 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 personally or be certified mail.

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 Rule 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.

Elizabeth M. Murphy
Secretary