

# Open Meeting Agenda

## Monday, February 8, 2016

Item 1: Oral Argument in the Matter of Bernerd Young

---

The Commission will hear an oral argument in an appeal from an initial decision of an administrative law judge by the Respondent, Bernerd Young ("Young"), former chief compliance officer of Stanford Group Company ("SGC"). The law judge found that Young was a cause of violations by SGC of the antifraud provisions of Section 206(2) of the Investment Advisers Act of 1940 through false and misleading statements and omissions in marketing materials for "certificates of deposit" issued by Stanford International Bank Ltd., an affiliate of SGC. In addition, the law judge found that Young violated Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder in connection with statements designed to "attack" concerns raised about the certificates of deposit and to "forestall redemptions and continue sales." The law judge further found that Young aided and abetted and caused violations of Exchange Act Section 10(b) and Rule 10b-5, Exchange Act Section 15(c)(1), and Advisers Act Sections 206(1) and (2) in connection with these misrepresentations and omissions.

Based on her findings, the law judge issued a cease-and-desist order against Young; barred him from associating with a broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and prohibited him from serving or acting in certain capacities with respect to an investment company. The law judge also ordered Young to pay \$591,992.46 in disgorgement, with prejudgment interest, and assessed a third-tier civil penalty of \$260,000.

Young appealed the law judge's findings of violation and the sanctions imposed. The issues likely to be considered at the oral argument include, among other things, whether Young violated the antifraud provisions as alleged and, if so, the extent to which he should be sanctioned for those violations.

For further information, please contact the Office of the Secretary at (202) 551-5400.