

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

In the Matter of : INITIAL DECISION MAKING FINDINGS
: AND IMPOSING SANCTION BY DEFAULT
ROBERT G. BARD : July 24, 2014

SUMMARY

This Initial Decision bars Robert G. Bard (Bard) from the securities industry.

I. BACKGROUND

The Securities and Exchange Commission (Commission) instituted this proceeding with an Order Instituting Proceedings (OIP) on June 10, 2014, pursuant to Section 203(f) of the Investment Advisers Act of 1940 (Advisers Act). The OIP alleges that Bard was enjoined against violation of the antifraud provisions of the federal securities laws. He was served with the OIP in accordance with 17 C.F.R. § 201.141(a)(2)(i) on June 13, 2014. To date, he has failed to file an Answer to the OIP, due within twenty days of service. See OIP at 4; 17 C.F.R. § 201.220(b). Accordingly, he has failed to answer or otherwise to defend the proceeding within the meaning of 17 C.F.R. § 201.155(a)(2). Therefore, Bard is in default, and the undersigned finds that the allegations in the OIP are true.¹ See OIP at 4; 17 C.F.R. §§ 201.155(a), .220(f).

II. FINDINGS OF FACT

Bard is permanently enjoined against violation of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act. SEC v. Bard, No. 1:09-cv-1473 (M.D. Pa. Nov. 10, 2011), ECF No. 125.² He was also ordered, jointly and severally with Vision Specialist Group, LLC (Vision Specialist), a state-registered investment adviser that he controlled, to pay

¹ Bard was previously warned that if he failed to file an Answer within the time provided, he would be deemed to be in default, and the undersigned would enter an order barring him from the securities industry. Robert G. Bard, Admin. Proc. Rulings Release No. 1585, 2014 SEC LEXIS 2369 (A.L.J. July 2, 2014) (citing OIP at 4; 17 C.F.R. §§ 201.155(a), .220(f)).

² Official notice, pursuant to 17 C.F.R. § 201.323 is taken of the docket report and the court's orders in SEC v. Bard and in United States v. Bard, No. 1:12-cr-181 (M.D. Pa.).

disgorgement, civil penalties, and prejudgment interest totalling \$3,003,039. SEC v. Bard, (May 23, 2012), ECF No. 140. Bard has also been found guilty of securities fraud, wire fraud, mail fraud, bank fraud, investment advisor fraud, and making false statements to a Special Agent of the Federal Bureau of Investigation who was conducting an investigation of Bard's activities. United States v. Bard, (Aug. 21, 2013), ECF No. 91. He awaits sentencing.

From at least 2005 to 2009, Bard and Vision Specialist targeted unsophisticated investors with promises of high yields and safety of principal, telling clients that they had invested in safe investments such as bonds, certificates of deposits, and money market funds, and showing, as proof, consistently rising or stable account values. In reality, Bard squandered hundreds of thousands of dollars of client funds by making risky (and losing) investments in penny stocks and other securities, and then fraudulently overstating account values when reporting to his clients. By masking the improper investments and the dwindling balances of clients' accounts through various misrepresentations, Bard and Vision Specialist maintained client relationships and received advisory fees from the unknowing clients.

III. CONCLUSIONS OF LAW

Bard has been permanently enjoined "from engaging in or continuing any conduct or practice in connection with any such activity" as an investment adviser within the meaning of Sections 203(e)(4) and 203(f) of the Advisers Act.

IV. SANCTION

Bard will be barred from the securities industry. This sanction will serve the public interest and the protection of investors, pursuant to Section 203(f) of the Advisers Act, and 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). As described in the Findings of Fact, Bard's unlawful conduct was recurring over a period of years, egregious, involved a high degree of scienter, and resulted in unlawful gains of millions of dollars. Because of the Commission's obligation to ensure honest securities markets, an industry-wide bar is appropriate. The fact that Bard has been found guilty of securities fraud and other felonies adds to the necessity of this remedy.

V. ORDER

IT IS ORDERED that, pursuant to Section 203(f) of the Investment Advisers Act of 1940, ROBERT G. BARD IS BARRED from associating with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

This Initial Decision shall become effective in accordance with and subject to the provisions of Rule 360 of the Commission's Rules of Practice, 17 C.F.R. § 201.360. Pursuant to that Rule, a party may file a petition for review of this Initial Decision within twenty-one days after service of the Initial Decision. A party may also file a motion to correct a manifest error of fact within ten days of the Initial Decision, pursuant to Rule 111 of the Commission's Rules of Practice, 17 C.F.R. § 201.111. If a motion to correct a manifest error of fact is filed by a party,

then that party shall have twenty-one days to file a petition for review from the date of the undersigned's order resolving such motion to correct a manifest error of fact. The Initial Decision will not become final until the Commission enters an order of finality. The Commission will enter an order of finality unless a party files a petition for review or a motion to correct a manifest error of fact or the Commission determines on its own initiative to review the Initial Decision as to a party. If any of these events occur, the Initial Decision shall not become final as to that party.³

Carol Fox Foelak
Administrative Law Judge

³ A respondent may also file a motion to set aside a default pursuant to 17 C.F.R. § 201.155(b). See Alchemy Ventures, Inc., Exchange Act Release No. 70708, 2013 SEC LEXIS 3459, at *13-14 & n.28 (Oct. 17, 2013); see also David Mura, Exchange Act Release No. 72080, 2014 SEC LEXIS 1530 (May 2, 2014).