UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9372 / December 6, 2012

SECURITIES EXCHANGE ACT OF 1934
Release No. 68372 / December 6, 2012

INVESTMENT COMPANY ACT OF 1940
Release No. 30293 / December 6, 2012

INVESTMENT ADVISERS ACT OF 1940
Release No. 3511 / December 6, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-15124

In the Matter of

DAVID F. BANDIMERE and JOHN O. YOUNG,

Respondents.

ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, SECTIONS 15(b) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, SECTION 9(b) OF THE INVESTMENT COMPANY ACT OF 1940, AND SECTIONS 203(f) AND (k) 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 public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Exchange Act"), Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act"), and Sections 203(f) and (k) of the Investment Advisers Act of 1940 ("Advisers Act") against David F. Bandimere ("Bandimere"), and pursuant to Section 8A of the Securities Act, Sections 15(b) and 21C of the Exchange Act, and Section 9(b) of the Investment Company Act against John O. Young ("Young") (collectively "Respondents").

II.

After an investigation, the Division of Enforcement alleges that:

A. SUMMARY

1. Between 2006 and 2010, Bandimere and Young violated the antifraud provisions of the Securities Act and Exchange Act while operating as unregistered brokers in selling unregistered investments in IV Capital Ltd. ("IV Capital") and Universal Consulting Resources LLC ("UCR"), two Ponzi schemes which the Commission brought actions against in 2011 and 2010 respectively. These violations occurred through direct sales of IV Capital and UCR securities and/or sales of interests in three limited liability companies ("LLCs") formed by Bandimere.

2. Between 2006 and 2010, Bandimere raised at least $9.3 million from over 60 investors while acting as an unregistered broker for these Ponzi schemes and earned at least $735,000 in transaction-based compensation, which provided the vast majority of his income during that time period. He initially sold IV Capital directly to investors, but then formed three LLCs to facilitate bringing in investors for both IV Capital and UCR. He also encouraged the investment of the investors' retirement funds by setting up self-directed IRA accounts through a third-party provider. Bandimere misled potential investors by presenting only a one-sided, positive view of the IV Capital and UCR investments while failing to disclose numerous red flags and potentially negative facts relating to those investments. Once Bandimere described IV Capital and UCR to potential investors in a materially positive way, he was under a duty to make fair and complete disclosure of these material red flags and negative facts. Moreover, Bandimere acted recklessly in selling these investments because these red flags should have alerted Bandimere that IV Capital and UCR were likely frauds. In so doing, Bandimere violated Section 17(a) of the Securities Act, Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, and/or Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder.

3. Between 2007 and 2010, Young raised approximately $2.5 million from at least 20 investors while acting as unregistered broker for UCR and IV Capital, earning at least $400,000 in transaction-based compensation from IV Capital and UCR. Young made numerous misrepresentations to investors, including misrepresentations about the nature and history of UCR, claiming that he was a partner in UCR (when he was not), and claiming that he and his family had significantly invested in UCR (when they had not invested at all). In so doing, Young violated Section 17(a) of the Securities Act and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder.

4. Finally, Bandimere and Young both violated Section 5 of the Securities Act by selling unregistered securities in UCR and IV Capital and/or the three LLCs formed by Bandimere when no exemption applied to the registration requirements.

B. RESPONDENTS

5. **David F. Bandimere ("Bandimere")**, age 67, is a resident of Golden, Colorado. Bandimere is not registered with the Commission as a broker-dealer or investment adviser and is not associated with a registered broker-dealer or investment adviser, but he acted as an unregistered broker in selling the IV Capital and UCR investments and/or interests in the LLCs.

6. **John "Jay" O. Young ("Young")**, age 69, is a resident of Superior, Colorado. Young is not registered with the Commission as a broker-dealer or investment adviser and is not associated with a registered broker-dealer or investment adviser, but he acted as an unregistered broker in selling the IV Capital and UCR investments.

C. OTHER RELEVANT ENTITIES AND INDIVIDUALS

7. **Universal Consulting Resources LLC ("UCR")** is a New Mexico limited liability company. Its principal place of business was Richard Dalton's home in Golden, Colorado. UCR purported to engage in international note and diamond trading. UCR never registered with the Commission. The Commission brought a federal court action against UCR and Richard Dalton on November 16, 2010 alleging that UCR was operating a Ponzi scheme. The Commission obtained a default judgment against UCR and Dalton on December 1, 2011.

8. **IV Capital, Ltd. ("IV Capital")** is a Nevis corporation owned and managed by Larry Michael Parrish. IV Capital purported to be a proprietary trading company with traders in the U.S. and U.K. IV Capital has never registered with the Commission. The Commission brought a federal court action against Parrish on March 7, 2011 alleging that IV Capital was a Ponzi scheme. The Commission obtained a default judgment against Parrish on September 25, 2012.

9. **Richard Dalton ("Dalton")**, age 65, is a resident of Golden, Colorado. Dalton was the Director of Finance, general manager and only employee of UCR. Dalton never registered with the Commission as a broker or investment adviser and was not associated with a registered broker-dealer or investment adviser. The Commission brought a federal court action against Dalton on November 16, 2010 and received a default judgment against him on December 7, 2011. Dalton is currently in federal custody awaiting his criminal trial in connection with his UCR Ponzi scheme.

10. **Larry Michael Parrish ("Parrish")**, age 47, is a resident of Walkersville, Maryland. Parrish was the President and sole Director of IV Capital, Ltd. The Commission brought an action against Parrish in connection with his IV Capital Ponzi scheme on March 7, 2011 and the Court granted the Commission's motion for default judgment on September 25, 2012. Parrish is now out on bond awaiting his criminal trial in connection with his IV Capital Ponzi scheme. Previously, in April 2005, the Commission alleged that Parrish and others engaged in another fraudulent scheme which raised $8.2 million from investors. In May 2005, Parrish consented to a preliminary injunction and an asset freeze, under which he returned $7.5 million to investors. In May 2007, Parrish consented to a permanent injunction and administrative order

barring him from associating with any broker or dealer with the right to reapply after at least five years.

11. **David R. Smith ("Smith")**, age 35, is currently a resident of Seattle, Washington. Smith is not registered with the Commission as a broker-dealer or investment adviser and is not associated with a registered broker-dealer or investment adviser, but he acted as an unregistered broker in selling the IV Capital investment and is a respondent in a separate settled Commission action.

12. **Exito Capital LLC ("Exito")** is a Colorado LLC formed on June 27, 2007 with a business address in Greenwood Village, Colorado. Exito was used by Bandimere to collect investor funds to invest in UCR and IV Capital. Exito has never registered with the Commission.

13. **Victoria Investors LLC ("Victoria")** is a Colorado LLC formed on April 3, 2007 with a business address in Golden, Colorado. Victoria was used by Bandimere to collect investor funds to invest in UCR and IV Capital. Victoria has never registered with the Commission.

14. **Ministry Minded Investors LLC ("MMI")** is a Colorado LLC formed on September 18, 2008 with a business address in Golden, Colorado. MMI was used by Bandimere to collect investor funds to invest in UCR and IV Capital. MMI has never registered with the Commission.

D. BACKGROUND ON UCR AND IV CAPITAL PONZI SCHEMES

15. Between November 2005 and October 2009, Parrish raised $9.2 million for IV Capital from at least 70 investors across the country. Parrish promised to earn a monthly minimum return of 5%, with half being paid to the investor and IV Capital retaining the other half. Parrish represented that investor funds would be safely escrowed while the trades in commodities, stocks, and options were made with funds from a line of credit secured by those investor funds. Parrish claimed that he and several partners, all of whom were successful traders, owned and operated IV Capital as an offshore company. In reality, Parrish invested only a fraction of investor funds and misappropriated investor money for his own personal use. In addition to soliciting investors directly, Parrish also established a sales force by offering commissions to individuals who brought in new investors. One of the original IV Capital sales agents, Dalton, left to operate a separate Ponzi scheme through his company UCR. Parrish paid brokers, including Bandimere and Young, for bringing in new investors

16. The Commission obtained a default judgment against Parrish on September 25, 2012. SEC v. Larry Michael Parrish, Civil Action No. 11-cv-00558-WJM-MJW (D. Colo.). Parrish was ordered to pay disgorgement of $4,139,858, plus prejudgment interest of $847,919 and a penalty of $4,987,777. Among other violations, the Court found that Parrish had violated Section 5(a) and 5(c) of the Securities Act by offering unregistered securities in IV Capital. Specifically, the Court found that there was no registration statement in effect for IV Capital and that no exemption applied to the registration requirements for the IV Capital securities.

17. From at least March 2007 through June 2010, Dalton, through his company UCR, raised approximately $12 million from at least 129 investors in 13 states. Dalton conducted two offerings which were referred to as the "Trading Program" and the "Diamond Program." The Trading Program began around March 2007 when Dalton solicited investors to place their money with UCR in order to fund a purported overseas bank note trading program. Dalton told investors that their funds were held in an escrow account at a bank in the United States and that a European Trader would use the value of that account, but not the actual funds, to obtain leveraged funds to purchase and sell bank notes. According to Dalton, the trading was profitable enough that he was able to guarantee returns of at least 48 percent per year to investors. Dalton offered the Diamond Program beginning in 2008 when he told investors that UCR facilitated the funding of diamond transactions in Africa. Similar to the Trading Program, investor funds were to be held in an escrow account at a bank in the United States and a diamond trader would use the value of that account, but not the actual funds, to obtain leveraged funds to purchase and sell diamonds. Dalton told investors that UCR would participate in one transaction per month with a minimum return of 10 percent per month. In reality, Dalton invested only a fraction of investor funds and misappropriated investor money for his own personal use, while using new investor funds to make monthly earnings payments to existing investors. Dalton paid brokers, including Bandimere and Young, for bringing in new investors.

18. The Commission obtained a default judgment against Dalton, UCR, and Dalton's wife on December 1, 2011. SEC v. Universal Consulting Resources and Richard Dalton, 10-cv-2794-REB-KLM (D. Colo). Dalton was ordered to pay $7,549,458 in disgorgement, prejudgment interest of $744,032, and a penalty of $7,549,458. Among other violations, the Court found that Dalton had violated Section 5 of the Securities Act by offering unregistered securities in the UCR Trading Program and UCR Diamond Program. Specifically, the Court found that there was no registration statement in effect for these UCR securities and that no exemption applied to the registration requirements for these UCR securities.

E. BANDIMERE

Background

19. Bandimere first learned of Parrish and IV Capital in 2005 from his friend Dalton. Dalton assisted in arranging a meeting in which Parrish came to Denver and met with Bandimere, and explained the IV Capital investment to him. In November 2005, Bandimere invested $100,000 with IV Capital, and in 2006 he invested another $100,000.

20. Based on encouraging statements made by Bandimere, several family members and friends also decided to invest in IV Capital during 2006. Bandimere pooled the funds from his family and friends, totaling approximately $400,000, and invested it with IV Capital under his name. IV Capital paid the monthly returns of 2.5% to Bandimere, who would then make payments to the individual investors who invested through him.

21. Parrish agreed to compensate Bandimere for bringing in these investors and for handling the distribution of monthly returns. The compensation was directly tied to the amount of funds from investors and set at 10 percent of the monthly returns to investors (i.e., assuming

$400,000 was invested under Bandimere's name, IV Capital promised to pay 2.5% or $10,000 per month to investors, which resulted in a $1,000 commission per month paid to Bandimere by IV Capital).

22. Around the end of 2006, Bandimere realized that there was significant interest in the IV Capital investment and that he could sell the IV Capital investment to many more investors. In the beginning of 2007, he formed two LLCs, Exito and Victoria, in order to facilitate the handling of investor funds he expected to bring for IV Capital. Bandimere was the sole manager of Victoria, and was the co-manager of Exito with the attorney who drafted the LLC agreements. From that point, instead of Bandimere pooling investor funds in his account under his personal name for investment in IV Capital, he collected investor capital to make investments with IV Capital under the name of each LLC. Bandimere maintained the existing compensation agreement with Parrish (10 percent of returns paid by IV Capital) with commission payments now being made to each of the LLCs. These initial investors in Exito and Victoria generally understood that the LLCs had been created as a vehicle to make investments in IV Capital.

23. Bandimere often found people to invest in IV Capital (and later UCR) by mentioning his investing success at various church, religious, and social club activities or events, or general gatherings with friends. Once he sparked a potential new investor's interest in his recent investing success, he would explain the IV Capital investment to them and explain how they could invest through him in the program. In addition, on at least one occasion, Bandimere invited a group of potential investors to his home to attend a presentation by Parrish about IV Capital. Bandimere also relied on referrals from other friends and family to build his investor base.

24. In 2008, Bandimere began selling UCR's Trading Program to investors, offering it as another investment option with the LLCs. Bandimere explained the program, and told investors that the investment manager had been a longtime personal friend (he often did not specifically tell investors' Dalton name, telling investors that the manager of the program wanted his name to be kept confidential). Bandimere told investors that they would earn a guaranteed annual return of 48 percent. Bandimere and Dalton agreed that UCR would pay Bandimere an additional 24 percent annual commission on all investor funds paid at 2% per month (i.e. if a Bandimere investor invested $100,000, Bandimere would earn a $24,000 commission per year paid at a rate of $2000 per month).

25. The investment return of Bandimere's investors depended entirely on which investment program they had selected, IV Capital or the UCR Trading Program. This arrangement -- allowing investors to specifically allocate their investment capital to particular investment programs -- was contrary to the written terms of each LLC's operating agreement, which provided for a pro-rata sharing of all investment income and losses of all the investments made by each LLC. Bandimere's handling of returns, while inconsistent with the written agreements, was consistent with the verbal representations Bandimere made to investors about how returns would be handled and thus was consistent with investors' understanding that they were investing in IV Capital and UCR rather than the LLC. Bandimere also did not follow the LLC agreements with regard to his compensation, which provided that he was entitled as manager to the excess of funds earned by the LLC beyond the annual targeted returns stated in the operating agreements (which

were generally between 24%-30% per year). Instead, as noted above, Bandimere had separate compensation agreements with Parrish and Dalton, tied directly to the amount his investors placed in IV Capital and UCR. Overall, therefore, the LLCs were simply a mechanism created by Bandimere to facilitate his sales of IV Capital and UCR directly to investors.

26. In 2008, Bandimere also began assisting investors in setting up self-directed IRAs through an outside company which allowed investors to access their retirement accounts for investment with the LLCs.

27. In 2008, Bandimere also formed a third LLC, MMI, which he marketed to potential UCR and IV Capital investors as the LLC for those interested in investing for religious or charitable purposes.

28. Beginning in 2009, Bandimere offered the UCR Diamond Program as another investment option with his LLCs for investors, promising returns of potentially 10% per month. Similar to the Trading Program, Bandimere would receive a commission of 2% per month on the LLCs' capital invested in the Diamond Program.

29. In total, Bandimere had at least 60 investors invest approximately $800,000 in the UCR Diamond Program, $2.7 million in the UCR Trading Program, and $5.7 million in IV Capital. Bandimere therefore raised approximately 62% of the total raised by Parrish ($5.7 million out of $9.2 million) and 29% of the total raised by Dalton ($3.5 million out of $12 million). Investors in Bandimere's LLCs ultimately lost all of the money they had invested in the UCR and IV Capital programs, other than what was paid to them as purported returns or returns of capital, when those Ponzi schemes collapsed.

Bandimere Acted as an Unregistered Broker

30. Bandimere was involved throughout the entire investment process with investors. He met with potential investors, explained the investment programs, answered questions, set up the LLCs to facilitate administration of the investments, had them sign the relevant documents, accepted investor deposits, worked with the self-directed IRA provider, determined the monthly returns due for the IV Capital and UCR investments and provided that information to Dalton and Parrish, created and maintained individual account records for each investor, handled return payments to investors, and handled internal accounting and tax returns for the LLCs.

31. Bandimere's investors rarely if ever met or spoke with Dalton, and many never met or spoke with Parrish. Most of the investors relied upon Bandimere for all of their information about these investments. Bandimere also provided investment advice to certain investors by stating that the investments were low risk and very good investments.

32. Bandimere was neither registered as a broker nor associated with a registered broker-dealer at the time of the sales.

33. Bandimere raised approximately $9.3 million from at least 60 different investors and received at least $735,000 in transaction-based compensation, which represented the majority of his income between 2007 and 2010.

Bandimere Misled Investors and Recklessly Ignored Red Flags of Fraud

34. When describing IV Capital and UCR to potential investors, Bandimere presented a one-sided view and highlighted only positive material characteristics: a) the consistent rates of return, b) the established track record of performance, c) the experienced and successful traders, d) his personal dealings with Dalton and Parrish which gave him confidence in their abilities, and e) with regard to Dalton, his long-standing personal relationship.

35. Yet, Bandimere knew about numerous material red flags and negative facts associated with IV Capital and UCR that he never disclosed to investors. These negative facts together suggested a far different picture than the generally rosy view presented by Bandimere, and, at a minimum, would have demonstrated to investors that IV Capital and UCR had very significant risks. Once Bandimere described IV Capital and UCR to potential investors in a materially positive way, he was under a duty to make materially fair and complete disclosure rather than presenting only a one-sided and unbalanced view of the investment. Specifically, Bandimere knew and failed to disclose that:

a. Parrish had previously been sued by the Securities and Exchange Commission in 2005. Bandimere admitted to an investor that he knew that the Commission had previously sued Parrish at the time that Bandimere was offering the IV Capital investment.

b. Dalton told Bandimere that he stopped working with IV Capital and Parrish because of problems with getting paid commissions.

c. IV Capital paid Bandimere large commissions tied to the amount of funds Bandimere brought in for investment.

d. The UCR Trading Program paid Bandimere large commissions tied to the amount of funds Bandimere brought in for investment.

e. The UCR Diamond Program paid Bandimere large commissions tied to the amount of funds Bandimere brought in for investment.

f. While Bandimere initially signed written agreements with UCR and IV Capital when the LLCs made their initial investments, there was no subsequent written documentation provided by UCR or IV Capital when additional investments were made.

g. Bandimere knew that neither UCR nor IV Capital had any financial statements nor were they audited by any accounting firm. In fact, Bandimere testified that it

seemed like Dalton and Parrish did not appear to have any accounting records whatsoever.

h. Bandimere knew that neither UCR nor IV Capital had any third-party service providers: brokerage firms, accountants, etc., which could be verified by him.

i. Dalton and Parrish refused to provide Bandimere with any documents confirming trading, their traders, or any other aspects of the investments.

j. Neither IV Capital nor UCR ever provided any account statements documenting the investments or purported monthly earnings.

k. Each month, Bandimere had to calculate how much the LLCs were owed based upon the purported returns and then he had to direct Parrish and Dalton to wire those amounts, rather than being provided this information by Parrish and Dalton.

l. Even after receiving notice of the monthly amounts owed, Parrish and Dalton often wired insufficient funds to the LLCs.

m. Parrish and Dalton regularly violated their agreements to compensate Bandimere, and Bandimere was paid significantly less than he was promised by Parrish and Dalton.

n. Bandimere knew that Dalton had no experience with managing a large, successful investment program; and in fact, Dalton had been involved in multiple failed investment schemes.

o. Bandimere knew that Dalton had serious financial problems as a result of his unsuccessful investments. Bandimere had loaned Dalton money to participate in a multilevel marketing program after Dalton lost his money in a different multilevel marketing program that had gone bankrupt. Bandimere also rented Dalton an inexpensive apartment in a complex Bandimere owned, a living situation inconsistent with the high level of income Dalton claimed to be earning from his UCR investments.

36. These numerous material red flags and negative facts cited above should have alerted Bandimere to the fact that IV Capital and UCR were likely frauds. These facts would have been important to investors in determining whether to invest, as these facts would have seriously called into question the legitimacy and quality of IV Capital and UCR. Bandimere recklessly ignored these obvious signs of fraud. Bandimere continued to recruit new investors to these schemes without disclosing these facts to current or new investors, which was a highly misleading sales approach. Bandimere hid these obvious signs of fraud from his investors while baselessly assuring investors that the investments were "low risk" and "very good investments."

Bandimere Sold Unregistered Securities

37. Bandimere sold unregistered securities in the UCR Trading Program, the UCR Diamond Program, and IV Capital. There was no registration statement in effect for these securities and no exemption applied to the registration requirements for these securities.

38. In the alternative, Bandimere sold interests in Exito, Victoria, and MMI. Those interests were unregistered securities, and there was no registration statement in effect for these securities and no exemption applied to the registration requirements for these securities. Bandimere pooled investor funds and transferred the comingled funds to UCR and IV Capital. He functioned as an investment adviser to the LLCs and received compensation with respect to securities.

F. YOUNG

Background

39. IV Capital: Dalton introduced Young to Parrish around 2005. Young spoke with Parrish about the investment, and introduced one of his son's best friends, David Smith ("Smith"), to Parrish. Between 2006 and 2009, Young directly offered IV Capital to at least five potential investors but only one person actually made an investment in IV Capital. With regard to that investor, Young handled all the paperwork, answered questions, and handled the monthly payouts to the investor after receiving the money from Parrish. Finally, Young also had a compensation arrangement with Smith to compensate him for his role in introducing Smith to Parrish. Specifically, Young received 30% of all the commission payments received by Smith every month from Parrish.

40. UCR: Young was a friend of Dalton for over 20 years, and had some previous business relationships with him throughout that time period. In 2007, Dalton explained his UCR Trading Program to Young and asked Young whether he would be interested in selling the UCR Trading Program to potential investors. He offered Young a commission for bringing in investors. Between 2007 and 2010, Young solicited approximately 20 investors to invest over $2.5 million in UCR's Trading Program.

Young Acted as an Unregistered Broker

41. Between 2007 and 2010, Young actively recruited and solicited potential investors in IV Capital and the UCR Trading Program, and encouraged those investors to find other investors. For example, Young sent an email to an investor in 2008 stating that "as a friend, and in light of the current turmoil in the financial markets, I hope that you would give me a call sometime at your convenience. We are not in the traditional markets. Our clients' funds are secured in an escrow account at a major bank and do not move. Our returns are exceptional (really exceptional) and distributed monthly….and our clients are grateful they can sleep at night." He later wrote to that investor that if she had "any associates who might enjoy a legitimate and serious ROI, I would appreciate an opportunity to sit down with them."

42. When Young discussed the UCR and IV Capital investment with potential investors, he described the guaranteed returns, the trader, and generally how the program worked. He provided the investment agreement to investors, answered their questions, and sometimes sent that signed agreement to UCR or IV Capital.

43. Many of Young's investors in UCR never spoke with Dalton before making the investment. The investors generally sent their money directly to UCR and received their profit payments directly from UCR. However, for a few months in 2010, Dalton sent a single payment to Young for all of Young's investors and then Young distributed the profit payments to each investor. As noted above, Young handled all the payments to his single investor in IV Capital.

44. Young was paid a commission by Dalton for bringing in new investors of between 1% - 2% per month of each investor's capital investment in UCR. In addition, a few investors that Young brought in also recruited additional investors, and Young agreed to split his commission with them. Dalton would generally pay Young the commission, and then Young would send the payment to the downstream broker. Young also received commissions directly from Parrish for his single investor as well as from Smith for his role in introducing Smith to Parrish. In total, Young received at least $400,000 in net commission payments between 2007 and 2010 (after subtracting payments made to downstream sales agents), representing the vast majority of his income during that period.

Young Made Several Misrepresentations When Selling UCR

45. Young made several representations to investors that he knew or should have known were false or misleading when he was selling the investment:

a. He told some investors that Dalton's UCR program had been in existence 7-9 years, when he knew Dalton did not start UCR until 2007;

b. He told some investors that he and his family members had invested in UCR when they did not;

c. He told some investors that he was a partner of Dalton when he was not a partner; and

d. He told some investors that Dalton's access to the investment program was based upon special access to investments given to former military members without any evidence that such a program existed.

46. Overall, these specific material misrepresentations were critical in convincing potential investors to invest in UCR. The representations that Young was a partner and had invested both his money and his family's money gave investors' confidence that Young truly understood UCR's business and believed strongly in its ability to earn high profits. The representation about the long history of UCR gave investors' confidence in the security and performance of the investment over a long period of time. Finally, the representation about Dalton's access to former military members provided investors with a potential explanation about why Dalton was able to earn such high returns.

Young Sold Unregistered Securities

47. Young sold unregistered securities in the UCR Trading Program and IV Capital. There was no registration statement in effect for these securities and no exemption applied to the registration requirements for these securities.

G. VIOLATIONS

48. As a result of the conduct described above, Bandimere and Young willfully violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in the offer and sale of securities and in connection with the purchase or sale of securities.

49. As a result of the conduct described above, Bandimere and Young willfully violated Section 15(a) of the Exchange Act, which makes it unlawful for any broker or dealer to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security, unless such broker or dealer is registered or associated with a registered broker-dealer.

50. As a result of the conduct described above, Bandimere and Young willfully violated Sections 5(a) and (c) of the Securities Act, which makes it unlawful for any person, directly or indirectly, to sell or to offer to sell a security for which a registration statement is not filed or not in effect or there is not an applicable exemption from registration.

51. In the alternative, as a result of the conduct described above, Bandimere also willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, which prohibit fraudulent conduct by an investment adviser to a pooled investment vehicle.

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 and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial actions are appropriate in the public interest against Respondents pursuant to Section 15(b) of the Exchange Act including, but not limited to, disgorgement and civil penalties pursuant to Section 21B of the Exchange Act;

C. What, if any, remedial actions are appropriate in the public interest against Respondents pursuant to Section 9(b) of the Investment Company Act including, but not limited to, disgorgement and civil penalties pursuant to Section 9 of the Investment Company Act;

D. In the alternative, what, if any, remedial actions are appropriate in the public interest against Bandimere pursuant Section 203(f) of the Advisers Act including, but not limited to disgorgement and civil penalties pursuant to Section 203(i) of the Advisers Act.

E. Whether, pursuant to Section 8A of the Securities Act, Section 21C of the Exchange Act, and Section 203(k) of the Adviser Act, Respondents should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 5 and 17(a) of the Securities Act, Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, and Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, whether Respondents should be ordered to pay a civil penalty pursuant to Section 8A(g) of the Securities Act, Section 21B(a) of the Exchange Act, Section 203(i) of the Advisers Act, and Section 9(d) of the Investment Company Act, and whether Respondents should be ordered to pay disgorgement plus prejudgment interest thereon and provide an accounting pursuant to Section 8A of the Securities Act, Sections 21B and 21C of the Exchange Act, Section 203(k) of the Advisers Act, and Section 9 of the Investment Company Act.

F. Whether, pursuant to Section 308 of the Sarbanes-Oxley Act of 2002, a Fair Fund should be established for the benefit of defrauded investors to distribute to affected investors any disgorgement, prejudgment interest, and civil penalty payments that may be made.

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 not earlier than 30 days and not later than 60 days from service of this Order 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 Respondents 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 Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, Respondents may be deemed in default and the proceedings may be determined against them 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 Respondents personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission’s Rules 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.

By the Commission.

Elizabeth M. Murphy
Secretary