

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 72702 / July 29, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15988

In the Matter of

ROBERT G. PEARSON,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 17A(c) OF
THE SECURITIES EXCHANGE ACT OF
1934, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 17A(c) of the Securities Exchange Act of 1934 (“Exchange Act”) against Robert G. Pearson (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in Section III.2. below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 17A(c) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Since August 1990 through at least the filing of the District Court Action, Respondent has been the president, chief executive officer and sole shareholder of Illinois Stock Transfer Company d/b/a ist Shareholder Services ("IST"), a transfer agent registered with the Commission. Respondent, 56 years old, is a resident of Winfield, Illinois.

2. On May 22, 2014, the Commission filed a complaint against Respondent and IST in the United States District Court for the Northern District of Illinois entitled United States Securities and Exchange Commission v. Pearson, et al., 14 C 3785 (N.D. Ill.) (the "District Court Action"). On July 9, 2014, a judgment was entered by consent against Respondent in the District Court Action, permanently enjoining him from: (i) committing future violations of Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. §§ 240.10b-5(a) and 10b-5(c)]; and (ii) aiding and abetting future violations of Section 17A(d)(1) of the Exchange Act and Rules 17Ad-12, 17Ad-13, 17Ad-16, and 17f-1 thereunder. [15 U.S.C. § 78q-1(d)(1) and 17 C.F.R. §§ 240.17Ad-12, 17Ad-13, 17Ad-16, and 17f-1.]

3. The Commission's complaint in the District Court Action alleged, among other things, that, in connection with the purchase or sale of securities and in connection with the performance of services as a transfer agent, IST and Respondent (a) fraudulently misused and misappropriated issuer and shareholder funds; (b) engaged in the activities of a transfer agent in contravention of the rules promulgated by the Commission; (c) failed to maintain reasonable safeguards for funds and securities for each issue of securities for which IST performed stock transfer functions; (d) failed to file annually with the Commission an independent accountant's report concerning the transfer agent's system of internal accounting control and related procedures for the transfer of record ownership and the safeguarding of related securities and funds; (e) failed to give timely written notice of assumption or termination of transfer agent services to the appropriate qualified registered securities depository; and (f) failed to report timely to the Commission or its designee, the discovery of the loss of any securities certificate where criminal actions are not suspected and when the securities certificate has been missing or lost for a period of two business days, or the recovery of a securities certificate that was previously reported as lost, missing or stolen.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Pearson's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 17A(c) of the Exchange Act Respondent Pearson be, and hereby is barred from association with any transfer agent, broker, dealer, investment adviser, municipal securities dealer, municipal advisor, or nationally recognized statistical rating organization.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Jill M. Peterson
Assistant Secretary