

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 94926 / May 17, 2022

INVESTMENT ADVISERS ACT OF 1940
Release No. 6026 / May 17, 2022

ADMINISTRATIVE PROCEEDING
File No. 3-20854

In the Matter of

**Stephen G. Bond-
Nelson,**

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934 AND
SECTION 203(f) OF THE INVESTMENT
ADVISERS ACT OF 1940, 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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Stephen G. Bond-Nelson (“Bond-Nelson” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (“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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph III.2 below, which are admitted, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to

Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, 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. Bond-Nelson, 51 years old, is a resident of Berkeley Heights, New Jersey. During the time period of the alleged misconduct in paragraph 3, below, Bond-Nelson was a Managing Director at Allianz Global Investors U.S. LLC (“AGI US”), a registered investment adviser headquartered in New York, New York. In that role, Bond-Nelson served as a portfolio manager for a complex options trading strategy (“Structured Alpha”) AGI US marketed and sold to approximately 114 institutional investors in 17 unregistered private funds. From July 1999 through January 2022, Bond-Nelson (CRD#2947935) was associated with Allianz Global Investors Distributors LLC, a registered broker-dealer.

2. On March 3, 2022, Bond-Nelson pled guilty to conspiracy to commit securities fraud, investment adviser fraud, and wire fraud in violation of 18 U.S.C. § 371; securities fraud in violation of 15 U.S.C. § 78j(b), 15 U.S.C. § 78ff, 17 C.F.R. § 240.10b-5, and 18 U.S.C. § 2; investment adviser fraud in violation of 15 U.S.C. § 80b-6(4), 15 U.S.C. § 80b-17, 17 C.F.R. § 275.206(4)-8, and 18 U.S.C. § 2; and conspiracy to obstruct justice in violation of 18 U.S.C. § 371, before the United States District Court for the Southern District of New York, in *United States v. Stephen Bond-Nelson*, Case No. 22-cr-137 (PAE) (S.D.N.Y.).

3. The counts of the criminal information to which Bond-Nelson pled guilty alleged that, *inter alia*, from in or about 2014 to in or about 2020, Bond-Nelson made multiple material misrepresentations, and engaged in other fraudulent and deceptive conduct, in connection with the offer, purchase and sale of Structured Alpha funds.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Bond-Nelson’s Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Bond-Nelson be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Bond-Nelson be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) 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.

Vanessa A. Countryman
Secretary