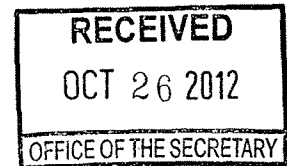


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UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION



**In the Matter of**

**DANIEL BOGAR,  
BERNERD E. YOUNG, and  
JASON T. GREEN**

**Respondents.**

**Administrative Proceeding  
File No. 3-15003  
Judge Carol Fox Foelak**

**ANSWER OF RESPONDENT DANIEL BOGAR TO THE  
ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS**

Respondent Daniel Bogar ("Bogar"), through counsel, pursuant to the Rules of Practice of the Securities and Exchange Commission, answers the allegations contained in the Order Instituting Administrative and Cease and Desist Proceedings dated August 31, 2012 (the "OIP").

Bogar responds to the sections and numbered paragraphs of the OIP as set forth below. To the extent that un-numbered captions are deemed to contain factual allegations, all such allegations are denied.

**Section I**

Section I of the OIP states legal conclusions as to which no responsive pleading is required by Bogar. To the extent that a response is required, Bogar denies the allegations and states that the proceedings as against him are not appropriate and are not in the public interest. Bogar specifically denies that he has violated any of the statutes mentioned in Section I.

**Section II**

1. Bogar admits that at times relevant hereto he has held Series 7, 24, and 66 securities licenses; Bogar admits that at times between March 2005 and February 2009 he was President of Stanford Group Company ("SGC"), a Houston-based broker-dealer registered with the Commission. Bogar admits that at times between March 2005 and February 2009 he was President of Stanford Group Holdings ("SGH"). Bogar admits that he is 53 years of age and resides in Fort Lauderdale, Florida and that at relevant times between 2005 and 2009 he oversaw certain merchant banking activities of SGC and otherwise denies the allegations of Paragraph 1. Bogar avers that at no time did he manage private equity investments of Stanford International Bank Ltd. ("SIB") or that he was employed by or associated with SIB.

2. Bogar admits that at relevant times between January 2006 and February 2009, Respondent Young was Managing Director, Compliance and Chief Compliance Officer ("CCO")

of SGC and otherwise denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 2.

3. Bogar admits that at relevant times, Respondent Green was employed by SGC in its private client group and that at various times during his employment he reported to Bogar. Bogar otherwise denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 3.

4. Bogar admits that SGC is a Houston-based corporation that at relevant times has been dually registered with the Commission as a broker-dealer and investment adviser and admits that SGC and SGH are currently in Receivership; Bogar otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 4.

5. Bogar admits that at relevant times SIB purported to be a private international bank organized under the laws of Antigua and Barbuda; admits that SGC's business included sales of SIB Certificates of Deposit ("CDs") and admits that SIB is currently in Receivership. Bogar otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 5.

6. Bogar admits that at certain times SIB purported to be an international bank that provided private banking services and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 6.

7. Bogar admits that at relevant times SIB offered and sold CDs to U.S. investors through SGC purportedly pursuant to Regulation D of the Securities Act of 1933 (the "Securities Act") and alleges, on information and belief, that the Regulation D offering was made upon the opinion of a national law firm having expertise in compliance with the federal securities laws. Bogar admits that SGC personnel used a disclosure statement and a sales brochure in connection with the sale of SIB's CDs in the United States (the "Offering Documents"). Bogar otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 7. Further responding to the allegations of Paragraph 7, Bogar alleges that he did not draft or modify the Offering Documents and further alleges that at all times relevant hereto, in permitting the Offering Documents to be used by SGC personnel, he relied upon qualified compliance professionals, in-house counsel, preeminent outside law firms and reviewing regulatory bodies as to the contents of the documents and as to the requirements of the federal securities laws.

8. Bogar admits that SGC's financial advisors ("FAs") recommended the SIB CDs to SGC clients and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 8.

9. Responding to the allegations of Paragraph 9, Bogar refers to the Offering Documents for their contents and alleges that to his knowledge SGC's FAs were required to present the CDs to clients in a manner factually consistent with the disclosures in the Offering Documents. Bogar otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 9.

10. Bogar denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 10 except he denies the allegations of the last sentence of Paragraph 10.

11. On information and belief, Bogar admits the allegations of Paragraph 11.

12. Bogar is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 12.

13. Bogar admits that Respondents at various times, separately or jointly traveled to Antigua to investigate and perform due diligence on SIB; Bogar admits that Respondents from time to time toured SIB facilities and attended meetings chaired by SIB executives and admits that during these meetings bank officials made presentations to Respondent regarding the history of Antigua, general operations of the bank, Antiguan regulatory process and investment parameters used by SIB to manage its portfolio. Bogar denies that during these trips to Antigua he reviewed SIB's annual reports, quarterly market recap reports and/or Offering Documents used to market SIB's CDs and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 13.

14. Responding to the allegations of Paragraph 14, Bogar refers to the Offering Documents for their contents and alleges that to his knowledge SGC's FAs were required to present the CDs to clients in a manner factually consistent with the disclosures in the Offering Documents and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 14.

15. Bogar admits and alleges that at relevant times Respondents Young and Green were charged with training SGC's FAs with respect to the sale of SIB CDs and admits that SGC's FAs were required to use the Offering Documents in connection with the sale of SIB CDs. Bogar alleges that to his knowledge SGC's FAs were required to present the CDs to clients in a manner factually consistent with the disclosures in the Offering Documents and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 15.

16. Bogar denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 16.

17. Bogar denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 17.

18. Bogar denies the allegations of Paragraph 18 as to himself and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 18.

19. Bogar denies the allegations of Paragraph 19 to the extent that Paragraph 19 contains factual allegations as to him and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 19. Further responding to Paragraph 19, Bogar alleges that he did not draft, revise or approve the use of the Offering Documents by the SGC FAs in connection with the offering of SIB CDs. Bogar further alleges

that in connection with the use of the Offering Documents he relied upon qualified compliance professionals, in-house counsel, the involvement of multiple national law-firms having expertise in compliance with the federal securities laws and upon review of those Offering Documents by relevant securities regulators including FINRA and the Commission.

20. Responding to Paragraph 20, Bogar admits that from time to time he received spreadsheets tracking sales of CDs and other products; Bogar otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 20.

21. Bogar denies the allegations of Paragraph 21 as to himself and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations regarding the other Respondents herein.

22. Bogar denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 22.

23. Bogar denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 23.

24. Bogar denies the allegations of the first sentence of Paragraph 24 and alleges that he was compensated for serving as President of SGH and SGC, a registered broker-dealer engaging in numerous lines of commerce in the securities industry including, without limitation, bearing responsibility for over a billion dollars in traditional brokerage assets housed at Pershing, LLC, SGC's clearing broker, and at JP Morgan Clearing Corp. and SEI Private Trust Co. Further responding to the first sentence of Paragraph 24, Bogar alleges that his compensation was lower than compensation of others similarly situated in the securities industry. Bogar denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 24.

25. Bogar denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 25.

26. Bogar denies knowledge or information sufficient to form a belief as to the truth of the first sentence of Paragraph 26 and otherwise denies the allegations of Paragraph 26.

27. Bogar denies the allegations of Paragraph 27.

28. Bogar denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 28.

29. Bogar denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 29.

30. Paragraph 30 contains legal conclusions as to which no responsive pleading is required; to the extent that Paragraph 30 contains any factual allegations as to Respondent Bogar, he denies each and every such allegation and avers that he has not violated Section 17(a) of the Securities Act as alleged in the OIP or in any respect.

31. Paragraph 31 contains legal conclusions as to which no responsive pleading is required; to the extent that Paragraph 31 contains any factual allegations as to Respondent Bogar, he denies each and every such allegation and avers that he has not violated Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 thereunder as alleged in the OIP or in any respect.

32. Paragraph 32 contains legal conclusions as to which no responsive pleading is required; to the extent that Paragraph 32 contains any factual allegations as to Respondent Bogar, he denies each and every such allegation and avers that he has not violated Section 15(c)(1) of the Exchange Act as alleged in the OIP or in any respect.

33. Paragraph 33 contains legal conclusions as to which no responsive pleading is required; to the extent that Paragraph 33 contains any factual allegations as to Respondent Bogar, he denies each and every such allegation and avers that he has not violated Section 206(1) and (2) of the Investment Advisers Act of 1940 as alleged in the OIP or in any respect.

### **Section III**

Respondent Bogar denies that the Commission is entitled to the relief sought and requests that the OIP and all allegations set forth against Bogar therein be dismissed. Respondent Bogar respectfully requests that he be granted all relief as a prevailing Respondent as provided in all applicable federal statutes, regulations and rules.

### **AFFIRMATIVE DEFENSES**

#### **First Defense**

The OIP fails to state a claim upon which relief can be granted.

#### **Second Defense**

The OIP fails to allege fraud with particularity.

#### **Third Defense**

Bogar did not act with scienter.

#### **Fourth Defense**

At all times Bogar acted in good faith and in reasonable reliance on qualified compliance professionals, in-house counsel, preeminent law firms having expertise in compliance with the federal securities laws and upon the review of the Offering Documents by relevant securities regulators including FINRA and the Commission.

**Fifth Defense**

There is no reasonable likelihood that Bogar will violate the federal securities laws in the future.

**Sixth Defense**

A cease-and-desist or other sanction against Bogar would be contrary to the public interest.

**Seventh Defense**

Bogar did not violate, cause or aid and abet violations of the federal securities laws.

**Eighth Defense**

The standard of conduct which Bogar is being charged with violating is so vague and unclear that these proceedings are contrary to fundamental concepts of notice, fairness and due process.

**Ninth Defense**

According to the OIP and the Rules of Practice, an Initial Decision shall be issued no later than 300 days from the date of service of the OIP, even though the Commission's investigation into this matter lasted several years and included interviews of numerous witnesses and the review of hundreds of thousands of documents. It is contrary to the requirements of fairness and due process to require a respondent to prepare for a hearing on an expedited basis in these circumstances.

Dated October 25, 2012

Respectfully submitted,

THE TAYLOR LAW OFFICES, P.C.

By: \_\_\_\_\_



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