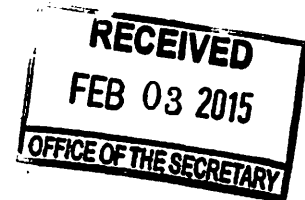


UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

HARD COPY

ADMINISTRATIVE PROCEEDING
File No. 3-16047



In the Matter of

THE ROBARE GROUP LTD.,
MARK L. ROBARE, and
JACK L. JONES JR.,

Respondents.

STIPULATIONS OF FACT

The Division of Enforcement ("Division"), The Robare Group Ltd. ("TRG"), Mark L. Robare ("Robare"), and Jack L. Jones Jr. ("Jones") agree to and stipulate as to the following facts:

1. TRG is an investment adviser located in Houston, Texas, and a Texas limited partnership. TRG was formed in 2000 and currently is registered as an investment adviser with the Securities and Exchange Commission ("Commission"). Robare Asset Management, Inc. ("RAM") is the managing general partner of TRG. As of August 26, 2013, TRG served as investment adviser to approximately 350 separately managed discretionary accounts and had approximately \$150 million in assets under management.

2. Robare, age 62, resides in Cypress, Texas. Robare is the founder and a limited partner of TRG. He is the president of RAM. He owns 83% of TRG, either directly or through his ownership in RAM. Robare is also a person associated with TRG and is registered with the State of Texas as an investment adviser representative for TRG. Robare has served as TRG's Chief Compliance Officer since 2003.

3. Jones, age 43, is a resident of Spring, Texas, and is Robare's son-in-law. Jones is a limited partner of TRG and owns approximately 17% of TRG, either directly or through his ownership in RAM. Jones is also a person associated with TRG and is registered with the State of Texas as an investment adviser representative for TRG. Since 1994, Jones has been a registered representative associated with broker-dealers registered with the Commission.

4. TRG offers portfolio management services, primarily to retail and other high net worth individuals. From its inception, TRG has used Fidelity for execution, custody, and clearing services for its advisory clients. TRG has also recommended that its clients invest in many mutual funds offered on Fidelity's platform. TRG offers approximately seven different

model portfolios, largely comprised of mutual fund investments available through Fidelity's platform. TRG invests a significant portion of its clients' assets in No Transaction Fee ("NTF") mutual funds that are offered on Fidelity's platform.

5. In 2003, TRG registered as an independent investment adviser with the Commission after being a state-registered investment advisor since 2001.

6. TRG and Fidelity entered into a contract on February 25, 2003, titled "Investment Advisor Representation and Indemnification Letter," pursuant to which Fidelity would provide execution, custody, and clearing services for TRG's advisory clients and access for TRG to Fidelity's mutual fund trading platform.

7. In February 2003, Robare and Jones became registered representatives with broker-dealer Triad Advisers, Inc. ("Triad").

8. Triad is a Commission-registered securities broker-dealer headquartered in Norcross, Georgia.

9. Robare and Triad entered into an agreement dated October 29, 2002 (the "Commission Agreement"), that detailed the manner in which Triad would compensate him.

10. In early 2004, the president of Triad told Robare about a program Fidelity was offering pursuant to which Fidelity would pay investment advisers for placing their customers in certain eligible mutual funds purchased on Fidelity's platform.

11. On April 19, 2004, Robare signed a contract on behalf of TRG titled "Investment Advisor Commission Schedule and Servicing Fee Agreement" ("2004 Agreement"). The other parties to the 2004 Agreement were Triad and Fidelity (through its entities Fidelity Brokerage Services ("FBS") and National Financial Services ("NFS")). Triad signed the contract on April 16, 2004, and the Fidelity representative signed on May 3, 2004. The contract states that it was "made and entered into" on February 5, 2004.

12. By its terms, the 2004 Agreement provided for a "servicing fee revenue program," in which TRG would "refer clients to Fidelity" and Fidelity would pay revenues, ranging from 2 to 12 basis points, based on the volume of assets under management that TRG placed in eligible non-Fidelity NTF mutual funds on Fidelity's platform.

13. An NTF mutual fund is a mutual fund that does not charge any form of commission to investors for purchasing the shares in that mutual fund.

14. Robare and Jones each knew of the existence of and the terms of the 2004 Agreement.

15. Triad knew of the existence of and the terms of the 2004 Agreement.

16. The 2004 Agreement provided that the basis points Fidelity paid increased as the amount of assets under management placed in eligible non-Fidelity NTF mutual funds increased.

17. The 2004 Agreement stated, in a section labeled "Disclosure," that "TRG shall be responsible for reviewing and determining whether additional disclosure is necessary in the Form ADV or Form B/D, respectively, or otherwise with respect to the terms and conditions of this Agreement and obtain any necessary consents."

18. Through April 2013, Fidelity paid the revenue due to TRG under the 2004 Agreement to Triad.

19. Through April 2013, Triad retained 10% of the revenues received from Fidelity under the 2004 Agreement and remitted the remaining 90% to TRG.

20. The receipt of the payments by TRG under the 2004 Agreement constituted an actual or potential conflict of interest.

21. On May 23, 2013, Robare signed a new servicing fee agreement with Fidelity on behalf of TRG, titled "Investment Advisor Custodial Support Services Agreement" ("2012 Agreement"). The 2012 Agreement's stated effective date was November 21, 2012, although it was signed by all parties in 2013.

22. After the 2012 Agreement was signed, the 2004 Agreement was terminated.

23. Triad is not, and never was, a party to the 2012 Agreement.

24. Under the 2012 Agreement, which is still in effect, the servicing fee revenue program has continued as before under the 2004 Agreement, except that Fidelity has made payments and continues to make payments directly to TRG instead of through Triad.

25. In the 2012 Agreement, TRG expressly represented that "it has, prior to entering into this Agreement, made and will continue to make all appropriate disclosures to Clients ... with regard to any conflicts of interest that may arise" from the agreement, "including ... any incentive arising in connection with [TRG's] receipt (or prospective receipt) of fees on Non-Fidelity no transaction fee ("NTF") mutual funds to favor those types of investments over others"

26. Robare and Jones each knew of the existence of and the terms of the 2012 Agreement.

27. Fidelity has made payments under the 2012 Agreement directly to TRG from May 2013 through the present.

28. TRG has received 100% of the payments Fidelity has paid under the 2012 Agreement.

29. Robare and Jones each knew they and TRG were receiving, and continue to receive, payments from Fidelity pursuant to the 2012 Agreement.

30. The receipt by TRG of the payments Fidelity pays, or paid, to TRG pursuant to the 2012 Agreement constitutes an actual or potential conflict of interest.

31. TRG filed, or was deemed to have filed, a Form ADV, Part II, and Schedule F, with the Commission, on or about each of the following dates:

March 8, 2005

August 18, 2005

January 6, 2006

January 30, 2008

April 24, 2008

32. The Commission amended Form ADV in 2010 and required most Commission-registered investment advisers to begin using, in early 2011, a separate client disclosure brochure that met the requirements of the new Part 2A.

33. TRG filed a Form ADV, Part 2A and a Disclosure Brochure with the Commission on or about each of the following dates:

March 31, 2011

December 20, 2011

March 30, 2012

April 12, 2013

June 2, 2013

August 26, 2013

34. Robare reviewed all Forms ADV Part II, Schedules F, Forms ADV Part 2A, and Disclosure Brochures before they were filed or were deemed filed. He was aware of the disclosures made in all of the Forms ADV Part II, Schedules F, Forms ADV Part 2A, and Disclosure Brochures and approved them.

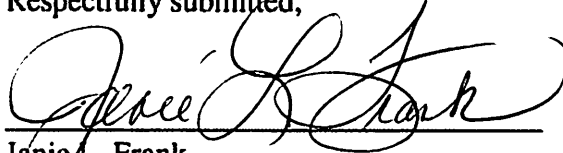
35. Jones reviewed all Forms ADV Part II, Schedules F, Forms ADV Part 2A, and Disclosure Brochures before they were filed or were deemed filed. He signed all of the Form ADVs on behalf of TRG from August 18, 2005, forward. He was aware of the disclosures made in all of the Forms ADV Part II, Schedules F, Forms ADV Part 2A, and Disclosure Brochures and approved them.

36. TRG, Robare, and Jones each owe a fiduciary duty to TRG's advisory clients.

37. Form ADV is the uniform form used by investment advisers to register with the Commission.

Dated: February 2, 2015

Respectfully submitted,



Janie L. Frank

Texas Bar No. [REDACTED]

Jessica B. Magee

Texas Bar No. [REDACTED]

United States Securities and

Exchange Commission

Fort Worth Regional Office

[REDACTED]

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