

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

INVESTMENT COMPANY ACT OF 1940
Release No. 30088 /May 30, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14825

In the Matter of	:	
	:	ORDER MAKING FINDINGS AND
INTERNATIONAL ASSET GROUP, INC.	:	IMPOSING SANCTIONS BY DEFAULT

SUMMARY

This Order revokes the election of International Asset Group, Inc. (IAG), to be regulated as a business development company (BDC) and orders it to cease and desist from violations of the Investment Company Act of 1940 (Investment Company Act). The sanctions are based on IAG's repeated failure to file required periodic reports with the Securities and Exchange Commission (Commission) and to maintain a fidelity bond as well as the fact that it ceased to engage in business.

I. BACKGROUND

The Commission initiated this proceeding on March 29, 2012, with an Order Instituting Proceedings (OIP), pursuant to Sections 9(f) and 54(c) of the Investment Company Act. The OIP alleges that IAG is an investment company registered with the Commission pursuant to Section 8(a) of the Investment Company Act and that it has repeatedly failed to file with the Commission periodic reports in compliance with the Investment Company Act. Further, the OIP alleges that IAG elected to be regulated as a BDC pursuant to Section 54 of the Investment Company Act but has failed to maintain a fidelity bond in compliance with Section 17(g) of the Investment Company Act and additionally has ceased to engage in business. IAG was served with the OIP in accordance with 17 C.F.R. § 201.141(a)(2)(ii) on April 3, 2012.¹ To date, IAG has failed to file an Answer to the OIP, due twenty days after service. See OIP at 3; 17 C.F.R. § 201.220(b). Thus, IAG has failed to answer or otherwise to defend the proceeding within the meaning of 17 C.F.R. § 201.155(a)(2). Accordingly, IAG is in default, and the undersigned finds that the allegations in the

¹ IAG was served with the OIP by USPS certified mail delivery attempted delivery at "the most recent business address shown on [its] registration form," 101 Marietta Street, Suite 1070, Atlanta, GA 30303. See 17 C.F.R. § 201.141(a)(2)(iii).

OIP are true. See OIP at 3; 17 C.F.R. §§ 201.155(a), .220(f). Official notice has been taken of the Commission's public official records concerning IAG, pursuant to 17 C.F.R. § 201.323.

II. FINDINGS OF FACT

IAG (CIK No. 1199923),² is a Nevada corporation located in Atlanta, Georgia. IAG has been a registered investment company, pursuant to Investment Company Act Section 8(a), since October 24, 2002. IAG is delinquent in its periodic filings with the Commission, having never filed any periodic reports since the date of its registration. Its Nevada corporate registration has been revoked.³

On October 24, 2002, IAG elected to be regulated as a BDC pursuant to Investment Company Act Section 54. However, it never provided a bond issued by a reputable fidelity insurance company against larceny and embezzlement by its officers and employees, as required by Investment Company Act Sections 17(g) and 59 and Rule 17g-1.

III. CONCLUSIONS OF LAW

By failing to file required twice-a-year reports, IAG violated Investment Company Act Sections 30(a) and 30(b) and Rule 30b1-1. By failing to provide and maintain a fidelity bond, IAG violated Investment Company Act Section 17(g) and Rule 17g-1, which apply to BDCs pursuant to Investment Company Act Section 59. Additionally, IAG has ceased to engage in business within the meaning of Investment Company Act Section 54(c).

IV. SANCTIONS

The election of IAG to be regulated as a BDC will be revoked, and it will be ordered to cease and desist from violations of Investment Company Act Sections 17(g), 30(a), and 30(b) and Rules 17g-1 and 30b1-1.

A. Cease and Desist Order

Section 9(f) of the Investment Company Act authorizes the Commission to issue a cease-and-desist order against a person who "is violating, has violated, or is about to violate" any provision of that Act or rules thereunder. Whether there is a reasonable likelihood of such violations in the future must be considered. KPMG Peat Marwick LLP, Exchange Act Release No. 43862 (Jan. 19, 2001), 54 S.E.C. 1135, 1185. Such a showing is "significantly less than that

² The CIK number is a unique identifier for each corporation in the Commission's EDGAR database. The user can retrieve filings of a corporation by using its CIK number.

³ According to the website of the Nevada Secretary of State, <http://nvos.gov>, of which official notice is taken, pursuant to 17 C.F.R. § 201.323, IAG (Entity Number C25629-2002) originally filed its Nevada Articles of Incorporation on October 15, 2002, its Nevada registered agent resigned on June 16, 2004, and its status is "Permanently Revoked."

required for an injunction.” Id. at 1183-91. In determining whether a cease-and-desist order is appropriate, the Commission considers the Steadman factors,⁴ as well as the recency of the violation, the degree of harm to investors or the marketplace, and the combination of sanctions against the respondent. See id. at 1192; see also WHX Corp. v. SEC, 362 F.3d 854, 859-61 (D.C. Cir. 2004).

IAG’s violations of Investment Company Act Sections 17(g), 30(a), and 30(b) and Rules 17g-1 and 30b1-1 have been egregious and recurrent over a period of almost ten years. The violations are continuing and there is no likelihood that they will not continue in the future. There is a complete absence of any assurances against future violations or recognition of the wrongful nature of the conduct.

B. Revocation of Election to be Regulated as a BDC

Because IAG ceased to engage in business, its election to be regulated as a BDC must be revoked, pursuant to Investment Company Act Section 54(c).

V. ORDER

IT IS ORDERED that, pursuant to Section 9(f) of the Investment Company Act of 1940, International Asset Group, Inc., CEASE AND DESIST from committing or causing any violations or future violations of Sections 17(g), 30(a), and 30(b) of the Investment Company Act of 1940 and Rules 17g-1 and 30b1-1 thereunder.

IT IS FURTHER ORDERED that, pursuant to Section 54(c) of the Investment Company Act of 1940, the ELECTION of International Asset Group, Inc., to be regulated as a business development company IS REVOKED.

Carol Fox Foelak
Administrative Law Judge

⁴ Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979): “the egregiousness of the defendant’s actions, the isolated or recurrent nature of the infraction, the degree of scienter involved, the sincerity of the defendant’s assurances against future violations, the defendant’s recognition of the wrongful nature of his conduct, and the likelihood that the defendant’s occupation will present opportunities for future violations.”