

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 70340/ September 6, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15460

In the Matter of

DAVID G. BARTHOLOMEW,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) 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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against David G. Bartholomew (“Bartholomew” or “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 15(b) 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. From January 2007 through July 2008, Bartholomew was the principal of LOA Capital, LLC a limited liability company that offered and sold high-yield promissory notes to

investors. During that time, Bartholomew was neither registered as a broker-dealer nor associated with a registered broker dealer.

2. On August 29, 2013, a permanent injunction was entered by consent against Bartholomew, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled *Securities and Exchange Commission v. Mowen*, Case No. 2:09-cv-00786-DB in the United States District Court for the District of Utah.

3. The Commission’s complaint alleged that, from at least January 2007 through July 2008, Bartholomew offered and sold purported high-yield promissory notes to investors which he claimed would pay 2% to 3% interest monthly and in so doing engaged in the business of effecting transactions in securities for the accounts of others. The funds raised by Bartholomew were given to Thomas R. Fry who funneled those funds into a Ponzi scheme run by Jeffrey L. Mowen, a convicted felon and securities law recidivist. The Commission alleged that Bartholomew distributed private placement memoranda to investors that falsely stated that all the investors’ funds were being used to make collateralized domestic real estate loans and domestic small business loans, and which misrepresented the level of his due diligence as to the investment scheme. The Commission alleged that Bartholomew conducted virtually no due diligence in connection with the purported investment opportunities and transferred investor money without any documentation or limitation on the use of the 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 Bartholomew’s Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Bartholomew 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

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, 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,

Elizabeth M. Murphy
Secretary