

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3672 / September 19, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15509

<p>In the Matter of</p> <p style="text-align:center">Stephen C. Bond,</p> <p>Respondent.</p>

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO
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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Stephen C. Bond (“Bond” 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, 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 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. From 2001 to 2008, Bond was employed by purported investment management companies based in the San Francisco Bay Area known as Asenqua Capital Management, LLC and Fireside Capital Management, LLC (together, the “Asenqua funds”). Bond held various positions during his employment with the Asenqua funds. At times, Bond held himself

out to be the “fund manager” of the Asenqua funds. Bond was later a consultant and provided research analysis to the Asenqua funds. Bond, age 45, is a resident of Concord, California.

2. On August 12, 2013, a final judgment was entered by consent against Bond, permanently enjoining him from future violations of Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, and Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled *Securities and Exchange Commission v. Stephen C. Bond*, Civil Action No. 10-cv-1358, in the United States District Court for the Northern District of California.

3. In his various capacities, Bond worked with Albert K. Hu (“Hu”), the founder of the Asenqua funds, to assist him in attracting investors in the funds. Hu introduced Bond to investors at meetings to solicit investment in the funds. During these meetings, Bond spoke to potential investors about industry market trends and the Asenqua funds’ investment strategy. Bond’s introduction by Hu was designed to provide an air of legitimacy to the Asenqua funds and security for fund investors. Bond and Hu showed potential investors presentations and documents prepared by Hu that purported to describe the funds’ purported high investment returns. As a result of these meetings, Hu raised more than \$5 million from investors, who believed that Bond was the “fund manager” of the Asenqua funds. Bond managed no portfolio of investments for the Asenqua funds and relied on the documents prepared by Hu without further diligence. Investors’ funds were not invested in the manner described in fund documents and during investor presentations. Instead, Hu used investor funds to pay himself, Bond and others as Hu saw fit. Despite having no investment portfolio to manage or further analyzing the funds’ returns, Bond received more than \$850,000 as compensation for work and repayment of expenses, nearly 20 percent of the funds raised from investors. In June 2012, a jury in the United States District Court for the Northern District of California found Hu guilty of seven counts of wire fraud related to the Asenqua scheme.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent 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.

with the right to apply for reentry after five years to the appropriate self-regulatory organization, or if there is none, to the Commission. Any reapplication for association by 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 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