

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 78756 / September 1, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17525

In the Matter of

ROBERT D. MILLIGAN,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934, AND NOTICE OF HEARING**

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 Robert D. Milligan (“Respondent” or “Milligan”).

II.

After an investigation, the Division of Enforcement alleges that:

1. From April 2008 until June 2010, Milligan was associated with North Global Securities, Inc., a registered broker-dealer. Milligan, age 52, is a resident of Robinson, Texas.
2. On July 20, 2016, a judgment was entered by consent against Milligan, permanently enjoining him from future violations of Sections 5 and 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Robert DeWayne Milligan, Civil Action No. 2:15-cv-07308-AB-AGR, in the United States District Court for the Central District of California.
3. The Commission’s complaint alleged that between May 2010 and May 2014, in connection with the sale of securities, Milligan misused and misappropriated investor funds, made material misstatements and omissions regarding, among other things, his use of investor funds and the status of various purported oil and gas drilling projects, and otherwise engaged in a variety of conduct which operated as a fraud and deceit on investors. The complaint also alleged that Milligan unlawfully sold unregistered securities.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and

C. Whether, pursuant to Section 15(b) of the Exchange Act, it is appropriate and in the public interest to bar Milligan from participating in any offering of 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.

IV.

NOTICE TO RESPONDENT:

On July 13, 2016, the Commission voted to amend certain of its Rules of Practice related to administrative proceedings. The amended rules will become effective on September 27, 2016 and shall apply to proceedings initiated on or after that date. Some of the amendments will apply to proceedings initiated before that date, depending on the circumstances, as detailed in Exchange Act Release No. 34-78319, *Amendments to the Commission's Rules of Practice*, at 75-76 [81 FR 50212, at 50229-30 (July 29, 2016)]. Additionally, for proceedings instituted on or after July 13, 2016 but before September 27, 2016, the parties may elect to have the amended rules (except for the amendments to Rule 141, regarding service of orders instituting proceedings) apply to such proceedings if, within 14 days of service of the Order Instituting Proceedings (OIP), every party to the proceeding, including the Division of Enforcement, submits a request in writing to the Office of the Secretary of the Commission that the proceedings be conducted under the amended rules. Moreover, various other of the amended rules will apply in cases in which the initial prehearing conference pursuant to Rule 221 has not been held as of September 27, 2016 or where the proceedings have been stayed as of September 27, 2016 (except for proceedings stayed pursuant to Rule 161(c)(2)(i)), *See* Exchange Act Release No. 34-78319, *Amendments to the Commission's Rules of Practice*, at 73-74, [81 FR 50212, at 50228-29].

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent as provided for in the Commission's Rules of Practice.

Initial Decision of Hearing Officer

IT IS ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice, in effect as of the date of this Order; *unless* one of the following conditions has been met:

- a) If the parties have elected, pursuant to the procedures outlined in the above Notice, to have the amended Rules of Practice¹ apply to these proceedings, then IT IS ORDERED that this matter will proceed on a 75-day timeline under amended Rule 360(a)(2) and the timing of the initial decision is determined by that Rule;
- b) If the initial prehearing conference pursuant to Rule 221 has not been held as of September 27, 2016, then IT IS ORDERED that this matter will proceed on a 75-day timeline under amended Rule 360(a)(2) and the timing of the initial decision is determined by that Rule; or
- c) If the proceedings have been stayed as of September 27, 2016 (except for proceedings stayed pursuant to Rule 161(c)(2)(i)), then IT IS ORDERED that this matter will proceed on a 75-day timeline under amended Rule 360(a)(2) and the timing of the initial decision is determined by that Rule.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related

¹ For purposes of this Order, amended rule(s) means the Rules of Practice in effect as of September 27, 2016. See Exchange Act Release No. 34-78319, *Amendments to the Commission's Rules of Practice*, [81 FR 50212 (July 29, 2016)]

proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not “rule making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary