

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

INVESTMENT ADVISERS ACT OF 1940
Release No. 2994/March 4, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13771

In the Matter of	:	
	:	ORDER MAKING FINDINGS AND
RONNIE EUGENE BASS JR.	:	IMPOSING SANCTION BY DEFAULT
	:	

SUMMARY

This Order bars Ronnie Eugene Bass, Jr. (Bass), from association with any investment adviser.

I. BACKGROUND

The Securities and Exchange Commission (Commission) instituted this proceeding with an Order Instituting Proceedings (OIP) on February 1, 2010, pursuant to Section 203(f) of the Investment Advisers Act of 1940 (Advisers Act). The OIP alleges that Bass was enjoined from violations of the antifraud provisions of the federal securities laws. Bass was served with the OIP in accordance with 17 C.F.R. § 201.141(a)(2)(i) on February 8, 2010, and his Answer to the OIP was due within twenty days of service of the OIP on him. See OIP at 2; 17 C.F.R. § 201.220(b). Bass was advised that if he failed to file an Answer within the time provided, the undersigned would enter an order barring him from association with any investment adviser. See Ronnie Eugene Bass Jr., Admin. Proc. No. 3-13771 (A.L.J. Feb. 23, 2010) (unpublished); OIP at 3. Bass failed to file an Answer or otherwise to defend the proceeding within the meaning of 17 C.F.R. § 201.155(a)(2). Accordingly, he is in default, and the undersigned finds that the allegations in the OIP are true as to him. See OIP at 3; 17 C.F.R. §§ 201.155(a), .220(f).

II. FINDINGS OF FACT

Bass, age 36, was the managing member of HomePals Investment Club, LLC, and HomePals, LLC (collectively, HomePals Entities), based in Delray Beach, Florida, from April 2008 through March 2009. The HomePals Entities held themselves out as investment companies, offering and selling unsecured notes that promised to double investors' money every ninety days. Bass, who stressed to investors his trading success and ability to make money for them, was responsible for all investment decisions and received compensation for this. Thus, Bass operated as an unregistered investment adviser from April 2008 through March 2009.

Bass is permanently enjoined from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder. SEC v. HomePals, LLC, No. 9:09-CV-81524-KLR (S.D. Fla. Dec. 21, 2009).

The wrongdoing underlying Bass's injunction took place from April 2008 through March 2009. Bass, the HomePals Entities, and others raised at least \$14.3 million from hundreds of Haitian-American investors by falsely promising to double their money every ninety days, based on Bass's investment skills and assurances that their principal was not at risk. Bass and the others issued unsecured notes not registered with the Commission to investors. Bass also misappropriated investor funds for personal use.

III. CONCLUSIONS OF LAW

Bass has been permanently enjoined "from engaging in or continuing any conduct or practice in connection . . . with the purchase or sale of any security" within the meaning of Sections 203(e)(4) and 203(f) of the Advisers Act.

IV. SANCTION

Bass will be barred from association with any investment adviser.¹ This sanction will serve the public interest and the protection of investors, pursuant to Section 203 of the Advisers Act. It accords with Commission precedent and the sanction considerations set forth in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979). Bass's unlawful conduct was recurring and egregious, extending over a period of about a year. There are no mitigating circumstances.

V. ORDER

IT IS ORDERED that, pursuant to Section 203(f) of the Investment Advisers Act of 1940, RONNIE EUGENE BASS, JR., IS BARRED from association with any investment adviser.

Carol Fox Foelak
Administrative Law Judge

¹ The Commission has authority to bar persons from association with registered or unregistered investment advisers (or otherwise sanction them) under Section 203 of the Advisers Act. Teicher v. SEC, 177 F.3d 1016, 1017-18 (D.C. Cir. 1999).