

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

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 6532/April 1, 2019

ADMINISTRATIVE PROCEEDING
File Nos. 3-17874 and 3-17875

In the Matter of

TALMAN HARRIS and :
VICTOR ALFAYA : ORDER TO SHOW CAUSE
:

The Securities and Exchange Commission instituted proceedings against Respondents Talman Harris and Victor Alfaya with Orders Instituting Proceedings, pursuant to Section 15(b) of the Securities Exchange Act of 1934 on March 10, 2017, and the two proceedings were consolidated on March 13, 2017. The proceeding is a follow-on proceeding based on *SEC v. Cope*, No. 1:14-cv-7575 (S.D.N.Y.), in which Respondents were enjoined from violating the antifraud provisions of the federal securities laws and on *United States v. Scholander*, No. 1:15-cr-335 (N.D. Ohio), in which Respondents were convicted of conspiracy to commit securities fraud and wire fraud. On October 30, 2017, an Initial Decision imposed associational bars on Respondents. *Talman Harris*, Initial Decision Release No. 1213, 2017 SEC LEXIS 3450 (A.L.J.).

On August 22, 2018, in light of *Lucia v. SEC*, 138 S. Ct. 2044 (2018), the Commission ordered a new hearing in each pending proceeding, including this one, before an administrative law judge (ALJ) who had not previously participated in the proceeding, unless the parties expressly agreed to alternative procedures. *Pending Admin. Proc.*, Securities Act of 1933 Release No. 10536, 2018 SEC LEXIS 2058, at *2-3 (August 22 Order). Accordingly, the proceeding was reassigned to the undersigned. *Pending Admin. Proc.*, Admin. Proc. Rulings Release No. 5955, 2018 SEC LEXIS 2264 (C.A.L.J. Sept. 12, 2018).

As to each affected proceeding, including this one, the Commission ordered that the newly assigned presiding ALJ “shall issue an order directing the parties to submit proposals for the conduct of further proceedings.” August 22 Order, 2018 SEC LEXIS 2058, at *4. The Commission specified, “if a party fails to submit a proposal, the ALJ may enter a default against that party.” *Id.* Accordingly, after the reassignment of the proceeding, the parties were ordered to submit proposals for the conduct of further proceedings by December 14, 2018, and Alfaya was warned that an associational bar would be imposed, by default, if he failed to submit a proposal. *Talman Harris*, Admin. Proc. Rulings Release No. 6121, 2018 SEC LEXIS 2696 (A.L.J. Sept. 28, 2018). To date, Victor Alfaya has failed to file a proposal and is ORDERED TO SHOW CAUSE, by April 19, 2019, why he should not be barred from the securities industry.

IT IS SO ORDERED.

/S/ Carol Fox Foelak
Carol Fox Foelak
Administrative Law Judge