

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 88780 / April 30, 2020**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19576**

**In the Matter of**

**PORTFOLIO ADVISORS**  
**ALLIANCE, INC.,**

**Respondent.**

**ORDER MAKING FINDINGS AND**  
**IMPOSING REMEDIAL SANCTIONS**  
**PURSUANT TO SECTION 15(b) OF**  
**THE SECURITIES EXCHANGE ACT**  
**OF 1934**

**I.**

On October 7, 2019, the Securities and Exchange Commission (“Commission”) instituted public administrative proceedings pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Portfolio Advisors Alliance, Inc. (“Respondent” or “PAA”).

**II.**

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, Respondent admits the Commission’s jurisdiction over it and the subject matter of these proceedings, and the findings contained in paragraph III.B below, and consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Order”), as set forth below.

**III.**

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. PAA is a registered broker-dealer with its principal place of business in New York, NY. PAA was incorporated in California in March 1999 and since January 2009, has been indirectly owned by Howard J. Allen (“Allen”). It was the selling agent for a private placement offering for American Growth Funding II, LLC (“AGF II”).

2. On February 3, 2016, the Commission brought a civil injunctive action against, among others, PAA in the United States District Court for the Southern District of New York. The Commission's complaint alleged that, from at least March 2011 to December 2013, PAA, through its owner Allen, sold AGF II securities in a private placement offering using offering documents that falsely stated that AGF II's financial statements had previously been audited and would continue to be audited at the end of each fiscal year. The Commission's complaint alleged that PAA, through Allen, learned by at least May or June 2012 that the offering documents were false but continued to send the false documents to investors for more than a year thereafter to solicit sales of AGF II units, without informing any investors that no audits had been performed or that the representation in the offering documents regarding an audit was false.

3. On May 15, 2019, a jury in the above-mentioned civil action (Securities and Exchange Commission v. American Growth Funding II, LLC, et al., Civil Action Number 16-CV-828 (S.D.N.Y.)), found PAA liable for violating Section 17(a) of the Securities Act of 1933 ("Securities Act") and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

4. On October 1, 2019, a final judgment was entered against PAA, permanently enjoining it from future violations of Section 17(a) of the 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. American Growth Funding II, LLC, et al., Civil Action Number 16-CV-828 (S.D.N.Y.).

#### 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 15(b)(4) of the Exchange Act, that Respondent PAA's registration as a broker or dealer be, and hereby is revoked.

Any reapplication for registration 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, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) 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.

Vanessa A. Countryman  
Secretary