

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 92875 / September 2, 2021

INVESTMENT ADVISERS ACT OF 1940
Release No. 5845 / September 2, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20524

In the Matter of

**MICHAEL A.
BRESSMAN,**

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934 AND
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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Michael A. Bressman (“Bressman” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “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 him and the subject matter of these proceedings and the findings contained in paragraphs III.2 and III.4 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and 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. Bressman, age 63, is a resident of Montville, New Jersey. Between 1979 and 2019, Bressman held multiple securities licenses and was associated with a number of registered broker-dealers, including FCG Advisors, LLC (“FCGA”). In 2015, Bressman obtained a Series 65 license and became affiliated with FCG Wealth Management, LLC, a registered investment adviser.

2. On August 26, 2021, a judgment was entered by consent against Bressman, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder in the civil action entitled Securities and Exchange Commission v. Michael A. Bressman, Civil Action Number 1:18-cv-11925-WGY, in the United States District Court for the District of Massachusetts.

3. The Commission’s complaint alleged that, from at least January 2012 through February 2018, Bressman carried out a fraudulent “cherry-picking” scheme while acting as a registered representative of FCGA. To carry out this scheme, Bressman purchased blocks of stock using an allocation account. When the price of the stock in the allocation account went up on the day of the trade (“Trade Day”), Bressman routinely transferred that stock from the allocation account to his own brokerage account or the brokerage account of a family member. By contrast, when the price of the stock went down on the Trade Day, Bressman routinely transferred that stock to one or more of his customers’ brokerage accounts. The Commission’s complaint alleged that Bressman did not disclose to customers that he allocated stock trades in a way that favored himself and his family member, at his customers’ expense.

4. On June 14, 2019, Bressman pleaded guilty to one count of securities fraud in violation of Section 10(b) of the Exchange Act [15 U.S.C. §§ 78j(b) and 78ff] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and one count of investment adviser fraud in violation of Section 206 of the Advisers Act [15 U.S.C § 80b-6; 18 U.S.C § 2] before the United States District Court for the District of New Jersey in United States v. Michael A. Bressman, Crim. No. 18-CR-10315-ES. On August 7, 2020, a judgment in the criminal case was entered against Bressman. He was sentenced to 24 months in prison and 18 months of supervised release, and ordered to make restitution in the amount of \$793,680.

5. In connection with that plea, Respondent admitted that he engaged in a cherry-picking scheme whereby:

- (a) Respondent purchased stock in an allocation account;
- (b) After purchasing stock in the allocation, Respondent waited to see whether the price of the stock would go up or down on the Trade Day;

- (c) If the price of the stock went up on the Trade Day, Respondent typically allocated that profitable trade to his own brokerage account or the brokerage account of a family member; and
- (d) If the price of the stock went down on the Trade Day, Respondent typically allocated that unprofitable trade to the brokerage account(s) of one or more customers.

IV.

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

Accordingly, it is hereby ORDERED, pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Bressman 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; and

Pursuant to Section 15(b)(6) of the Exchange Act, Bressman be, and hereby is, barred from participating in any offering of a 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.

Any reapplication for association 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