

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933

Release No. 11257 / December 7, 2023

SECURITIES EXCHANGE ACT OF 1934

Release No. 99117 / December 7, 2023

INVESTMENT ADVISERS ACT OF 1940

Release No. 6500 / December 7, 2023

ADMINISTRATIVE PROCEEDING

File No. 3-21809

In the Matter of

ALAN Z. APPELBAUM,

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 Alan Z. Appelbaum (“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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in paragraph III.2 below, which is admitted, Respondent 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. Appelbaum was a registered representative of Aegis Capital Corporation (“Aegis”), a broker dealer, working from Aegis’s branch office in Boca Raton, Florida, from approximately July 2015 to May 2021. In addition to being a registered representative, Appelbaum was a Managing Director of Aegis and headed the firm’s Municipal Bond Desk from approximately August 2015 to September 2018, after which time he became co-head of the firm’s Fixed Income Desk until his departure from the firm.

2. On November 14, 2023, a final judgment was entered by consent against Appelbaum, providing permanent injunctive relief under Section 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. Alan Z. Appelbaum, Civil Action Number 22-81115-CIV-CANNON, in the United States District Court for the Southern District of Florida.

3. The Commission’s complaint filed in the above-referenced civil action alleged that, from July 2017 through May 2019, Appelbaum disregarded his obligations to seven customers and violated the antifraud provisions of the federal securities laws by making unsuitable investment recommendations. The complaint further alleged that Appelbaum engaged in unauthorized trading, also in violation of the antifraud provisions of the federal securities laws.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Appelbaum’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 Respondent Appelbaum 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 Respondent Appelbaum 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,

with the right to apply for reentry after ten years to the appropriate self-regulatory organization, or if there is none, to the Commission.

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