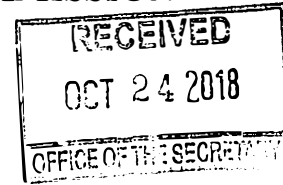


**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**



In the Matter of

**WARREN D. NADEL**

Respondent

AMENDED ANSWER DUE OCTOBER 19, 2018  
PURSUANT TO ORDER OF THE  
COURT ADMINISTRATIVE PROCEEDING  
— FILE NO. 3-17883 AND RULING RELIEF  
No. 6119/SEPTEMBER 28, 2018

SUBMITTED BY  
RESPONDENT:  
Warren D. Nadel, PRO SE  
7 Locust Lane  
Upper Brookville, NY 11545  
(516) 674-3521

**October 19, 2018**

The Respondent (“NADEL”), due to financial circumstance is acting in the capacity as his own counsel. This document will serve as the amended answer due October 19 by order of the Court. Every effort is being made to be in compliance with the format and content as prescribed by law and expected by the Court. A copy of the ADMINISTRATIVE PROCEEDINGS RULINGS Release No. 6119 / September 28, 2018 reassignment of the proceeding is attached. Respondent reasserts the entirety of the answer previously submitted on his behalf, such answer is in the Court’s file. It is the penalty and its excessiveness with which the respondent strenuously takes issue.

At the very outset, NADEL wishes to express his gratitude and appreciation for the Court's indulgence into his situation and the case in which he is named, and for the fact that it is being reviewed by another member of the Court, hopefully with a different result because the initial review has resulted in an overly broad and excessive penalty which has destroyed all opportunity for NADEL to earn a living in his field.

NADEL believes that his case has been viewed in an extremely harsh light and that the determination that has been rendered by the Court is both unjust and excessive. This is especially so, in light of the recent case determination in which a far more lenient treatment was given to what seems to be far more egregious securities law violations than NADEL's.

Numerous submissions have been provided to the Court by both Nadel's prior legal counsel and subsequently NADEL himself, acting in the capacity of his own counsel due to circumstance previously addressed. These submissions, which are believed to be on file with the Court, can be resubmitted if the Court requests but have not been submitted here in consideration of redundancy. The point is that while NADEL's answers to the complaint do not change, NADEL's request is for review and reduction of the severity of the penalties imposed.

As an additional point for consideration and one which has not previously been addressed, prior counsel and the effectiveness of their representation of NADEL, in this case, may have compromised counsel's objectivity and NADEL's defense. It came to NADEL's attention at a time which was well into NADEL's legal representation that the wife of NADEL's counsel was an employee of the SEC's Enforcement Division. As this was NADEL's second legal representation and that his case was very much along in the representation process, it seemed that changing counsel a third time was impractical. Naturally, and in light of the case's

outcome, it does cause pause and reflection as to whether there was any significance to this potential conflict and how this SEC matter might have fared differently for the respondent, that is, if representation had been devoid of this possible compromising circumstance.

While several proposals were set forth over what is now more than 8 years since these proceedings began, NADEL has stated previously that it was his desire to re-enter the securities industry workforce in some capacity. If the Court would grant this appeal from NADEL's being generally barred from working in this industry, it would be NADEL's intention to apply for work in this industry other than in the areas of money management or sales. NADEL realizes that the SEC wants NADEL prohibited from managing client funds and working in a sales capacity with clients directly and NADEL agrees to abide by that and not re-register in the securities industry. However, the SEC's complete barring of NADEL from the industry is overly broad and we propose that the penalty be rewritten to prohibit those two specific functions rather than a general bar from the industry prohibiting NADEL from any securities industry employment or working in an independent consulting or advisory capacity.

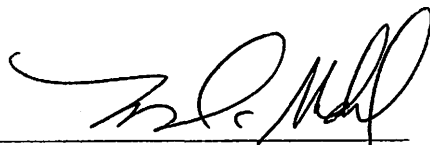
Additionally, NADEL has admitted and fully acknowledged his responsibility for the violation of security industry rules and regulations in this proceeding, however, the issue is whether the penalty was overly broad or excessive. Despite repeated attempts over these 8 years to seek employment for which he is qualified by education and background, employment has eluded him as employers use the internet to look up prospective employees. Having seen the SEC's action against him, NADEL is summarily dropped from any further consideration in any employment process and situation. The question of this repeated employment action, failure and frustration being sufficient if not excessive punishment does beg the question of when has the

punishment been enough. Granted, it is not necessarily the punishment available to the SEC as prescribed by law but hasn't justice nonetheless been served and punishment rendered to this violating individual?

While the SECURITIES AND EXCHANGE COMMISSION's Division of Enforcement will undoubtedly find fault with what has been said here, NADEL's willingness to express his feelings of remorse and desire to make amends for his actions will hopefully provide a new perspective for the Court's consideration.

NADEL wishes to express his gratitude for the Court's indulgence in this review and hopes that the Court may understand the profound sincerity of what NADEL is attempted to convey here. In short, NADEL believes there were misimpressions which resulted in a penalty that NADEL hopes will be rectified and reduced by this recommendation.

Respectfully submitted,



Warren D. Nadel, Respondent

Enclosures

Cc: Brenda P. Murray  
Chief Administrative Law Judge

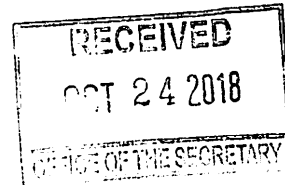
✓ Brent J. Fields, Secretary  
Office of the Secretary

Richard G. Primoff  
Senior Trial Counsel

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

Administrative Proceedings Rulings  
Release No. 5955 / September 12, 2018

Administrative Proceeding  
File Nos. 3-15006, et al.



In re:  
**Pending Administrative  
Proceedings**

**Chief Administrative Law Judge's  
Order Assigning Proceedings  
Post *Lucia v. SEC*<sup>1</sup>**

This order accomplishes the Securities and Exchange Commission's directive that the Chief Administrative Law Judge assign each proceeding affected by its August 22, 2018, order to an administrative law judge who had not previously participated in the proceeding. *Pending Admin. Proc.*, Securities Act of 1933 Release No. 10536, 2018 SEC LEXIS 2058, <https://www.sec.gov/litigation/opinions/2018/33-10536.pdf> (Comm'n Order).

To accomplish the Commission's directive, the Office of Administrative Law Judges made a list of affected cases with the identities of the administrative law judges who previously participated in those proceedings. Using the list and maintaining the assignment-by-rotation system, I am transferring Judge Cameron Elliot's cases to Judge Carol Fox Foelak, Judge Foelak's cases to Judge James E. Grimes, Judge Grimes's cases to me, and my cases to Judge Elliot. Because Judge Jason S. Patil will not be available to preside at hearings for the next several months, I am distributing most of his pending cases among the other judges. The assigned judge will handle the parties' request in A.P. File No. 3-17990. I am not assigning A.P. File Nos. 3-17253 and 3-17342 at the present time.

The Commission gave parties until September 7, 2018, to express a preference to remain with the previously assigned judge. *Id.* at 2. I did not include proceedings where parties exercised a preference for remaining with the previously assigned judge or A.P. File Nos. 3-15974, 3-16349, and 3-17550, pending resolution of settlement discussions. I also did not include

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<sup>1</sup> 138 S. Ct. 2044 (2018).

A.P. File No. 3-16318 where the parties waived their right to a new hearing and requested that the Commission decide their petitions for review on the present record or A.P. File No. 3-17828 where the pro se litigant has requested an explanation of what is happening.

Pursuant to delegated authority, 17 C.F.R. § 200.30-10(a)(2), I ORDER the following administrative law judges to preside at the hearings in the designated proceedings, listed below by their administrative proceeding file numbers, and to perform other and related duties in accordance with the Commission's Rules of Practice.

**Judge Cameron Elliot**

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3-15446	3-18037	3-18204
3-15783	3-18082	3-18207
3-16965	3-18091	3-18221
3-17029	3-18105	3-18252
3-17184	3-18126	3-18325
3-17595	3-18141	3-18422
3-17645	3-18146	3-18475
3-17716	3-18153	3-18485
3-17848	3-18157	3-18492
3-17935	3-18177	3-18496
3-17959	3-18179	3-18507
3-17984 – 3-17989	3-18185	3-18535
3-18007	3-18189	3-18552
3-18017		

**Judge Carol Fox Foelak**

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3-15006	3-17999	3-18223
3-15124	3-18004	3-18271
3-15514	3-18014	3-18292
3-16293	3-18038	3-18346
3-16386	3-18061	3-18347
3-16795	3-18081	3-18378
3-17228	3-18095	3-18405
3-17366	3-18104	3-18438
3-17558	3-18156	3-18460
3-17699	3-18173	3-18489
3-17743	3-18174	3-18490
3-17874 & 3-17875	3-18187	3-18497
3-17883	3-18201	3-18501
3-17990	3-18209	3-18508
3-17991		

**Judge James E. Grimes**

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3-15168	3-17888	3-18206
3-15255	3-17977	3-18208
3-16182	3-18078	3-18217
3-16353	3-18079	3-18220
3-17031	3-18092	3-18229
3-17104	3-18096	3-18288
3-17115	3-18103	3-18445
3-17132	3-18106	3-18450
3-17545	3-18129	3-18454
3-17546	3-18130	3-18461
3-17547	3-18142	3-18472
3-17548	3-18148	3-18483
3-17549	3-18162	3-18493
3-17621	3-18169	3-18506
3-17650	3-18188	3-18545
3-17693	3-18193	3-18550
3-17751	3-18203	3-18551
3-17849		

**Chief Judge Brenda P. Murray**

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3-16339	3-18097	3-18199
3-16509	3-18099	3-18202
3-16604	3-18107	3-18210
3-17352	3-18149	3-18219
3-17818 & 3-17819	3-18151	3-18276
3-17856	3-18155	3-18480
3-17886	3-18170	3-18481
3-17907	3-18176	3-18484
3-18023	3-18180	3-18500
3-18047	3-18190	3-18530
3-18077	3-18191	3-18534

Within twenty-one days of this order or by October 3, 2018, the assigned judge shall issue an order directing the parties to submit proposals for the conduct of further proceedings. Comm'n Order at 2. If a party fails to participate in the proceeding or fails to submit a proposal, the judge may enter a default against that party or impose another appropriate sanction. See *id.* & n.6 (citing 17 C.F.R. §§ 201.155, .180).

I FURTHER ORDER that proceedings previously consolidated remain consolidated.

This order will be served on all parties by the Commission's Office of the Secretary, or other duly authorized Commission officer, pursuant to Commission Rule of Practice 141, 17 C.F.R. § 201.141. The Commission's website at <http://www.sec.gov/alj> has links to all issuances by Commission administrative law judges and instructions for respondents that address procedural questions, such as how to make filings.<sup>2</sup>

Given this unusual situation, parties with procedural questions may contact the Office of Administrative Law Judges and ask for the law clerk assigned to the proceeding: (202) 551-6030 or [alj@sec.gov](mailto:alj@sec.gov). All filings must be made with the Commission's Office of the Secretary and served on parties to the proceeding. See 17 C.F.R. §§ 201.150-.152. If convenient, the parties are asked to send electronic courtesy copies of filings to [alj@sec.gov](mailto:alj@sec.gov); email to the administrative law judge does not, however, replace the required paper filing with the Office of the Secretary.

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Brenda P. Murray  
Chief Administrative Law Judge

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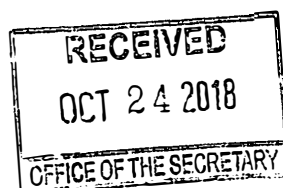
<sup>2</sup> The Commission's Rules of Practice are located at <https://www.sec.gov/about/rules-of-practice-2018.pdf>.



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

ADMINISTRATIVE PROCEEDINGS RULINGS  
Release No. 6119/September 28, 2018

ADMINISTRATIVE PROCEEDING  
File No. 3-17883



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In the Matter of :  
:   
WARREN D. NADEL : ORDER

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The Securities and Exchange Commission instituted this proceeding with an Order Instituting Proceedings (OIP), pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(e) of the Investment Advisers Act on March 16, 2017. The proceeding is a follow-on proceeding based on *SEC v. Nadel*, No. 2:11-cv-215 (E.D.N.Y.), in which Warren D. Nadel was enjoined from violating the antifraud provisions of the federal securities laws. Nadel filed his Answer to the OIP on May 8, 2017, and the Division of Enforcement's motion for summary disposition and responsive pleadings followed. On August 4, 2017, an Initial Decision imposed associational bars on Respondents Warren D. Nadel *Warren D. Nadel*, Initial Decision Release No. 1158, 2017 WLEXIS 332936 (A.L.J.).

Thereafter, the proceeding was stayed: On June 21, 2018, "[i]n light of the Supreme Court's decision in *Lucia v. SEC*," 138 S. Ct. 2044 (2018), the Commission stayed all pending administrative proceedings, including this one; the stay was operative through August 22, 2018. *Pending Admin. Proc.*, Securities Act of 1933 Release Nos. 10510, 2018 SEC LEXIS 1490; 10522, 2018 SEC LEXIS 1774 (July 20, 2018). On August 22, 2018, the Commission ended the stay and ordered a new hearing in each affected proceeding before an administrative law judge who had not previously participated in the proceeding, unless the parties expressly agreed to alternative procedures, including agreeing that the proceeding remain with the previous presiding administrative law judge. *Pending Admin. Proc.*, Securities Act 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).

In view of the reassignment of the proceeding, Nadel will be afforded an opportunity to file an amended Answer, which will be due by October 19, 2018. Further, Nadel and the Division of Enforcement should submit proposals for the conduct of further proceedings by November 13, 2018. The proposal may include resolving the proceeding by motion[s] for summary disposition pursuant to 17 C.F.R. § 201.250(b). If Nadel fails to submit a proposal

(or to participate in a joint proposal), he will be deemed to be in default, and the undersigned will enter an order barring him from the securities industry. See August 22 Order, 2018 SEC LEXIS 2058, at \*4.

IT IS SO ORDERED.

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