

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-20147

In the Matter of

Joshua Stephens-Anselm,

Respondent.

**DIVISION OF ENFORCEMENT’S MOTION FOR ENTRY OF AN ORDER OF
DEFAULT AND IMPOSITION OF REMEDIAL SANCTIONS**

Pursuant to Commission Rules or Practice 154, 155(a) and 220(f), 17 C.F.R. §§ 201.154, 155(a) and 201.220(f), the Division of Enforcement (“Division”) respectfully moves the Securities and Exchange Commission (the “Commission”) for an order finding Respondent Joshua Stephens-Anselm (“Respondent” or “Stephens-Anselm”) in default, and imposing remedial sanctions against him, and submits this Memorandum of Law, together with the September 18, 2023 Declaration of Todd D. Brody (“Brody Dec.”) and exhibits annexed thereto, in support.

I. Background

A. Allegations in the OIP

On November 9, 2020, the Order Instituting Proceedings (“OIP”) in this matter was issued pursuant to Section 15(b) of the Securities Exchange Act of 1934. *See Joshua Stephens-*

Anselm, Exchange Act Release No. 90374 (November 9, 2020). As alleged in the OIP, Stephens-Anselm, age 30, was, between October 2014 and January 2018, a registered representative with a broker-dealer registered with the Commission. OIP II.A.

On October 31, 2018, Stephens-Anselm pleaded guilty to one count of grand larceny in the second degree in violation of New York Penal Law (“NYPL”) 155.40-1 before the Criminal Court of the City of New York, in New York v. Joshua Stephens-Anselm, Superior Court Information No. 2464/2018 (the “Criminal Action”). OIP II.B.1. On January 7, 2019, Stephens-Anselm was sentenced to a prison term of 6 months imprisonment and ordered to make restitution in the amount of \$662,465. OIP II.B.3.

B. The Underlying Criminal Action and Criminal Sanctions

On April 11, 2018, New York City’s Queens County District Attorney’s Office filed a criminal information against Respondent in the Criminal Action, charging him with grand larceny in the second degree. Brody Dec., Ex. A.¹ As alleged in the Criminal Action, between June 2016 and July 2017, Stephens-Anselm “stole property having an aggregate value exceeding fifty thousand dollars”. *Id.* At the time of his criminal misconduct, Stephens-Anselm was associated with a registered broker-dealer. OIP II.A.

On October 31, 2018, Stephens-Anselm pleaded guilty to one count of grand larceny in the second degree in violation of NYPL 155.40-1 before the Criminal Court of the City of New York, in the Criminal Action. *See* OIP ¶ II.B.1; Brody Dec., Ex. B. On January 7, 2019, the

¹ In addition to the Information in the Criminal Action (Brody Dec., Ex. A), the Division submits the following documents from the Criminal Action in support of its motion, each of which the Commission may take official notice of pursuant to Commission Rules of Practice 323, 17 C.F.R. § 201.323: the Criminal Action Plea Hearing transcript held on October 31, 2018 (Brody Dec., Ex. B); and the January 7, 2019 Confession by Judgment (Brody Dec., Ex. C).

court sentenced Respondent to a prison term of 6 months and ordered him to make restitution in the amount of \$662,465. OIP ¶ II.B.3.; Brody Dec., Ex. C, D, and E.

C. Stephens-Anselm Did Not Answer the OIP

The OIP was published by the Commission’s Office of the Secretary on November 9, 2020, and the Secretary’s Office served Stephens-Anselm the OIP by U.S. Mail at his address at



and U.S. Mail records indicate the

OIP was delivered on November 12, 2020. *See* Declaration of Sheldon Mui, dated March 5, 2021, previously filed with the Commission.

In the OIP, Stephens-Anselm was directed to file an Answer within twenty days after service of the OIP. *See* OIP at IV; *see also* Rules 160(a) and 220(b) of the Commission’s Rules of Practice, which provide that the answer to the OIP is due within 20 days of service and that a time period runs until the end of the next day that is not a Saturday or Sunday; and that the answer is due within 20 days of service, 17 C.F.R. §§ 201.160(a) and 201.220(b). Under these provisions, Stephens-Anselm’s answer was due no later than December 2, 2020.

Stephens-Anselm never filed an answer to the OIP with the Secretary’s Office, and did not otherwise attempt to communicate with the Division. The Division has not received any response to the OIP, nor does the docket of this proceeding reflect any filing by Stephens-Anselm in response to it. Brody Dec. ¶ 2 and 3.

D. Stephens-Anselm Did Not Respond to the August 8, 2023 Commission Order to Show Cause Against Stephens-Anselm

After the Division filed a motion for entry of default and leave to file motion for summary disposition on March 5, 2021, the Commission, on August 8, 2023, issued an Order to Show Cause (the “Order”) that found that Stephens-Anselm’s answer “was required to be filed within 20 days of service of the OIP,” and that as of the date of the Order, he had not done so, Order at 1.

The Order required Stephens-Anselm to show cause by August 22, 2023 why he should not be deemed in default, and why this proceeding should not be determined against him. The Order further noted that when a party defaults, “the allegations in the OIP will be deemed to be true and the Commission may determine the proceeding against that party upon consideration of the record without holding public hearing.” *Id* at 2. The Order also ordered the Division, in the event that Stephens-Anselm did not file a response by August 22, 2023, to file a motion for entry of default and the imposition of remedial sanctions by September 19, 2023.

The Division has not received any response to the Order, nor does the docket of this proceeding reflect any filing by Stephens-Anselm in response to it. Brody Dec. ¶¶ 2 and 3. Accordingly, the Division now moves for a finding that Stephens-Anselm is in default, and for the imposition of remedial sanctions. Specifically, the Division requests that the Commission order that Stephens-Anselm be barred from associating with a broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization. The Division also requests that Stephens-Anselm be 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.

II. Argument

A. Stephens-Anselm Should be Deemed in Default.

Rule 155(a) of the Commission’s Rules of Practice states:

A party to a proceeding may be deemed to be in default and the Commission or the hearing officer may determine the proceeding against that party upon consideration of the records, including the order instituting

proceedings, the allegations of which may be deemed to be true, if that party fails: ...

- (2) to answer, to respond to a dispositive motion within the time provided, or otherwise to defend the proceeding ...

17 C.F.R. § 201.155(a). The OIP specifically provides that “[i]f Respondent fails to file the directed Answer ... the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true ...”. OIP ¶ IV, citing Rules 155(a), 220(f), 221(f), and 310; Order at 2.

Rule 141(a)(2)(i) sets forth permissible methods of service of the OIP upon individuals, which include “sending a copy of the order addressed to the individual by U.S. Postal Service certified, registered or Express Mail and obtaining a confirmation of receipt” 17 C.F.R. § 201.141(a)(2)(i).

Here, the Secretary’s Office served Stephens-Anselm the OIP by U.S. Mail at his address at [REDACTED]. See Declaration of Sheldon Mui, dated March 5, 2021, previously filed with the Commission.

The Division requests that Stephens-Anselm be deemed in default. Stephens-Anselm failed to timely respond to the OIP after having been served pursuant to Rule 141 and has also failed to respond to the Order.

B. The Facts Alleged in the OIP Should be Deemed True.

As set forth above, failure to file an answer may result in the allegations of the OIP being deemed true. In this case, that includes the following:

1. Between October 2014 and January 2018, Respondent was a registered representative associated with a broker-dealer registered with the Commission. OIP II.A.

2. On October 31, 2018, Respondent pled guilty to one count of grand larceny in the second degree in violation of NY PL 155.40-1, before the Criminal Court of the City of New York, in New York v. Joshua Stephens-Anselm, Superior Court Information No. 2464/2018. OIP II.B.1.
3. The count of the criminal information to which Respondent pled guilty alleged, inter alia, that between June 2016 and July 2017, Respondent “stole property having an aggregate value exceeding fifty thousand dollars”. At the time of his criminal misconduct, Respondent was associated with a registered broker-dealer. OIP II.B.2 .
4. On January 7, 2019, Respondent was sentenced to a prison term of 6 months and ordered to make restitution in the amount of \$662,465. OIP II.B.3.

The facts alleged in the OIP demonstrate that the sanctions requested against Stephens-Anselm are appropriate and in the public interest.

C. The Appropriate Remedial Sanctions in this Case

The Commission has typically considered the *Steadman* factors when determining appropriate public-interest remedies. *Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979).

Those factors are: (1) the egregiousness of the Respondents’ actions; (2) the isolated or recurrent nature of the infractions; (3) the degree of scienter involved; (4) the sincerity of the Respondents’ assurances against future violations; (5) the Respondents’ recognition of the wrongful nature of their conduct; and (6) the likelihood that the Respondents’ occupations will present opportunities for future violations. *Id.* The Commission also considers the age of the violations, the degree of harm to investors and the marketplace resulting from the violations, and the deterrent effect of administrative sanctions. *Lonny S. Bernath*, ID Release No. 993 at 4, 2016 WL 131539 at *4 (April 4, 2016).

In this case, nearly all of the relevant factors suggest that full collateral and penny stock bars are appropriate and in the public interest. The conduct at issue was egregious and resulted in losses at least \$662,000. Stephens-Anselm’s misconduct was repeated and exhibited a high degree

of *scienter*, taking place from June 2016 through July 2017. During this period, Stephens-Anselm – a registered representative associated with a broker-dealer – misappropriated funds from the bank accounts of two deceased bank customers (the “Victims”), through numerous check and mobile withdrawals, and utilized the Victims’ funds for his own personal benefit and to pay for personal expenses. Brody Dec., Ex. A. Stephens-Anselm misappropriated at least \$650,000 from the Victim’s bank accounts and used the Victims’ funds to pay his credit card bills, rent, and entertainment; Stephens-Anselm also gave cash gifts to friends. *Id.*

Moreover, Stephens-Anselm has not come forward to defend this lawsuit or otherwise make any assurances against future violations, which presents the likelihood that he will commit future violations if full collateral and penny stock bars are not imposed against him.

III. Conclusion

For the foregoing reasons, Stephens-Anselm should be deemed in default and the Commission should impose a full associational and penny stock bar which are appropriate and in the public interest.

Dated: September 18, 2023

Respectfully submitted,

s/ Todd D. Brody
Todd D. Brody, Esq.
Sheldon Mui, Esq.

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CERTIFICATE OF SERVICE

On September 18, 2023, I have caused the **Motion For Entry Of An Order Of Default And Imposition Of Remedial Sanctions, and the accompanying Declaration of Todd D. Brody dated September 18, 2023**, to be served on the following parties and other persons entitled to notice by placing the same in the United States mail or by delivery as listed below and addressed as follows:

Vanessa A. Countryman
Office of the Secretary
Securities and Exchange Commission
100 F. Street, N.S.
Washington, D.C. 20549
(Emailed to APFilings@sec.gov)

CERTIFIED MAIL

Mr. Joshua Stephens-Anselm
[REDACTED]
[REDACTED]

Dated: September 18, 2023
New York, New York

s/ Todd D. Brody
Todd D. Brody

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Respondent.

DECLARATION OF
TODD D. BRODY

I, Todd D. Brody pursuant to 28 U.S.C. §1746, declare as follows under penalty of perjury:

1. I am employed as a Senior Trial Counsel by Plaintiff Securities and Exchange Commission (the “Commission”) in the Commission’s New York Regional Office of the Division of Enforcement (the “Division”). I submit this declaration in support of the Division’s motion for entry of an order of default and imposition of remedial sanctions against Respondent Joshua Stephens-Anselm (“Stephens-Anselm”).

2. As of the filing of this declaration, the Division has not received any response to either the Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Notice of Hearing (“OIP”) issued on November 9, 2020 or the Commission’s August 8, 2023 Order to Show Cause.

3. The docket of this proceeding does not reflect any filing by Stephens-Anselm.

4. Attached hereto as Exhibit A is a true and correct copy of the April 11, 2018 Criminal Information in *New York v. Joshua Stephens-Anselm*, Superior Court Information No. 2464/2018 (the “Criminal Action”), which the Division obtained from New York City’s Queens County District Attorney’s Office (the “Queens DA Office”).

5. Attached hereto as Exhibit B is a true and correct copy of the October 31, 2018 Plea Hearing transcript from the Criminal Action, which the Division obtained from the Queens DA Office.

6. Attached hereto as Exhibit C is a true and correct copy of the January 7, 2019 Affidavit of Confession By Judgement, which the Division obtained from the Queens DA Office.

7. Attached hereto as Exhibit D is a true and correct copy of a Judgment against Joshua Stephens-Anselm, dated January 17, 2019, which the Division obtained from the Queens DA Office.

8. Attached hereto as Exhibit E is a true and correct copy of a Certificate of Disposition, dated March 12, 2020, which the Division obtained from the Queens DA Office.

Dated: New York, New York
September 18, 2023

/s/ Todd D. Brody
Todd D. Brody