

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING

File No. 3-21266

In the Matter of

MICHAEL A. GRAMINS,

Respondent.

ANSWER OF RESPONDENT MICHAEL A. GRAMINS

Respondent Michael A. Gramins, by and through his counsel, answers the 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 and Notice of Hearing (the “OIP”), as set forth below. Gramins denies any allegation in the OIP that is not expressly admitted herein.

1. *From August 2009 through May 2016, Respondent was a registered representative associated with Nomura. Specifically, Respondent was a senior trader on the residential mortgage-backed securities (“RMBS”) desk at Nomura Securities International, Inc. (“Nomura”), a broker-dealer and investment adviser registered with the Commission. As a senior trader, Gramins directed subordinates in trading RMBS and interacting with customers. Respondent, 40 years old, is a resident of Chapel Hill, North Carolina.*

Gramins admits that he was a registered representative on the RMBS desk at Nomura during the period August 2009 through May 2016, and that he is 40 years old and resides in Chapel Hill, North Carolina. Gramins lacks sufficient information or knowledge to form a belief as to the registrations of Nomura. Gramins denies the remaining allegations in this paragraph.

2. *On April 26, 2022, a judgment was entered by consent against Gramins, permanently enjoining him from future violations of 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. Michael Gramins, et al., Civil Action*

Number 15-cv-7045, in the United States District Court for the Southern District of New York. The judgment further provided that the Commission will file a motion to impose a civil penalty, and that the District Court will determine whether (and in what amount) a penalty will be imposed.

Gramins admits that a judgment was entered on or about April 26, 2022 in Securities and Exchange Commission v. Michael Gramins, et al., Civil Action Number 15-cv-7045 (the “Judgment”). The Judgment speaks for itself. Gramins denies the allegations in this paragraph to the extent they are inconsistent with the Judgment.

3. *The Commission’s complaint (the “Complaint”) alleged that, in connection with the sale of RMBS at Nomura, while Gramins was a senior trader associated with Nomura, Respondent repeatedly made materially misleading statements to customers about, among other things, the prices at which Nomura had bought and/or sold RMBS and the amount of the firm’s compensation for arranging the trades.*

This paragraph recites provisions from a complaint in Securities and Exchange Commission v. Michael Gramins, et al., Civil Action Number 15-cv-7045 (the “Complaint”). The Complaint speaks for itself. Gramins denies the allegations in this paragraph to the extent they are inconsistent with the Complaint.

4. *In United States v. Gramins et al., Crim. No. 15-cr-00155 (D. Conn.) (RNC) (the “Criminal Action”), Gramins was convicted of one count of conspiracy in violation of Title 18 of the United States Code, Section 371 [18 U.S.C. § 371] relating to certain matters alleged in the Complaint. Defendant was acquitted on six related counts; and the jury was unable to reach a verdict on two related counts.*

This paragraph omits reference to an appeal that remains pending in the Criminal Action and that renders the Criminal Action non-final. Gramins admits the allegations in this paragraph, except to the extent they omit reference to an appeal that remains pending in the Criminal Action and that renders the Criminal Action non-final.

* * *

In response to the remaining general allegations, Gramins denies that remedial action of any kind is necessary or appropriate, or in the public interest, under Section 15(b) of the

Securities Exchange Act of 1934, as amended, or under Section 230(f) of the Investment Advisers Act of 1940, as amended.

WHEREFORE, Gramins asks this Court to deny the Division of Enforcement's claims for remedial relief, dismiss them with prejudice, and award Gramins such other and further relief as the Court may deem just and proper.

Dated: New York, New York
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