

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933

Release No. 9640 / September 5, 2014

SECURITIES EXCHANGE ACT OF 1934

Release No. 73014 / September 5, 2014

INVESTMENT ADVISERS ACT OF 1940

Release No. 3911 / September 5, 2014

INVESTMENT COMPANY ACT OF 1940

Release No. 31241 / September 5, 2014

Admin. Proc. File No. 3-15617

In the Matter of

LARRY C. GROSSMAN and
GREGORY J. ADAMS

ORDER EXTENDING
DEADLINE FOR FILING
INITIAL DECISION

Chief Administrative Law Judge Brenda P. Murray has moved, pursuant to Commission Rule of Practice 360(a)(3),¹ for a ninety-day extension of time to file the initial decision in this proceeding. For the reasons set forth below, we grant the motion.

On November 20, 2013, we issued an Order Instituting Administrative and Cease-and-Desist Proceedings ("OIP") against Larry C. Grossman and Gregory J. Adams, two investment advisers located in the Tampa, Florida area.² The OIP alleges, among other things, that Grossman and Adams willfully violated antifraud provisions of the securities laws by failing to truthfully inform clients, most of whom were retirees, about compensation received from offshore funds they were recommending as safe investments despite substantial risks and red flags. The OIP also alleges that Grossman and Adams aided and abetted their investment firm Sovereign International Asset Management, Inc.'s violations of the "custody rule" under the

¹ 17 C.F.R. § 201.360(a)(3).

² *Larry C. Grossman and Gregory J. Adams*, Securities Act Release No. 9481, 2013 WL 6087353 (Nov. 20, 2013).

Investment Advisers Act of 1940,³ which requires investment advisory firms to establish specific procedures to safeguard and to account for client assets.

The OIP directs the presiding law judge to file an initial decision within 300 days of the date of service of the OIP, or by September 29, 2014. Chief Judge Murray seeks an extension of this deadline. She notes that she "is scheduled to preside at two hearings in August and one in September" 2014, and that she has "an Initial Decision in another 300-day case due September 29, 2014." Chief Judge Murray asserts that "[a]nother administrative law judge will arrive, hopefully, by late September, and [she] will reassign cases to him as soon as possible."

We adopted Rule of Practice 360(a) to enhance the timely and efficient adjudication and disposition of Commission administrative proceedings by setting deadlines for filing an initial decision.⁴ That rule provides, however, for deadline extensions under certain circumstances if supported by a motion from the Chief Administrative Law Judge and if it appears, as here, that "additional time is necessary or appropriate in the public interest."⁵

Accordingly, IT IS ORDERED that the deadline for filing the initial decision in this proceeding is extended to December 29, 2014.

By the Commission.

Jill M. Peterson
Assistant Secretary

³ 17 C.F.R. § 275.206(4)-2.

⁴ *See Adopting Release*, Exchange Act Release No. 48018, 2003 WL 21354791, at *2 (June 11, 2003) ("[T]he Commission has determined that timely completion of proceedings can be achieved more successfully through the adoption of mandatory deadlines and procedures designed to meet these deadlines.").

⁵ 17 C.F.R. § 201.360(a)(3).