

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4281 / November 24, 2015

Admin. Proc. File No. 3-15925

In the Matter of

MICHAEL S. STEINBERG

ORDER DISMISSING PROCEEDING

On November 4, 2014, Michael S. Steinberg appealed an initial decision by an administrative law judge barring him from association with an investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.¹ The follow-on administrative proceeding was instituted against Steinberg under Section 203(f) of the Investment Advisers Act of 1940 based on his criminal conviction for insider trading.² We subsequently postponed briefing on Steinberg's petition for review in light of developments in the related case of *United States v. Newman*.³ On October 30, 2015, a district judge in the United States District Court for the Southern District of New York vacated Steinberg's conviction and dismissed the indictment against him.⁴

¹ *Michael S. Steinberg*, Initial Decision Release No. 690, 2014 WL 5141532 (Oct. 14, 2014), *petition for review granted*, Exchange Act Release No. 73700, 2014 WL 6680114 (Nov. 26, 2014).

² *See United States v. Steinberg*, No. 1:12-cr-00121 (RJS) (S.D.N.Y. Dec. 18, 2013).

³ *United States v. Newman*, 773 F.3d 438 (2d Cir. 2014), *cert. denied*, ___ S. Ct. ___, 2015 WL 4575840 (Oct. 5, 2015); *see Michael S. Steinberg*, Advisers Act Release No. 4008, 2015 WL 331125 (Jan. 27, 2015) (postponement order). Prior to our granting a postponement, we also granted two extensions of the briefing schedule. *See Michael S. Steinberg*, Exchange Act Release No. 73915, 2014 WL 7271549 (Dec. 22, 2014) (first extension); *Michael S. Steinberg*, Exchange Act Release No. 74014, 2015 WL 107083 (Jan. 8, 2015) (second extension).

⁴ *See United States v. Steinberg*, No. 1:12-cr-00121 (RJS) (S.D.N.Y. Oct. 30, 2015).

Steinberg now requests that we convert his petition for review into a motion to dismiss in light of the vacated criminal conviction.⁵ He supports his request by asserting that the basis for the bar no longer exists. The Division of Enforcement does not oppose his request. Given the subsequent judicial developments, we find that it is appropriate to grant Steinberg's request.⁶

Accordingly, it is ORDERED that the administrative proceeding against Michael S. Steinberg is dismissed.⁷

By the Commission.

Brent J. Fields
Secretary

⁵ We previously have converted petitions for review into motions to dismiss in similar circumstances, *see, e.g., Anthony Chiasson*, Advisers Act Release No. 4085, 2015 WL 2328706 (May 15, 2015); *Richard L. Goble*, Exchange Act Release No. 68651, 2013 WL 150557 (Jan. 14, 2013), and do so again here.

⁶ *See, e.g., Chiasson*, 2015 WL 2328706, at *1 (dismissing follow-on proceeding after court vacated predicate conviction and injunction); *Jilaine H. Bauer, Esq.*, Exchange Act Release No. 70631, 2013 WL 5533144 (Oct. 8, 2013) (dismissing Rule 102(e) disciplinary proceeding after court of appeals reversed predicate district court judgment); *Goble*, 2013 WL 150557, at *1-2 (dismissing follow-on proceeding after court vacated predicate injunction); *Evelyn Litwok*, Advisers Act Release No. 3438, 2012 WL 3027914 (July 25, 2012) (dismissing follow-on proceeding after court reversed predicate convictions).

⁷ Steinberg also requests that we reverse the administrative law judge's decision, but that decision already "ceased to have any force or effect" once we granted his petition for review. *Steven Altman, Esq.*, Exchange Act Release No. 63665, 2011 WL 52087, at *2 (Jan. 6, 2011).