

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 96326 / November 16, 2022

Admin. Proc. File No. 3-19814

In the Matter of  
  
WARREN A. DAVIS

ORDER REQUESTING BRIEFS

The Securities and Exchange Commission (“Commission”) issued an Order Instituting Proceedings (“OIP”) on May 27, 2020, pursuant to Section 15(b) of the Securities Exchange Act of 1934, against Warren A. Davis (“Davis”).<sup>1</sup> On May 28, 2020, the Commission issued an OIP in a separate proceeding against Gibraltar Global Securities, Inc. (“Gibraltar”), also pursuant to Exchange Act Section 15(b).<sup>2</sup> According to the OIPs, on July 2, 2015, the United States District Court for the Southern District of New York issued final judgments against Davis and Gibraltar in the same civil action entitled *Securities and Exchange Commission v. Gibraltar Global Securities, Inc., et al.*, Civil Action Number 13-CV-2675 (GBD).

The OIPs alleged that the final judgments permanently enjoined Davis and Gibraltar from future violations of Exchange Act Section 15(a) and Section 5 of the Securities Act of 1933. According to the OIPs, the complaint in the civil action alleged that, from March 2008 through August 2012, Gibraltar and Davis, who solely owned, controlled, and was president of Gibraltar, engaged in the following misconduct:

Gibraltar and Davis (personally), unlawfully operated as broker-dealers in the United States. Through its website, Gibraltar solicited prospective U.S. customers by advertising a broad range of brokerage services . . . , [and] advertised the formation of offshore international business corporations with nominee officers and directors that enabled U.S. customers to trade anonymously, “without paying taxes on [their] profits.” Gibraltar attracted U.S. customers seeking to sell shares of low-priced, thinly traded microcap issuers. Gibraltar routinely accepted deposits of microcap stocks from U.S. promoters and brokers, arranged for the transfer agent to re-title the stock certificates in Gibraltar’s name, and deposited

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<sup>1</sup> *Warren A. Davis*, Exchange Act Release No. 88962, 2020 WL 2764740 (May 27, 2020).

<sup>2</sup> *Gibraltar Global Sec., Inc.*, Exchange Act Release No. 88965, 2020 WL 2791432 (May 28, 2020).

the shares into various securities accounts Gibraltar maintained at broker-dealers located in the United States. When Gibraltar customers instructed Gibraltar to sell the microcap stocks, Gibraltar placed corresponding sell orders with U.S. brokers. After the sales were executed, Gibraltar instructed the U.S. brokers to wire the sale proceeds back to its bank account maintained at the Royal Bank of Canada in the Bahamas. Gibraltar then wired the sale proceeds (less Gibraltar's 2-3% commission) back to its U.S. customers. . . .

[Also,] Gibraltar sold approximately \$100 million of low-priced microcap securities. In addition to operating as an unregistered broker-dealer in the U.S., [Gibraltar and Davis] participated in the unlawful unregistered offering and sale of over 10 million shares of MDOR—a penny stock—on behalf of U.S. customers, for proceeds of over \$11 million.<sup>3</sup>

The OIPs instituted administrative proceedings to determine whether the allegations in the OIPs are true and whether any remedial action is in the public interest.<sup>4</sup>

Commission Rule of Practice 201(a) provides that the Commission may consolidate for hearing “proceedings involving a common question of law or fact . . . as it deems appropriate to avoid unnecessary cost or delay,” and that consolidation “shall not prejudice any rights under the[] Rules of Practice and shall not affect the right of any party to raise issues that could have been raised if consolidation had not occurred.”<sup>5</sup> It appears that consolidation of the proceedings against Davis and Gibraltar would satisfy Rule 201(a). But the Commission would be aided by the views of the parties on whether it is appropriate to consolidate the proceedings.

Accordingly, IT IS ORDERED that the parties shall file briefs, or a joint brief, not to exceed 2,500 words, concerning the appropriateness of consolidation by December 14, 2022. It is further ORDERED that, if separate opening briefs are filed, the parties may file simultaneous reply briefs, not to exceed 2,000 words, by January 11, 2023.

For the Commission, by the Office of the General Counsel, pursuant to delegated authority.

Vanessa A. Countryman  
Secretary

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<sup>3</sup> *Davis*, 2020 WL 2764740, at \*1-2; *Gibraltar Global Sec.*, 2020 WL 2791432, at \*1-2.

<sup>4</sup> *Davis* and Gibraltar failed to file answers to the OIPs or to respond to orders to show cause why they should not be found to be in default issued on October 6, 2021. *See Warren A. Davis*, Exchange Act Release No. 93265, 2021 WL 4593473 (Oct. 6, 2021); *Gibraltar Global Sec., Inc.*, Exchange Act Release No. 93266, 2021 WL 4593475 (Oct. 6, 2021).

<sup>5</sup> 17 C.F.R. § 201.201(a).