

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 6518 / December 28, 2023

Admin. Proc. File No. 3-21400

In the Matter of
MICHAEL SZTROM and DAVID SZTROM

ORDER DENYING JOINT REQUEST TO STAY PROCEEDING

On May 2, 2023, the Securities and Exchange Commission issued an order instituting proceedings against Michael Sztrom and David Sztrom pursuant to Section 203(f) of the Investment Advisers Act of 1940.¹ On November 20, 2023, the parties filed a joint request to stay the proceeding “until and including the earlier of 30 days after the Supreme Court[’s] decision in [*SEC v. Jarkesy*]”² or July 31, 2024.

We construe the parties’ request as a request for postponement under Commission Rule of Practice 161.³ Although the parties’ request recites the three questions presented in *Jarkesy*, it does not explain the relevance of those questions to this particular administrative proceeding. This proceeding, unlike *Jarkesy*, concerns only potential remedial action under Advisers Act Section 203(f), not civil penalties authorized by Advisers Act Section 203(i), the counterpart to the provision at issue in *Jarkesy* (*i.e.*, Exchange Act Section 21B). Moreover, also unlike *Jarkesy*, this proceeding has never been assigned to an administrative law judge. Therefore, we have determined that the parties’ joint request does not set forth a sufficient basis to postpone this proceeding.

¹ *Michael Sztrom*, Advisers Act Release No. 6296, 2023 WL 3243514 (May 2, 2023).

² No. 22-859, 143 S. Ct. 2688 (June 30, 2023) (mem.) (cert. granted).

³ 17 C.F.R. § 201.161; *see Francis V. Lorenzo*, Exchange Act Release No. 82755, 2018 WL 994316, at *1 (Feb. 21, 2018) (construing motion for stay as request for postponement under Rule of Practice 161).

Accordingly, it is ORDERED that the request to stay the proceeding pending the Supreme Court's resolution of *Jarkesy* is denied.

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

Vanessa A. Countryman
Secretary