

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 67060 / May 24, 2012**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14891**

**In the Matter of**

**SPENCER C. BARASCH,**

**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION  
4C OF THE SECURITIES EXCHANGE ACT  
OF 1934 AND RULE 102(e) OF THE  
COMMISSION'S RULES OF PRACTICE,  
MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission ("Commission") deems it appropriate that public administrative proceedings be, and hereby are, instituted against Spencer C. Barasch ("Respondent" or "Barasch"), pursuant to Section 4C of the Securities Exchange Act of 1934 and Rule 102(e)(1)(ii) of the Commission's Rules of Practice.<sup>1</sup>

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 4C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

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<sup>1</sup> Rule 102(e)(1)(ii) provides in relevant part, that:

The Commission may censure a person or deny, temporarily or permanently, the privilege of appearing or practicing before it in any way to any person who is found by the Commission after notice and opportunity for hearing in the matter:

(ii) to be lacking in character or integrity or to have engaged in unethical or improper professional conduct \*\*\*.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Barasch, age 54, is licensed to practice law in the District of Columbia and the State of Texas.
2. Barasch was Associate District Director for Enforcement in the Commission's Fort Worth District Office ("FWDO") from June 1998 until April 2005.
3. Between 1998 and 2003, Barasch participated personally and substantially in several decisions relating to the Commission's response to allegations that various entities associated with Robert Allen Stanford, including Stanford Group Company ("SGC"), violated the federal securities laws in connection with the sale of Stanford International Bank's ("SIB") self-styled "certificates of deposit."
4. After leaving the FWDO, Barasch joined a private law firm in 2005 and, later that year, contacted the Commission's Ethics Office to inquire as to whether there was an ethical bar to his representing SGC regarding an inquiry by the FWDO. The Ethics Office informed him that he was permanently barred from working for SGC on this matter because it was the same as or substantially related to matters he participated in while a Commission employee. Barasch declined SGC's request for representation at this time.
5. In the fall of 2006, SGC retained Barasch's legal services regarding an SEC inquiry. In total, Barasch billed for approximately 12 hours of legal service, including travel time.
6. On or about October 26, 2006, the Commission entered a formal order of investigation relating to SGC's possible violation of the federal securities laws in connection with the sale of SIB's self-styled "certificates of deposit."
7. After learning that the Commission had entered the formal order of investigation involving SGC, on or about November 27, 2006, Barasch knowingly communicated with FWDO staff with the intent to influence them. First, Barasch attempted to obtain information from FWDO staff about the investigation of SGC. Second, when one of the FWDO attorneys, in responding to that call, questioned whether Barasch could represent SGC, Barasch attempted to convince him that Barasch's involvement with the SGC matter while at the Commission was minimal,

and that Barasch could therefore represent SGC before the Commission. The FWDO attorney suggested that Barasch contact the Ethics Office.

8. Soon thereafter, Barasch contacted the Ethics Office and was again informed that he was permanently barred from working on matters concerning SGC's possible violation of the federal securities laws in connection with the sale of SIB's self-styled "certificates of deposit." Barasch billed no further time on the matter.
9. 18 U.S.C. § 207(a)(1) prohibits any former "officer or employee . . . of the executive branch of the United States . . . after the termination of his or her service or employment with the United States" from "knowingly mak[ing], with the intent to influence, any communication to or appearance before any officer or employee of any . . . agency . . . on behalf of any other person . . . , in connection with a particular matter--"
  - (A) in which the United States . . . is a party or has a direct and substantial interest,
  - (B) in which the person participated personally and substantially as such officer or employee, and
  - (C) which involved a specific party or specific parties at the time of such participation.
10. The Commission finds that Barasch's conduct was prohibited by 18 U.S.C. § 207(a)(1) and that his failure to comply with 18 U.S.C. § 207(a)(1) constitutes "improper professional conduct" under Commission Rule of Practice 102(e)(1)(ii).

#### IV.

Barasch has paid \$50,000 to the Department of Justice in settlement of claims pertaining to Barasch's representation of SGC, which represents the maximum civil fine available for a civil violation of 18 U.S.C. § 207.

#### V.

In view of the foregoing factual findings and the \$50,000 civil fine, the Commission deems it appropriate to impose the sanction agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

- A. Respondent is denied the privilege of appearing or practicing before the Commission as an attorney for ONE YEAR from the date of the Order.

B. After one year from the date of the Order, Respondent may request that the Commission consider his application to resume appearing and practicing before the Commission as an attorney. The application should be sent to the attention of the Office of the General Counsel.

C. In support of such an application, Respondent must provide a certificate of good standing from each state bar where Respondent is a member.

D. In support of such an application, Respondent must also submit an affidavit truthfully stating, under penalty of perjury:

1. that Respondent has complied with the Order;
2. that Respondent:
  - a. is not currently suspended or disbarred as an attorney by a court of the United States (or any agency of the United States) or the bar or court of any state, territory, district, commonwealth, or possession; and
  - b. since the entry of the Order, has not been suspended as an attorney for an offense involving moral turpitude by a court of the United States (or any agency of the United States) or the bar or court of any state, territory, district, commonwealth, or possession, except for any suspension concerning the conduct that was the basis for the Order;
3. that Respondent, since the entry of the Order, has not been convicted of a felony or misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice; and
4. that Respondent, since the entry of the Order:
  - a. has not been found by the Commission or a court of the United States to have committed a violation of the federal securities laws, except for any finding concerning the conduct that was the basis for the Order;
  - b. has not been charged by the Commission or the United States with a violation of the federal securities laws, except for any charge concerning the conduct that was the basis for the Order;
  - c. has not been found by a court of the United States or any state, territory, district, commonwealth, or possession, or any bar thereof, with having committed an offense involving moral turpitude,

except for any finding concerning the conduct that was the basis for the Order; and

- d. has not been charged by the United States or any state, territory, district, commonwealth, or possession, or any bar thereof, with having committed an offense involving moral turpitude, except for any charge concerning the conduct that was the basis for the Order.

E. If Respondent provides the documentation required in Paragraphs C and D, and the Commission determines that he truthfully attested to each of the items required in his affidavit, he shall by Commission order be permitted to resume appearing and practicing before the Commission as an attorney.

F. If Respondent is not able to truthfully attest to the statements required in Subparagraphs D(2)(b) or D(4), Respondent shall provide an explanation as to the facts and circumstances pertaining to the matter and the Commission may hold a hearing to determine whether there is good cause to permit him to resume appearing and practicing before the Commission as an attorney.

By the Commission.

Elizabeth M. Murphy  
Secretary