

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 76007 / September 29, 2015**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-16844**

**In the Matter of**  
  
**ALLEN ROSS SMITH, Esq.**  
  
**Respondent.**

**ORDER INSTITUTING PUBLIC  
ADMINISTRATIVE PROCEEDINGS AND  
IMPOSING TEMPORARY SUSPENSION  
PURSUANT TO RULE 102(e)(3)(i)(B) OF  
THE COMMISSION'S RULES OF  
PRACTICE**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Allen Ross Smith (“Respondent” or “Smith”) pursuant to Rule 102(e)(3)(i)(B)<sup>1</sup> of the Commission’s Rules of Practice (17 C.F.R. § 200.102(e)(3)(i)(B)).

**II.**

The Commission finds that:

1. Allen Ross Smith is an attorney licensed in the State of Florida.
2. In April 2011, Smith signed a “Certification Letter” on his attorney letterhead that stated he had personal knowledge that his client, Malom Group (“Malom”), and its principals,

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<sup>1</sup> Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, temporarily suspend from appearing or practicing before it any attorney . . . who has been by name: (B) [f]ound by any court of competent jurisdiction in an action brought by the Commission to which he or she is a party . . . to have violated (unless the violation was found not to have been willful) or aided and abetted the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

had “sufficient liquidity to immediately tender payment” of any refunds demanded by investors in Malom’s fraudulent scheme to offer “structured notes” on unspecified “Western European exchanges.” Smith had no basis for believing that the representations he made in the Certification Letter were truthful.

3. On May 2, 2014, the Commission filed a complaint against Smith alleging that he violated Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, and Sections 5(a) and 17(a) of the Securities Act of 1933 (“Securities Act”), and aided and abetted violations of Exchange Act Section 10(b) and Rule 10b-5, and of Securities Act Section 17(a). The complaint sought a permanent statutory-based injunction; a conduct-based injunction from participating in the issue, offer, or sale of securities; disgorgement plus prejudgment interest; and civil monetary penalties. *SEC v. Allen R. Smith*, D. NH Case No. 14-cv-192-PB.

4. On July 2, 2015, the United States District Court for the District of New Hampshire granted the Commission’s motion for summary judgment on its claims against Smith. The court found there was no genuine dispute of material fact that Smith was at least extremely reckless in violating Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. The court further found that Smith’s violations aided and abetted violations of Securities Act Section 17(a) and Exchange Act Rule 10b-5 by Malom and its principals. Finally, the court found there was no genuine dispute of material fact that Smith violated Securities Act Section 5, based on the undisputed factual showing that the fictional instruments underlying Malom’s fraudulent “structured notes” investment scheme were unregistered, Smith signed the April 2011 Certification Letter used to secure investments in this unregistered offering, and Malom and Smith promoted the offering through multiple channels of interstate commerce. Based on these findings, Smith was ordered to pay disgorgement of \$43,342, reflecting his principal earnings—plus prejudgment interest—from participating in the fraud. The court also found that the Commission was entitled to entry of a permanent injunction enjoining Smith from further violations of the securities laws and from participating in the offer or sale of securities, including as a paymaster, although to date it has not entered the final judgment.

### III.

Based on the foregoing, the Commission finds that Smith has been found by a court of competent jurisdiction, in an action brought by the Commission, to have willfully violated and aided and abetted violations of provisions of the Federal securities laws, within the meaning of Rule 102(e)(3)(i)(B) of the Commission’s Rules of Practice. In view of this finding, the Commission deems it appropriate and in the public interest that Smith be temporarily suspended from appearing or practicing before the Commission as an attorney.

IT IS HEREBY ORDERED that Smith be, and hereby is, temporarily suspended from appearing or practicing before the Commission as an attorney. This Order will be effective upon service on the Respondent.

IT IS FURTHER ORDERED that Smith may, within thirty days after service of this Order, file a petition with the Commission to lift the temporary suspension. If the Commission receives no petition within thirty days after service of the Order, the suspension will become permanent pursuant to Rule 102(e)(3)(ii).

If a petition is received within thirty days after service of this Order, the Commission will, within thirty days after the filing of the petition, either lift the temporary suspension, or schedule the matter for hearing at a time and place to be designated by the Commission, or both. If a hearing is ordered, following the hearing, the Commission may lift the suspension, censure the petitioner, or disqualify the petitioner from appearing or practicing before the Commission for a period of time, or permanently, pursuant to Rule 102(e)(3)(iii).

This Order shall be served upon Smith personally or by certified mail at his last known address.

By the Commission.

Brent J. Fields  
Secretary