

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4916 / May 29, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18508

In the Matter of

Gregory M. Bercowy,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
203(f) OF THE INVESTMENT ADVISERS
ACT OF 1940 AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Gregory M. Bercowy (“Respondent” or “Bercowy”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. During the relevant time period underlying allegations contained in the Commission’s complaint described below, Bercowy was associated with a state-registered investment adviser. Respondent, 54 years old, is a resident of St. Petersburg, Florida.

B. ENTRY OF THE INJUNCTION

2. On May 22, 2018, a final judgment was entered against Bercowy, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Sections 9(a)(2), 10(b) of the Exchange Act of 1934 and Rule 10b-5 thereunder, in the civil action

entitled Securities and Exchange Commission v. Gregory M. Bercowy, Civil Action Number 8:18-CV-792, in the United States District Court for the Middle District of Florida.

3. The Commission's complaint alleged that Bercowy, who, during the relevant period, was affiliated with a registered investment adviser, participated in a scheme to manipulate a penny stock security. In August 2016, Bercowy attempted to manipulate the stock of Aureus, Inc., a penny stock company, through amassing over three million shares of Aureus in the brokerage accounts of his relative through his online access of his relative's accounts. While amassing those shares Bercowy entered and quickly canceled a large number of orders at prices that were much higher than the prevailing quoted market price. Bercowy took those actions with the intention to fraudulently increase the price of the security.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Bercowy as provided for in the Commission's Rules of Practice. This Order shall be served upon Bercowy as provided for in Rule 141(a)(2)(iv) of the Commission's Rules of Practice, 17 C.F.R. § 201.141(a)(2)(iv).

IT IS FURTHER ORDERED that, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice, 17 C.F.R. § 201.360(a)(2), the Administrative Law Judge shall issue an initial decision no later than 75 days from the occurrence of one of the following events: (A) The completion of post-hearing briefing in a proceeding where the hearing has been completed; (B) Where the hearing officer has determined that no hearing is necessary, upon completion of briefing on a motion pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250; or (C) The determination by the hearing officer that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155 and no hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary