

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 88270 / February 24, 2020

ADMINISTRATIVE PROCEEDING

File No. 3-19707

In the Matter of

FAIYAZ DEAN

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
AND IMPOSING TEMPORARY
SUSPENSION PURSUANT TO RULE
102(e)(3)(i) 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 Faiyaz Dean (“Respondent” or “Dean”) pursuant to Rule 102(e)(3)(i)¹ of the Commission’s Rules of Practice (17 C.F.R. § 201.102(e)(3)(i)).

II.

¹ 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, . . . suspend from appearing or practicing before it any attorney . . . who has been by name (A) [p]ermanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder; or (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.

The Commission finds that:

A. RESPONDENT

1. Dean is a Canadian citizen residing in Vancouver, British Columbia, and is and has been an attorney who is admitted to practice in Washington State. Dean had been licensed to practice law in British Columbia, Canada but agreed to stop practicing law there in December 2019.

B. THE COMMISSION'S CIVIL INJUNCTIVE ACTION AGAINST DEAN AND OTHERS

2. On May 15, 2018, the Commission filed a civil injunctive action (the "Complaint") against Dean and his co-defendants in the United States District Court for the Southern District of New York. The Commission alleged that Dean and his co-defendants engaged in a fraudulent scheme to effect illegal, unregistered sales of, and manipulate the market for, shares of microcap company Biozoom, Inc. ("Biozoom"). The Complaint alleged that Dean violated Sections 5 and 17(a) of the Securities Act of 1933 ("Securities Act") and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder.

3. The Complaint alleged that Dean and his co-defendants manipulated the market for shares of Biozoom by creating the false appearance that Biozoom shares were legally available for sale to the general public and that their price and trading volume were determined by the natural interplay of market supply and demand, rather than artificially generated through manipulative trading. Dean played an essential role in this fraud. Dean identified EERT, the public shell company that eventually became Biozoom, to purchase on behalf of his co-defendants, while taking steps to conceal their identities. Dean conspired with two brokers to acquire all of EERT's restricted control shares while concealing the fact that his co-defendants were also acquiring the purportedly free-trading shares, including by creating sham purchase documentation. Dean provided a transfer agent with fraudulent stock purchase agreements purporting to show that a group of Argentine individuals had purchased the ostensibly free-trading Biozoom shares directly from their original owners in a series of transactions, even though Dean knew that those original owners no longer owned the shares, and that he had arranged for his co-defendants to secretly purchase the free-trading shares from a third party. Dean had the transfer agent issue certificates without restrictive legends in the names of the Argentines, whom he supposedly represented but were nominees for Dean's co-defendants, even though he knew they had not actually purchased any shares. Dean orchestrated a plan to have escrow agents he selected send the supposed purchase funds for the EERT shares not to the original owners, who purportedly were selling those shares, but to him – who ostensibly represented the buyers – because he knew that the shares had not been purchased in *bona fide* transactions. Dean facilitated the deposit of the purported free-trading shares in brokerage accounts held in the names of Argentine nominees but controlled by his co-defendants. Dean took at least \$120,000 for his efforts in this scheme.

4. On November 27, 2019, the United States District Court for the Southern District of New York ("Court") entered a final judgment against Dean after granting the Commission's

motion for entry of final judgment by default. The Court found that Dean violated Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder, and Sections 5 and 17(a) of the Securities Act, and enjoined Dean from violating, directly or indirectly, those provisions. The Court also permanently barred Dean from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock, and further ordered Dean to pay a \$160,000 civil penalty.

III.

Based upon the foregoing, the Commission finds that a court of competent jurisdiction has: (1) permanently enjoined Dean from violating the Federal securities laws within the meaning of Rule 102(e)(3)(i)(A) of the Commission's Rules of Practice; and (2) found that Dean violated the Federal securities laws within the meaning of Rule 102(e)(3)(i)(B) of the Commission's Rules of Practice and did not find that his violations were not willful.

In view of these findings, the Commission deems it appropriate and in the public interest that Dean be temporarily suspended from appearing or practicing before the Commission as an attorney.

IT IS HEREBY ORDERED that Dean 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 Dean may, within thirty days after service of this Order, file a petition with the Commission to lift the temporary suspension. If the Commission within thirty days after service of the Order receives no petition, 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 shall, within thirty days after the filing of the petition, either lift the temporary suspension, or set

the matter down 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 Dean 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).

By the Commission.

Vanessa A. Countryman
Secretary