UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 89873 / September 15, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-20002

In the Matter of

ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS PURSUANT TO 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 and in the public interest that public administrative proceedings be, and hereby are, instituted against Alan Fraade (“Respondent” or “Fraade”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

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

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.
proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

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

1. Fraade, age 69, resides in New Rochelle, NY. Fraade was a member of the New York State Bar. Fraade provided advice to individuals and entities regarding compliance with the federal securities laws. Fraade has never held any securities licenses and is not registered with the Commission in any capacity.

2. On June 27, 2019, the Commission filed a complaint against Fraade in SEC v. Sargent et al., (Civil Action No. 19-CV-11416-WGY), in the United States District Court for the District of Massachusetts. On September 14, 2020, the court entered an order permanently enjoining Fraade by consent, from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

3. The Commission’s complaint alleged, among other things, that Fraade participated in a fraudulent and deceptive scheme to disguise public sales by corporate affiliates that should have been registered with the Commission. Specifically, Fraade provided opinion letters to corporate affiliates that they required in order to deposit their shares for sale with broker-dealers. The Complaint alleges that those opinion letters falsely claimed that the shares the affiliates acquired were “free trading” shares that could be sold to the public without restriction.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Fraade’s Offer.

Accordingly, it is hereby ORDERED pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice, effective immediately, that:

Fraade is suspended from appearing or practicing before the Commission as an attorney.

By the Commission.

Vanessa A. Countryman
Secretary