

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 5583 / September 17, 2020**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20019**

**In the Matter of**

**STEVEN FITZGERALD  
BROWN,**

**Respondent.**

**ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO SECTION 203(f) OF THE  
INVESTMENT ADVISERS ACT OF 1940,  
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 pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Steven Fitzgerald Brown (“Respondent”).

**II.**

In anticipation of the institution of these proceedings, the Respondent 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 and the findings contained in paragraph III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings and Imposing Remedial Sanctions Pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Order”), as set forth below.

**III.**

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

1. From at least February 2015 through March 2018, Respondent was the CEO, president, and sole owner and director of Alpha Trade Analytics, Inc. (“Alpha Fund”), and was its fund manager. The Alpha Fund was a pooled investment vehicle. Brown, age 52, is a resident of Marina del Rey, California.

2. On September 14, 2020, a final judgment was entered by consent against Brown, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled Securities and Exchange Commission v. Steven Fitzgerald Brown, Civil Action Number 2:20-cv-08058-JFW-PD, in the United States District Court for the Central District of California.

3. The Commission’s complaint alleged that Respondent engaged in a Ponzi-like scheme through the Alpha Fund, and from at least February 2015 through March 2018, Brown raised approximately \$7.5 million from about 75 investors promising them guaranteed monthly returns from the Alpha Fund. Brown, while serving as the investment adviser to the fund, claimed the fund would invest money in the financial markets including trading securities. Brown promised these investors they would receive a fixed-rate payout from the fund’s trading activities ranging from 8-12% per month of the total amount of the investor’s initial cash contribution, and that all losses would be borne by the fund, thereby making the investment safe and risk-free. The fund used less than 3% of investors’ money for investing in financial markets and it engaged in risky securities trading including short sales and trading on margin, and lost money. Brown operated the fund as a Ponzi-like scheme using new investor funds to pay existing investors their promised returns and the return of their principal. Moreover, Brown misappropriated or misused investor funds for his own benefit and made numerous misleading and fraudulent statements to investors.

#### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman  
Secretary