

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SECURITIES EXCHANGE ACT OF 1934
Release No. 63069/October 8, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-14000

In the Matter of	:	
	:	ORDER MAKING FINDINGS AND
STEPHEN J. BRACE	:	IMPOSING SANCTION BY DEFAULT

I. BACKGROUND

The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings (OIP) against Stephen J. Brace (Brace) on August 10, 2010, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act). The OIP alleges that Brace pled guilty to one count of aggravated white collar crime under Florida law, which involved at least two white collar crimes relating to the sale of securities and investor protection, based on his involvement in the offer or sale of unregistered securities and defrauding investors in rendering advice or the offer, sale, or purchase of any investment or security. Brace was served with the OIP by certified mail on August 16, 2010. On September 10, 2010, an Order to Show Cause (Order) required Brace to show cause why he should not be held in default and why he should not be barred from association with any broker or dealer. He failed to file an Answer, due twenty days after service of the OIP, or respond to the Order. See 17 C.F.R. § 201.220(b); OIP at 2. A respondent who fails to file an Answer to the OIP may be deemed to be in default, and the administrative law judge may determine the proceeding against him. See 17 C.F.R. §§ 201.155(a), .220(f); OIP at 2-3. Thus, Brace is in default, and the undersigned finds the following allegations in the OIP are true.

II. FINDINGS OF FACT

Brace, age 63, is currently incarcerated at a state prison in Monticello, Florida, for twenty-five years, to be followed by five years of probation, for one count of aggravated white collar crime under Florida law. Florida v. Brace, No. 2007 CF 6277 A (Fla. 1st Cir. Ct.). From at least June 2004 through April 2005, Brace was a registered representative at Advanced Planning Securities, Inc., a broker-dealer that, from at least June 1, 2004, until February 24, 2009, was registered with the Commission pursuant to Section 15(b) of the Exchange Act and a member of the National Association of Securities Dealers, now known as the Financial Industry Regulatory Authority. Its principal place of business was in Smithtown, New York. During this time, Brace held Series 6 and 63 licenses.

Brace pled guilty to criminal activity that occurred from on or about January 6, 2004, through on or about September 15, 2006, when he engaged in at least two white collar crimes relating to the sale of securities and investor protection. Brace sold or offered to sell securities that were not registered with Florida's Office of Financial Regulation of the Financial Services Commission and defrauded investors in rendering investment advice of the offer, sale, or purchase of securities. Brace's conduct "victimized 10 or more elderly persons ... or 20 or more persons." During part of the time in which he engaged in this conduct, Brace was a registered representative and was associated with a broker-dealer registered with the Commission.

III. CONCLUSIONS OF LAW

Brace was convicted within ten years of a felony arising out of the conduct of the business of a broker-dealer that "involves the purchase or sale of any security" within the meaning of Sections 15(b)(4)(B)(i) and 15(b)(6)(A)(ii) of the Exchange Act.

IV. SANCTION

Brace will be barred from association with any broker or dealer. He was associated with a broker-dealer during a portion of his misconduct as required by Section 15(b)(6)(A) of the Exchange Act. See also Vladislav Steven Zubkis, 86 SEC Docket 2618 (Dec. 2, 2005) (Commission has authority to sanction persons who act as unregistered brokers), recon. denied, 87 SEC Docket 2584 (Apr. 13, 2006). This sanction will serve the public interest and the protection of investors, pursuant to Section 15(b) of the Exchange Act. It accords with Commission precedent and the sanction considerations set forth in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979), aff'd on other grounds, 450 U.S. 91 (1981). Brace's unlawful conduct was egregious and recurring, occurring over a period of more than thirty months. There are no mitigating circumstances.

V. ORDER

IT IS ORDERED that, pursuant to Section 15(b) of the Securities Exchange Act of 1934, STEPHEN J. BRACE IS BARRED from association with any broker or dealer.

Robert G. Mahony
Administrative Law Judge