

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 98714 / October 10, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-20880

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In the Matter of	:	
	:	
Kahn Brothers Advisors, LLC and	:	ORDER APPROVING
Thomas Kahn,	:	PLAN OF DISTRIBUTION
	:	
Respondents.	:	
_____	:	

On June 6, 2022, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Sections 203(e), 203(f), and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)¹ against Kahn Brothers Advisors, LLC (“KIA”) and Thomas Kahn (“Kahn”) (collectively, the “Respondents”). In the Order, the Commission found that registered investment adviser KIA and its principal owner and president, Kahn, made misstatements and omitted information in statements to KIA’s advisory clients and prospective clients relating to brokerage services provided by KIA’s affiliated broker-dealer, Kahn Brothers LLC (“KBD”). Specifically, the Commission found KIA and Kahn (a) failed to fully and fairly disclose to advisory clients all material facts related to the conflict that arose from KIA’s use of an affiliated broker-dealer to execute client transactions; and (b) made misleading statements to clients and prospective clients that KIA would aggregate client transactions to reduce commissions. According to the Order, KIA and Kahn also failed to seek best execution for advisory clients, failed to conduct a best execution review of KBD, and failed to adopt and implement written policies and procedures reasonably designed to prevent violations of the Investment Advisers Act of 1940 and the rules promulgated thereunder. According to KIA’s policies and procedures, Kahn was responsible for all aspects of KIA’s compliance program and its implementation, as well as the firms’ disclosure obligations. The Commission ordered the Respondents to pay \$701,799.00 in disgorgement, \$146,100.00 in prejudgment interest, and a \$250,000.00 civil money penalty, for a total of \$1,097,899.00, to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty paid, along with the disgorgement and interest paid, can be distributed to harmed investors (the “Fair Fund”).

¹ Exchange Act Rel. No. 95045 (June 6, 2022).

The Fair Fund includes the \$1,097,899.00 paid by the Respondents. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any interest accrued will be added to the Fair Fund.

On August 14, 2023, the Division of Enforcement, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”),² pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”);³ and simultaneously posted the Proposed Plan of Distribution (the “Proposed Plan”). The Notice advised interested persons that they could obtain a copy of the Proposed Plan from the Commission’s public website or by submitting a written request to Sondra Panahi, United States Securities and Exchange Commission, 801 Brickell Ave, Suite 1950, Miami, FL 33131. The Notice also advised that all persons desiring to comment on the Proposed Plan could submit their comments, in writing, within 30 days of the Notice. The Commission received no comments on the Proposed Plan during the comment period.

The Proposed Plan provides for the distribution of the Net Available Fair Fund⁴ to investors who were harmed by the Respondents’ conduct described in the Order and suffered losses resulting from excess commissions paid for brokerage services provided by KIA’s affiliated broker-dealer, KBD, from March 1, 2015 through March 31, 2020, inclusive, due to the Respondents’ failure to direct KBD to aggregate their advisory clients’ transactions..

The Division of Enforcement now requests that the Commission approve the Proposed Plan.

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission’s Rules,⁵ that the Proposed Plan is approved, and the approved Plan of Distribution shall be posted simultaneously with this order on the Commission’s website at www.sec.gov.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁶

Vanessa A. Countryman
Secretary

² Exchange Act Rel. No. 98119 (Aug. 14, 2023).

³ 17 C.F.R. § 201.1103.

⁴ All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.

⁵ 17 C.F.R. § 201.1104.

⁶ 17 C.F.R. § 200.30-4(a)(21)(iv).