

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING

File No. 3-21400

In the Matter of

**MICHAEL SZTROM and DAVID
SZTROM,**

Respondent.

**JOINT PREHEARING
CONFERENCE STATEMENT**

The Division of Enforcement (“Division”) and Respondents Michael Sztrom and David Sztrom (“the Sztroms”) (collectively, “the Parties”), having telephonically met and conferred, hereby submit the following joint prehearing conference statement.

Rule 221(c) Matters

Stipulation of Facts

The Parties have reached the following stipulations of fact:

1. Since 1998, Michael Sztrom has been associated with various securities firms and, until late 2015, served as an investment adviser and broker-dealer for a large securities firm (“Securities Firm A”).
2. After leaving Securities Firm A in 2015, Michael Sztrom was not associated as an investment adviser representative (“IAR”) with any firm and claimed to work as a certified financial planner at the same time his son, Respondent David Sztrom, was associated with Advanced Practice Advisors, LLC

(“APA”), a California limited liability company and an investment adviser registered with the SEC.

3. From June 2016 to December 2018, Michael Sztrom was the sole owner of Sztrom Capital.
4. Since April 2018, Michael Sztrom has been associated as an IAR with Integrated Advisors Network, LLC (“Integrated Advisors Network”), an investment adviser registered with the Commission.
5. Michael Sztrom, 69, resides in San Diego, California.
6. From November 2015 until March 2018, David Sztrom was an investment adviser and associated as an IAR with APA.
7. From August 2015 to the present, David Sztrom also was associated with Sztrom Wealth Management, LLC (“SWM”).
8. Since April 2018, David Sztrom has been associated as an IAR with Integrated Advisors Network.
9. David Sztrom, 32, resides in San Diego, California.
10. On October 6, 2022, a final judgment was entered by consent against Michael Sztrom, permanently enjoining him from future violations of Section 206 of the Advisers Act, in the civil action entitled *Securities and Exchange Commission v. Michael Sztrom, et al.*, Civil Action Number 3:21-cv-00086-H-RBB, in the United States District Court for the Southern District of California.
11. On October 6, 2022, a final judgment was entered by consent against David Sztrom, permanently enjoining him from future violations of Section 206 of the Advisers Act and from aiding and abetting future violations of Section 204 of the Advisers Act, and Rule 204-2(a) thereunder, in the civil action entitled *Securities and Exchange Commission v. Michael Sztrom, et al.*, Civil Action Number 3:21-cv-00086-H-RBB, in the United States District Court for the Southern District of California.

Pre-Hearing Schedule:

Exchange of Witness and Exhibit Lists: December 4, 2023

Objections to Exhibits: ¹	December 11, 2023
Pre-hearing briefs:	December 18, 2023
Final pre-hearing telephonic conference:	January 3, 2024
Hearing: ²	January 16, 2024

Other Matters

The Parties further agreed to use electronic mail (e-mail) as the method of service for papers other than Commission orders.

The Parties do not anticipate, at this time, any amendments to the Order Instituting Proceedings or to the Answer. However, neither party waives or abandons any rights to file motions or amendments in the future.

Production of documents set forth in Rule 230 will be completed by July 31, 2023.

Respondents have expressed the intention to request subpoenas to take five depositions, and have stated that they would agree to allow the Division the same number, with depositions to be completed by November 24, 2023. Respondents have indicated that such depositions may be necessary to preserve testimony. The Division reserves its objections to this request until it sees what depositions are proposed.

The Parties will engage in settlement discussions and will promptly advise the Commission if a tentative settlement, subject to Commission approval, is reached.

¹ The Parties have agreed that exhibits not objected to will be deemed admitted at the beginning of the hearing.

² The Parties both request that the hearing take place in San Diego, California. The Division expects the hearing to take 1 day. Respondents expect the hearing to take approximately 3 days. .

The Parties Disagree Regarding Summary Disposition

Division's Position

The Division believes the matter is appropriate for summary disposition and has agreed to the above proposed pre-hearing schedule in order to build in time for such a motion. The Division proposes the following summary disposition schedule.

Summary Disposition Motion	September 7, 2023
Opposition to Summary Disposition	September 28, 2023
Reply to Summary Disposition	October 12, 2023

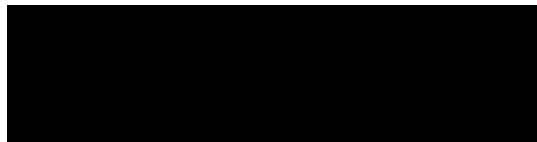
Respondents' Position

Respondents do not believe the matter is appropriate for summary disposition and expect to oppose the Division's motion because, among other reasons, it is important for the Court to evaluate objectively the credibility of Respondents and witnesses as part of the required consideration of the degree of scienter involved and the sincerity of Respondents' assurances against future violations.

Respectfully submitted,

Dated: July 7, 2023

DIVISION OF ENFORCEMENT



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Dated: July 7, 2023

/s/ Sean T. Prosser

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David Sztrom***

CERTIFICATE OF SERVICE
SERVICE LIST

Pursuant to Commission Rule of Practice 151 (17 C.F.R. § 201.151), I certify that
the:

JOINT PREHEARING CONFERENCE STATEMENT

was served on July 7, 2023 upon the following parties as follows:

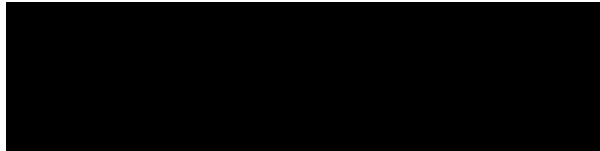
By eFAP

Vanessa Countryman, Secretary
Securities and Exchange Commission
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By Email

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Counsel for Michael and David Sztrom

Dated: July 7, 2023



Lynn M. Dean