

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 93089 / September 21, 2021**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20585**

**In the Matter of**

**Frederick Bauman, Esq.,**

**Respondent.**

**ORDER INSTITUTING PUBLIC  
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 Frederick Bauman (“Respondent” or “Bauman”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.<sup>1</sup>

**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

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<sup>1</sup> 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 . . . permanently 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.

herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Public 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. Bauman, age 68, lives in Las Vegas, Nevada and is licensed to practice law in Arizona, California, Nevada, New Jersey, New York, and Texas. He is a solo practitioner at Bauman & Associates Law Firm, where he focuses on securities work.

2. On September 8, 2021, the Commission filed a Complaint in a civil action entitled Securities and Exchange Commission v. Frederick Bauman, Civil Action Number 2:21-cv-01651-GMN-EJY, in the United States District Court for the District of Nevada. On September 13, 2021, a final judgment was entered by consent against Bauman that included: (1) a permanent injunction against violating Sections 5(a) and 5(c) of the Securities Act; (2) an injunction for a period of five years against providing directly or indirectly, or receiving compensation from the provision of, professional legal services to any person or entity in connection with the offer or sale of securities pursuant to, or claiming, an exemption under Section 4(a)(1) predicated on Securities Act Rule 144, or any other exemption from the registration provisions of the Securities Act, including, without limitation, participating in the preparation or issuance of any opinion letter related to such offering or sale; (3) a penny stock bar for a period of five years; and (4) an order to pay a civil penalty of \$60,000, disgorgement of \$13,000 and prejudgment interest of \$1,653.37.

3. The Commission's complaint alleged, among other things, that Bauman wrote opinion letters that falsely asserted shareholders, acting in coordination with each other, and the issuing company, were not affiliates of the issuing company. These letters were provided to transfer agents so that the stock would not be restricted from resale. Bauman's clients used these misleading opinion letters to evade federal securities laws that: (1) require such shares to be issued pursuant to a valid registration statement; (2) require disclosure of truthful information about ownership and control of companies that sell stock to the public; and (3) restrict the amounts of stock that may be sold by companies' affiliates. The Complaint alleged that despite indicia of coordination between nominee shareholder entities as a group, as well as the issuer involved, Bauman failed to make a reasonable inquiry as to whether the parties were coordinating and who the beneficial owner was. The Complaint alleged that Bauman failed to even speak with the shareholders on whose behalf he wrote the opinion letters. Bauman wrote opinion letters involving stock of at least four microcap issuers which falsely claimed that the shareholder entities were not affiliates of the shareholder. In each instance Bauman was approached to write multiple shareholder letters at or around the same time, based on shares acquired from the same original noteholder at the same time, and covering the same number of shares. The Complaint alleged that Bauman's opinion letters were necessary for the transfer

agent to remove the restrictive legends, which ultimately allowed for the stock to be sold to the public on an unregistered basis and as part of the control groups' fraudulent schemes.

#### IV.

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

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

A. Respondent is suspended from appearing or practicing before the Commission as an attorney for five years from the date of the Order.

B. After five years from the date of the Order, Frederick Bauman may request that the Commission consider his application to resume appearing and practicing before the Commission as an attorney. The application should be sent to the attention of the Office of the General Counsel.

C. In support of such an application, Respondent must provide a certificate of good standing from each state bar where Respondent is a member.

D. In support of such an application, Respondent must also submit an affidavit truthfully stating, under penalty of perjury:

1. that Respondent has complied with the Order, and with any orders in SEC v. Bauman, including any orders requiring payment of disgorgement or penalties;

2. that Respondent:

- a. is not currently suspended or disbarred as an attorney by a court of the United States (or any agency of the United States) or the bar or court of any state, territory, district, commonwealth, or possession; and
- b. since the entry of the Order, has not been suspended as an attorney for an offense involving moral turpitude by a court of the United States (or any agency of the United States) or the bar or court of any state, territory, district, commonwealth, or possession, except for any suspension concerning the conduct that was the basis for the Order;

3. that Respondent, since the entry of the Order, has not been convicted of a felony or misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice; and

4. that Respondent, since the entry of the Order:
  - a. has not been found by the Commission or a court of the United States to have committed a violation of the federal securities laws, except for any finding concerning the conduct that was the basis for the Order;
  - b. has not been charged by the Commission or the United States with a violation of the federal securities laws, except for any charge concerning the conduct that was the basis for the Order;
  - c. has not been found by a court of the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, or any bar thereof, to have committed an offense involving moral turpitude, except for any finding concerning the conduct that was the basis for the Order; and
  - d. has not been charged by the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, or any bar thereof, to have committed an offense involving moral turpitude, except for any finding concerning the conduct that was the basis for the Order.

E. If Respondent provides the documentation required in Paragraphs C and D, and the Commission determines that he truthfully attested to each of the items required in his affidavit, he shall by Commission order be permitted to resume appearing and practicing before the Commission as an attorney.

F. If Respondent is not able to truthfully attest to the statements required in Subparagraphs D(2)(b) or D(4), Respondent shall provide an explanation as to the facts and circumstances pertaining to the matter and the Commission may hold a hearing to determine whether there is good cause to permit him to resume appearing and practicing before the Commission as an attorney.

By the Commission.

Vanessa A. Countryman  
Secretary