

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 96996 / February 28, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-20880

In the Matter of	:	
	:	
	:	
Kahn Brothers Advisors, LLC and	:	SECOND EXTENSION ORDER
Thomas Kahn,	:	
	:	
	:	
Respondents.	:	

The Division of Enforcement (“Division”) has requested an extension of time until August 15, 2023 to submit a Proposed Plan of Distribution under Rule 1101(a) of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1101(a).

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 misstatements and omissions made by registered investment adviser KIA and its principal owner and president, Kahn, to KIA 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

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

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, to conduct a best execution review of KBD, and to adopt and implement written policies and procedures reasonably designed to prevent violation 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").

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

On August 16, 2022, the Division, pursuant to delegated authority, issued an order granting the Division an extension of time until February 28, 2023 to submit a proposed plan of distribution to allow staff additional time to develop the distribution methodology and prepare the proposed plan of distribution.²

² Extension Order, Exchange Act Rel. No. 95506 (Aug. 16, 2022).

The Division now believes that a third-party is needed to assist with some of the administrative tasks associated with implementing the distribution and states additional time is needed to select the third-party the Division will propose to engage, finalize the distribution methodology, and prepare the proposed plan of distribution.

Accordingly, for good cause shown, IT IS HEREBY ORDERED that the Division's request for an extension of time until August 15, 2023 to submit a Proposed Plan of Distribution is granted.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.³

Vanessa A. Countryman
Secretary

³ 17 C.F.R. § 200.30-4(a)(21)(i).