

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 98119 / August 14, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-20880

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In the Matter of	:	
	:	
Kahn Brothers Advisors, LLC and	:	NOTICE OF PROPOSED PLAN OF
Thomas Kahn,	:	DISTRIBUTION AND
	:	OPPORTUNITY FOR COMMENT
Respondents.	:	
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Notice is hereby given, pursuant to Rule 1103 of the United States Securities and Exchange Commission’s (the “Commission”) Rules on Fair Fund and Disgorgement Plans (the “Commission’s Rules”), 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan of distribution (the “Proposed Plan”) for the distribution of monies paid in the above-captioned matter.

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 firm’s disclosure obligations. The

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

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 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-designed account at the U.S. Department of the Treasury, and any interest accrued will be added to the Fair Fund.

OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission’s public website at <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Proposed Plan by submitting a written request to Sondra Panahi, United States Securities and Exchange Commission, 801 Brickell Ave, Suite 1950, Miami, FL 33131. All persons who desire to comment on the Proposed Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission’s Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to rule-comments@sec.gov.

Comments submitted by email or via the Commission’s website should include “Administrative Proceeding File No. 3-20880” in the subject line. Comments received will be publicly available. Persons should submit only information they wish to make publicly available.

THE PROPOSED PLAN

The Net Available Fair Fund² is comprised of the \$1,097,899.00 in disgorgement, prejudgment interest, and civil money penalties paid by the Respondents, plus any interest and income earned thereon, less Administrative Costs. The Proposed Plan provides for the distribution of the Net Available Fair Fund 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.

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

Vanessa A. Countryman
Secretary

² All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.

³ 17 C.F.R. § 200.30-4(a)(21)(iii).