

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 6922 / September 23, 2025

Admin. Proc. File No. 3-20828

In the Matter of GREGORY LEMELSON
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ORDER DISMISSING PROCEEDING

On April 20, 2022, the Securities and Exchange Commission instituted an administrative proceeding against Gregory Lemelson under Section 203(f) of the Investment Advisers Act of 1940, based on a federal district’s court’s issuance of a five-year injunction against Lemelson that will expire in early 2027.¹ The district court imposed the injunction after a jury found that Lemelson had made three misrepresentations or omissions but found that the Division of Enforcement did not establish that Lemelson had engaged in a scheme to defraud. After imposing the five-year injunction, the district court expressed its view that it would be excessive for the Commission to impose a lifetime ban in any follow-on proceeding. On appeal, the U.S. Court of Appeals for the First Circuit affirmed the jury’s verdict and court’s imposition of a five-year injunction, but quoted the district court’s statement that “a lifetime ban would be excessive” in any subsequent follow-on proceeding and observed that, “[i]f the SEC imposes an associational bar, Lemelson may appeal that decision in a separate action.”²

After the Commission initiated this follow-on proceeding, the Division requested that the Commission bar Lemelson from the securities industry as part of a motion for summary disposition. The Commission denied the Division’s motion and ordered a hearing before an administrative law judge (“ALJ”).³ On June 3, 2025, Lemelson moved to dismiss this proceeding because, he asserts, (1) the Division lacked delegated authority to bring an action in federal court to enforce a subpoena that the ALJ issued to Lemelson in this proceeding, and (2) an attorney temporarily assigned from the Division to the Commission Chairman’s office

¹ *Gregory Lemelson*, Advisers Act Release No. 6000, 2022 WL 1184458 (Apr. 20, 2022) (citing civil action that resulted in *SEC v. Lemelson*, 596 F. Supp. 3d 227 (D. Mass. 2022), *aff’d*, 57 F.4th 17 (1st Cir. 2023)).

² *Lemelson*, 57 F.4th at 32 n.10.

³ *Gregory Lemelson*, Advisers Act Release No. 6755, 2024 WL 4555152 (Oct. 23, 2024).

continued to receive emails from the Division about the federal court subpoena enforcement action for about a month after the assignment to the Chairman's office. The Division and Lemelson jointly requested, and the Commission granted, a postponement of the hearing before the ALJ so that the Commission could rule upon the motion to dismiss before the commencement of the hearing.⁴

Turning now to Lemelson's motion to dismiss, we find it unpersuasive because Lemelson has not shown that he has been prejudiced in this proceeding by the Division's alleged conduct.⁵ Nonetheless, given the combination of circumstances surrounding the Commission's underlying civil proceeding against Lemelson—including, but not limited to, the split jury verdict; the time-limited injunction that expires in early 2027; and the courts' statements about imposing a bar—we have determined that conducting further proceedings, including a hearing, would not be in the public interest. We therefore find it appropriate to dismiss this proceeding as a matter of discretion. In doing so, we express no view on the merits of any of the parties' claims, allegations, or defenses.

Accordingly, IT IS ORDERED that this proceeding against Gregory Lemelson is dismissed.

By the Commission.

Vanessa A. Countryman
Secretary

⁴ *Gregory Lemelson*, Advisers Act Release No. 6892, 2025 WL 1833321 (July 1, 2025).

⁵ *See, e.g., Trautman Wasserman & Co.*, Exchange Act Release No. 55989, 2007 WL 1892138, at *6 (June 29, 2007) (finding that respondent had not shown the prejudice necessary to grant the extreme remedy of dismissal).