

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10259 / November 23, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17697

In the Matter of

DENNIS IRA RINGER,

Respondent.

**ORDER INSTITUTING CEASE-AND-DESIST
PROCEEDINGS PURSUANT TO 8A OF THE
SECURITIES ACT OF 1933, MAKING
FINDINGS, AND IMPOSING REMEDIAL
SANCTIONS AND A CEASE-AND-DESIST
ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), against Dennis Ira Ringer (“Respondent” or “Ringer”).

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 herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to 8A of the Securities Act of 1933, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. **Dennis Ira Ringer**, 52 years old, is a resident of Brooklyn, New York. Previously, from 1983 to 1985, Ringer was a registered representative associated with several registered broker-dealers.

2. From May 2008 through September 2009, Ringer sold 78 million shares of Spongetech Delivery Systems Inc. (“Spongetech”) stock to the investing public in violation of the registration requirements of Section 5 of the Securities Act and for profits of \$2,152,923.20.

3. Ringer obtained these Spongetech shares from a Spongetech affiliate, RM Enterprises International, Ltd. a/k/a RM Enterprises International, Inc. (“RM Enterprises”). As noted in Spongetech’s public filings, RM Enterprises was the majority shareholder of Spongetech and was controlled by Spongetech’s CEO and CFO/COO. Ringer negotiated the purchase of the shares with Spongetech’s CFO/COO.

4. Ringer purchased the 78 million shares from RM Enterprises in fifteen transactions, and at discounts from market prices. In many instances, RM Enterprises transferred the shares to Ringer the same day that it received the shares from Spongetech.

5. After Ringer received the shares from RM Enterprises, he quickly sold the shares in U.S. public markets. The discount that Ringer received enabled him to immediately sell the Spongetech shares at a profit.

6. No registration statement was filed as to any of the shares that Ringer sold to the investing public, and no exemption from the registration requirements was applicable to these transactions.

7. For example, on May 12, 2008, Ringer signed a subscription agreement with RM Enterprises to purchase a block of four million Spongetech shares for \$80,000, at a price of \$.02 per share. The subscription agreement stated that the securities were not covered by a registration statement. The agreement further stated that the securities were being purchased for investment purposes and not with a view to distribution or resale.

8. Ringer purchased the shares at a discount to the then current market price. On May 12, 2008, Ringer paid RM Enterprises \$80,000 for the four million shares, or \$.02 per share. The market price of Spongetech stock on that day ranged from \$0.037 to \$0.047 per share.

9. On May 14, 2008, RM Enterprises transferred four million Spongetech shares to Ringer’s brokerage account. The shares were transferred to Ringer’s account without an appropriate restrictive legend. On May 16, 2008, after holding the Spongetech shares for only two days, Ringer began selling the shares in the public market at prevailing market prices. Ringer sold the four million shares at prices ranging from \$0.03764 to \$0.05300 per share, resulting in profits of \$93,867.31. These transactions were not registered with the Commission, and no exemption from the registration requirements applied.

10. Between June 2008 and July 2009, Ringer continued to obtain Spongetech shares from RM Enterprises at significant market discounts. In each of these instances, after receiving the shares from RM Enterprises, Ringer promptly resold them in public markets – sometimes within days of when he received the shares. These transactions were not registered with the Commission, and did not satisfy any exemption from the registration requirements.

11. In total, Ringer sold 78 million shares of Spongetech in unregistered transactions and obtained illegal profits of \$2,152,923.20.

12. The Respondent used the mails and other means of interstate commerce in connection with these offers and sales of Spongetech shares.

13. By engaging in the conduct described above, Respondent Ringer violated Sections 5(a) and 5(c) of the Securities Act, which prohibit the direct or indirect sale or offer for sale of securities through the mails or interstate commerce unless a registration statement has been filed or is in effect, or an exemption from registration is applicable.

Undertakings

Respondent Ringer has undertaken to:

Refrain from directly or indirectly, including, but not limited to, through any entity owned or controlled by the Respondent, acquiring any security from any affiliate of an issuer of securities, as the term “affiliate” is defined by Securities Act Rule 144(a)(1) [17 CFR § 230.144(a)(1)].

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Ringer’s Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 8A of the Securities Act, Respondent Ringer cease and desist from committing or causing any violations and any future violations of Sections 5(a) and 5(c) of the Securities Act.

B. Respondent shall comply with the undertakings enumerated in Section III above.

C. Respondent shall, pursuant to the installment plan set forth in paragraph E below, pay disgorgement of \$2,152,923.20 and prejudgment interest of \$303,558.40 to the Securities and Exchange Commission. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds or, transfer them to the general fund of the United States Treasury, subject to Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600.

D. Respondent shall, pursuant to the installment plan set forth in paragraph E below, pay a civil money penalty in the amount of \$25,000 to the Securities and Exchange Commission. The Commission may distribute civil money penalties collected in this proceeding if, in its discretion, the Commission orders the establishment of a Fair Fund pursuant to 15 U.S.C. § 7246, Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds or, subject to Exchange Act Section 21F(g)(3), transfer them to the general fund of the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

E. Respondent shall pay disgorgement of \$2,152,923.20, prejudgment interest of \$303,558.40 and civil penalties of \$25,000, to the Securities and Exchange Commission. Payment shall be made in the following installments:

- (i) \$1,240,740.82 within 14 days of the entry of the Order;
- (ii) \$413,580.26 within 90 days of the Order being issued;
- (iii) \$413,580.26 within 180 days of the Order being issued; and
- (iv) \$413,580.26 within 270 days of the Order being issued.

If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of disgorgement, prejudgment interest, and civil penalties, plus any additional interest accrued pursuant to SEC Rule of Practice 600 and/or pursuant to 31 U.S.C. § 3717, shall be due and payable immediately, without further application.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Dennis Ringer as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Antonia Chion, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-5720.

F. Regardless of whether the Commission in its discretion orders the creation of a Fair Fund for the penalties ordered in this proceeding, amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in

this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

G. Respondent acknowledges that the Commission is not imposing a civil penalty in excess of \$25,000 based upon his cooperation in a Commission investigation and/or related enforcement action. If at any time following the entry of the Order, the Division of Enforcement ("Division") obtains information indicating that Respondent knowingly provided materially false or misleading information or materials to the Commission, or in a related proceeding, the Division may, at its sole discretion and with prior notice to the Respondent, petition the Commission to reopen this matter and seek an order directing that the Respondent pay an additional civil penalty. Respondent may contest by way of defense in any resulting administrative proceeding whether he knowingly provided materially false or misleading information, but may not: (1) contest the findings in the Order; or (2) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Brent J. Fields
Secretary