UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
TRADING AND MARKETS

February 28, 2013

Norman B. Arnoff
Law Offices of Norman B. Arnoff
60 East 42nd Street, Suite 435
New York, New York 10165

Dear Mr. Arnoff:

In your letter dated July 9, 2012 ("Letter"), on behalf of International Power Group Ltd. and its officers, directors, and affiliated persons (collectively, "IPWG"), you request, among other things, that the Staff of the Division of Trading and Markets (the "Division") of the U.S. Securities and Exchange Commission (the "Commission")

> review the undisputed and operative facts; apply both law and equity, especially in respect to the remedial policies of the Federal Securities Laws; and issue a No-Action Letter that the Staff will not recommend any enforcement action against either IPWG or the DTC for any claims of unlawful trading in unregistered securities arising from certain offers and sales of IPWG securities on August 17, 2009.

Reference is made in your Letter to the Opinion and Order of the Commission, dated March 15, 2012 (the "Opinion and Order"), for the prior history and facts pertinent to this matter. You further represent that IPWG has made an application to DTC for a review and an evidentiary hearing, as contemplated by the Opinion and Order. Capitalized terms used in this letter but not otherwise defined have the same meaning as in the Letter.

The Division is responsible for assisting the Commission in maintaining fair, orderly, and efficient markets and, among other things, providing day-to-day oversight of major securities market participants, including clearing agencies. Based on the facts presented in your Letter, it is the view of the Staff that in order to provide you with the "no-action" letter you request, we would have to make a determination, among other things, as to whether particular offers and sales of a specified class of securities would result in the sale of unregistered securities. As this and other matters that would need to be considered in addressing your request involve factual inquiries that are outside the Division's purview and are best resolved by counsel and the parties involved through the investigation and determination of facts more readily available to them, we are unable to provide you with the assurances you request.

Sincerely,

John Ramsay
Acting Director

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July 9, 2012

Robert Cook, Division Director
Division of Trading And Markets
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: **International Power Group Ltd ("IPWG")**
Request For No-Action Letter

Dear Director Cook,

I am the attorney for International Power Group Ltd. ("IPWG").This letter should be deemed by the Staff as a request for a No-Action Letter that will in consequence have the restrictions now imposed since September 30, 2009 by the Depository Trust Company ("DTC") upon the transfer, clearance, and provision for services in respect to IPWG's securities, including but not limited to the non-custodial depository book entry services relating to IPWG shares on deposit at the DTC, removed. Reference is made to the Opinion and Order of the United States Securities and Exchange Commission ("SEC") dated March 15, 2012, annexed hereto as Exhibit A, for the prior history and material facts pertinent to this matter. If the restrictions will continue in effect, not merely IPWG but its public shareholders will continue to be severely prejudiced by the DTC's imposition of a "chill" on the trading in the markets of IPWG's securities.

While application is also being made to the DTC for an immediate review and an evidentiary hearing in accord with constitutional due process and the "fairness requirements of Section 17A(b)(3)(H) of the Securities Exchange Act of 1934" ("the '34 Act"), the issuance of a No-Action Letter will render such a hearing unnecessary because the material facts are not in dispute and what is required is guidance on the law by the SEC. This letter, however, reserves all rights to make additional submissions and to present evidence at a hearing if necessary that must be consistent with due process in view of DTC's status as a "state actor" or quasi-governmental agency.

DTC acknowledges the facts are not in dispute and that IPWG and its officers, directors, and affiliates were not in any way culpable with respect to the events that led to the imposition of the restrictions that were imposed September 30, 2009 to ostensibly protect the market and the public investors from transactions in unregistered securities. The DTC takes the position that the only relevant issues are those of law and the more appropriate manner of addressing the issues is for IPWG to seek guidance from the SEC by making a request for a No-Action Letter.

The facts upon which the DTC based and continues to base its denial of essential services notwithstanding, the passage of close to three (3) years are set forth in the Complaint in the action, SEC v K&L International Enterprises Inc. et al., Case No. 609-CV-1638-31KRS, filed in September 2010 in the United States District Court for the Middle District of Florida, Orlando Division, attached hereto as Exhibit B. The Named Defendants in the action (that do **not** include IPWG and any of its officers, directors or affiliates) engaged in a fraudulent scheme whereby these Named Defendants in connection with the securities of other issuers as well; fraudulently removed restrictive legends from IPWG's securities and then sold them into the public marketplace. The SEC complaint alleges (to which there is no dispute in connection with this request for a No-Action Letter) that the Named Defendants were responsible for sales of eighty-one (81) million shares on August 17, 2009 (which was less than three percent (3%) of both the float and of the outstanding number of shares) and did not then or now present the risk of a secondary distribution of unregistered securities.

It is not disputed and in fact conceded by DTC that IPWG had no role or culpability in respect to the unregistered securities transactions on August17, 2009. Nonetheless DTC imposed and continues to impose from September 30, 2009 to date a denial of essential services for a public company in order to have a public market with transparency and integrity.

This matter has the utmost urgency to my client IPWG and the broad base of public shareholders, who invested in IPWG stock with the understanding and expectation that they had and would have shares that could be traded freely in the capital markets, other than those restrictions that could or would be justified under applicable securities laws and the rules and regulations pursuant thereto. In addition to the SEC, every "state actor" as the DTC is, undertakes and is assigned responsibilities in order to maintain the fairness and integrity of our capital markets. The comprehensive "chill" that the DTC imposed now close to three (3) years ago with respect to the essential services it was to provide in regard to the trading of IPWG shares had not at the time and no longer has justification in law or equity.

The SEC in its Opinion dated March15, 2012 (Administrative Proceeding File No.3-13687) held a "registered clearing agency[‘s]… [suspension of] book-entry closing and settlement services with respect to… [IPWG] constitutes a denial or limitation of [the] clearing agency's services with respect to any *person*"; a category sufficiently broad to include IPWG and those who hold and seek equity interests in IPWG. In fact, the SEC's Opinion notes "that the Commission has previously included 'issuers' as persons 'having or seeking to have access to facilities of a registered clearing agency". The Commission in its Opinion March15, 2012 held the '34 Act, Section 17A(b)(3)(H) "… requires clearing agency rules to provide fair procedures with respect to 'the prohibition or limitation by the clearing agency of *any person* with respect to access to services offered by the clearing agency'." IPWG has both standing to raise the issue and entitlement to the relief of having the restrictions removed.

DTC's **sole** basis for the categorical and blanket "chill" is the "fungible bulk" rationale. See page 9 of the DTC's Response To Order Directing Filing Of Additional Briefs In Connection With Motion For A Stay, dated December 21, 2009, i.e. "… securities on deposit at DTC are held in 'fungible bulk' and it is not feasible to distinguish between unregulated IPWG shares that are exempt from registration requirements and those that are not". This logic is seriously flawed as a matter of law. In fact, it is wholly inconsistent with settled principles of the federal securities law. The Integration Doctrine, which is settled law, does **not** justify the chill nor apply because the securities transactions in issue were caused solely by the Named Defendants in SEC v K&L International Enterprises Inc. et al. (Case No.6-09 CV-1638, GAP-KRS{Middle District of Florida, filed September 24, 2009}) and not the issuer, its control persons or its affiliates.

The securities and transactions in issue were "not part of a single plan of financing"; not part of "offerings made at or about the same time"; the same type of consideration was not involved; and the securities and transactions in issue were not part of a series of offerings made for the same general purpose. In fact, the transactions in issue were subsequent to any offerings by the issuer and/or persons in control of or affiliated with the issuer, IPWG. See Professor Louis Loss and Joel Seligman's well recognized treatise, Fundamentals of Securities Regulation, Third Edition, 1995, Chapter 3C, Integration, pages 278-282. Integration is the means of analysis and does not justify a blanket chill on the entire "float" or "outstanding shares".

What is also clear (and cannot be disputed as if a court were to take judicial notice), is the SEC was in a position to know all the relevant facts and did **not** commence any enforcement action against IPWG or its officers, or directors (individually or as a group) in relation to the Signature Leisure transactions or seek in rem relief in respect to IPWG securities or further transactions in those securities. This is implicit in the SEC's Opinion April 9, 2010, i.e. that "… given the apparent continued ability of many investors to purchase and sell IPWG securities" it was **not** warranted by law or equity or in the public interest for the SEC to institute an enforcement action against IPWG, its controlling group or affiliated persons or entities other than against the non-affiliated Named Defendants in the K&L Complaint.

Neither IPWG, its control persons, or any affiliates were Named Defendants in the SEC's K&L International Enterprises Inc. action. It is settled law innocent parties are **not** subject to draconian relief, even if such relief can be granted in respect to the identifiable wrongdoers. See Dell v Bernard, 218 Ill.App.3d 719,578 N.E.3d 1053, 1991 Ill. App. Lexis 1383,161 Ill Dec. 407 (1991). The facts of the cited case are in the analogous context of an unregistered broker selling an issuer's registered or properly exempt securities with the court holding the relief sought was not to be granted with respect to the issuer or other innocent parties. IPWG and its shareholders are innocent parties and should not be placed in a position of continuous disadvantage the restrictions imposed by the DTC.

Generally Accepted Accounting Principles ("GAAP") in the pricing of inventory use the customary means of LIFO (Last-In- First-Out) or FIFO (First–In-First-Out) as an appropriate means of dealing with indistinguishable inventory in "fungible bulk." In the present context there should be reliable methodologies to differentiate between the registered and unregistered-non-exempt securities and transactions based upon the filings, timing, and circumstances of the activity in the stock.

However, even in this context, this is unnecessary because the SEC commenced an action and the United States District Court in the Middle District of Florida and enjoined **only** the Named Defendants who were the **exclusive** source of the unregistered shares in regard to the transactions in issue. No report has been made that the injunction enjoining the illegal and unregistered securities transactions or Penny Stock transactions has been violated and therefore it is reasonable to conclude that neither the float nor the outstanding has been further "contaminated" and the public subject to an unregistered distribution since the entry of the SEC's judgment.

The strongest point for consideration, however, is that if the SEC and the United States District Court believed the public investors and the markets were and are still at risk with respect to an unregistered distribution of securities they each had the power to effect a suspension of trading in IPWG stock. If that is the case, how then can the DTC (a quasi-governmental agency) impose and continue to impose the chill against this precedent and impose the more draconian relief that neither the SEC sought nor the Federal Court ordered? DTC argues in its brief submitted to the SEC that should the SEC invalidate the chill it will entail unnecessary and burdensome structural changes for the DTC. However, even if true, this has little or no weight in comparison to the DTC presumptively ignoring SEC precedent and the DTC purporting to grant its own prophylactic relief beyond that ordered by the United States District Court.

Close to three (3) years have elapsed since the Signature Leisure incident where unregistered securities were unlawfully sold by persons and entities other than IPWG, its management, the board and anyone that could be considered an affiliate of IPWG. Indisputably the transactions were without the knowledge or participation of IPWG or anyone associated with it. An exemption pursuant to section 4(1) of the Securities Act of 1933, i.e. "transactions by a person other than an issuer, underwriter, or dealer" will apply to the transactions post the removal of the "chill".

If the customary holding period of two (2) years under SEC Rule 144 is an acceptable measure that any taint with respect to the events and transactions no longer exists, then there is an independent justification for removal of the DTC's chill to ostensibly protect the markets and its public investors from unregistered securities transactions. Furthermore even if the purported taint persists to this point in time it is not justification for a continuous and indefinite denial of IPWG's access to and essential services being provided by DTC that is a practical necessity for a developing public company. See Fundamentals of Securities Regulation, Loss and Seligman, Little Brown 1995, Chapter 3D, Rule 144, pages 338-339.

In view of the SEC injunction in place in respect to the Named Defendants in the K&L Enterprises Inc. action and no indication of IPWG's culpable involvement in the transactions that were the predicate for the SEC injunctive action there is to the greatest extent possible no further danger to the public interest of unregistered and non-exempt securities being traded in the public marketplace and the "chill" should be at once removed as it is seriously damaging IPWG and its current shareholders. Access to the markets by public investors is critical to the transparency and integrity of the capital markets and the current situation resulting from DTC's position as to IPWG's securities is materially inconsistent with the foregoing and against the public interest.

Both the IPWG and the DTC recognize and acknowledge based upon the DTC's position to date that the issues presented by the request for the No-Action Letter can **only** be resolved with the

guidance of the SEC. The March 15, 2012 SEC Opinion provides in pertinent part and in evidence of the foregoing; the following:

> "*DTC added that it would 'lift the suspension on the provision of services for IPWG securities once the matter of the unregistered IPWG shares is resolved between IPWG and the SEC. In that regard DTC urges {IPWG} to address its concerns to the SEC'.*" (Emphasis Added.)

Accordingly, the only way that the unjustified "chill" will be removed is for the Division of Trading and Markets to review the undisputed and operative facts; apply both law and equity, especially in respect to the remedial policies of the Federal Securities Laws; and issue a No-Action Letter that the Staff will not recommend any enforcement action against IPWG, its officers, directors, and affiliated persons; as well as the DTC for any claims of unlawful trading in unregistered securities, directly or indirectly arising from the acts and transactions involving IPWG shares on August 17, 2009. This will again allow IPWG securities to be traded in the ordinary and regular course in the market and is wholly consistent with the public interest. This matter has been seriously delayed to the undue detriment of my client, IPWG, and its shareholders. An immediate resolution is necessary that can only be accomplished expeditiously by the SEC issuing a No-Action Letter. Thank you in advance for an anticipated prompt response.

Respectfully,

s/

Norman B. Arnoff

(W/enclosure SEC Opinion & Order March 15, 2012
and Complaint in SEC v K&L Enterprises et al.)

Cc: Gregg M. Mashberg Esq., Proskauer Rose LLP.
Attorney For the DTC

Elizabeth Murphy, Secretary
U.S. Securities & Exchange Commission